Annual Report 2004

Technip

Profile

- A world leader in engineering and construction
- Revenue: 5.1 billion euros in 2004
- 19,000 people worldwide
- Listed on the Euronext Paris and the New York Stock Exchange

Contents

ACTIVITIES

OFFSHORE

- Field development in deep and shallow waters
- Manufacturing and supply of deepwater products (flexible and rigid pipelines, umbilicals, ROVs, riser systems)
- Subsea construction and pipelaying
- Fabrication of floaters, fixed platforms and topsides

ONSHORE-DOWNSTREAM

- Gas treatment and liquefaction, gas-to-liquids (GTL)
- Oil refining (refining, hydrogen, and sulfur units)
- Onshore pipelines
- Petrochemicals (ethylene, aromatics, olefins, polymers)

INDUSTRIES

- Fertilizers, chemicals, and pyrotechnics
- Life sciences
- Metals
- Power generation
- Cement
- Building and Infrastructure

Message from the Chairman

2004 was a very good year for Technip, both in terms of financial performance and in terms of contract awards in high-growth markets which are essential for our future.

On the financial level, your Group succeeded in reaching its full-year revenue and earnings growth targets, demonstrating its resilience in the face of the continued depreciation of the dollar and the rise in raw materials prices. Our net cash position grew stronger throughout the year, resulting in our gearing ratio being reduced to 7% of equity at year-end.

In terms of volume, the 2004 order intake was almost as high as revenues, and resulted in a year-end backlog that allows us to view the future with confidence. Furthermore, we made several strategic commercial breakthroughs in high-growth potential markets. The signing of the Qatargas II contract ($4 billion) in December 2004 represented a major step in Technip's advance into the liquefied natural gas, or LNG, market. More recently, we have also been awarded several significant projects, including: a contract for a SPAR platform to be located in the Kikeh field in Malaysia – this will be the first SPAR located outside the Gulf of Mexico; a contract for heavy oil upgrading in Alberta, Canada; and a contract for the construction of our first LNG receiving terminal, at Freeport, Texas.

As a result, the outlook for 2005 is good, and business volume is expected to continue to grow. Based on our conservative assumption that the dollar will weaken further and average $1.35 to the euro during the year, our full-year revenues, expressed in euros, should only be slightly lower compared to 2004. Full-year 2005 earnings should be at least as high as their 2004 level given the expected improvement in our operational margins.

Even if competition remains fierce, even if currency and commodity markets are subject to various fluctuations, the overall environment in which we operate has rarely been as favorable as it is today, given the high growth prospects which exist in the targeted markets in which Technip retains a clear-cut competitive advantage: the know-how to successfully execute major turnkey contracts covering deepwater oil production, gas monetization (LNG and GTL), heavy oils upgrading, production of cleaner fuels (desulfurization), as well as refining and petrochemicals projects accompanying the economic growth of emerging countries, primarily in the Middle and Far East.

With the expertise and enthusiasm of its teams, the Technip Group is better equipped than ever to create sustainable value for its shareholders, to whom I would like to express my gratitude for their loyalty.

Daniel VALOT
Chairman and Chief Executive Officer

Our Vision

Be the most respected engineering and construction contractor in the world and become by 2010 the best performing one, by providing to our clients optimal solutions through dedication, expertise and technological innovation.

We want to be known for:

- Delivering quality, safety and reliability in meeting our clients' needs,
- Valuing honesty and transparency in our people,
- Achieving the highest standards of corporate governance,
- Encouraging and promoting human rights,
- Fostering environmental protection and sustainable development.

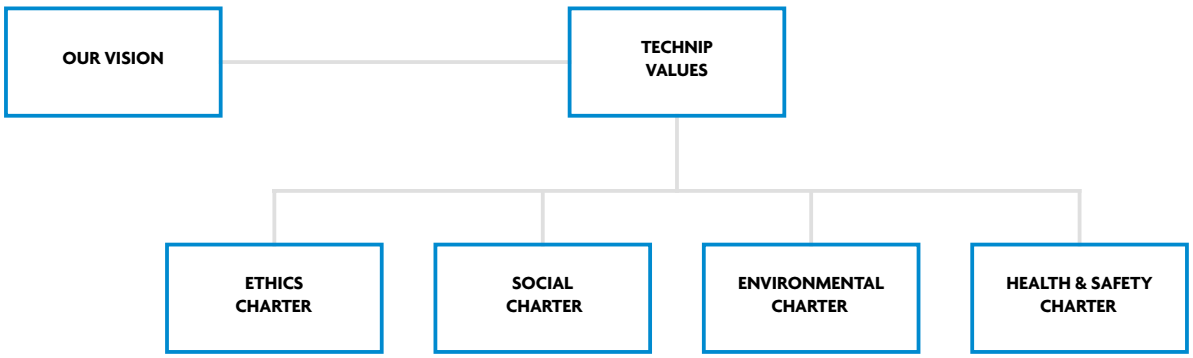
We want to deliver:

- Value to projects through cost and planning optimization and effective risk management,
- High returns to our shareholders over the long run,
- Development opportunities to all members of our teams,
- Technological innovation and cutting-edge technologies,
- Value to all of our stakeholders.

Technip's Values

- Integrity, professional excellence, protection of health, safety, and the environment, as well as social responsibility are the core values at Technip.
- Our goal is to achieve the highest level of satisfaction for all our partners and, in particular, for our clients, our shareholders and our employees.
- Technip is committed to supporting and promoting the principles of the United Nations Global Compact regarding human rights, labour, environment and ethics within its sphere of influence.
- Built on the know-how and expertise of our teams, we aim to conduct our business in line with the principles of sustainable development.
- Our core values are set out in our Charters regarding business ethics, social accountability, environmental protection, health and safety.

Technip's values are detailed in 4 specific Charters which were adopted by the Board of Directors over the last several years.

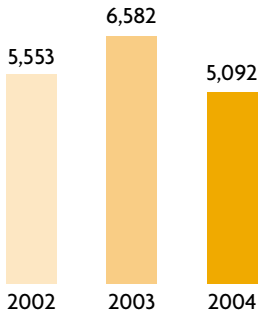


Key Figures

2004 was a year of success for Technip. In terms of financial performance, the Group had set demanding growth targets for its revenue and earnings. These were reached demonstrating the Group's resilience to challenging market dynamics such as the continuing weakness of the US dollar and rising raw material costs. At the same time, strong cash flow generation allowed us to further reduce gearing to 7% of equity.

Order Intake

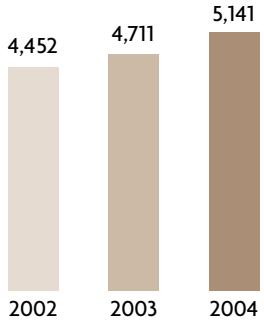
(In Millions of Euro)



Despite some delays in the awarding of some large contracts during the first months of the year, the 2004 order intake amounted to €5.0 billion. This included the Qatargas II contract which was signed for an amount of $4.0 billion, of which Technip's share is 40%. Technip is joining forces with Chiyoda for the contract execution.

Revenues

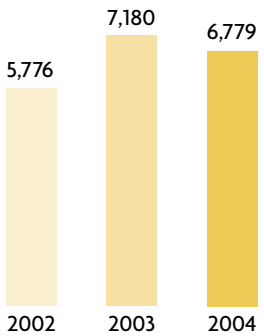
(In Millions of Euro)



Revenues for 2004 increased by 9.1% to €5.1 billion, thanks to the Offshore and Onshore/Downstream performances. At constant scope of consolidation and currency rates, the progression would have been 15.8%.

Backlog [1]

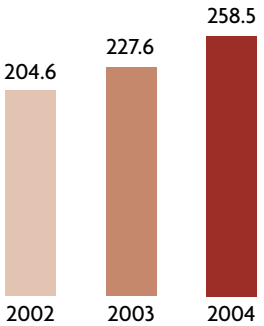
(In Millions of Euro)



The Group's backlog, adjusted for the impacts of currency movements and changes in scope of consolidation, remained steady at a high level (the equivalent of 16 months of revenues), and gives the Group good visibility on its future activity.

Operating Income before Goodwill Amortization

EBITA (In Millions of Euro)

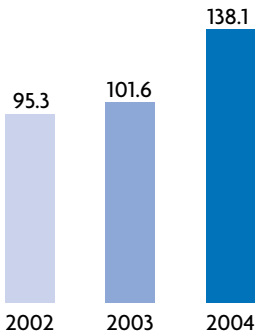


The Group EBITA margin continued to improve, moving to 5.0% compared to 4.8% in 2003, despite the increase of raw material costs estimated to have reduced the EBITA Margin by 60 bp and the continuing weakness of the US dollar.

(1) Backlog: uncompleted portion of contracts in force.

Net Income

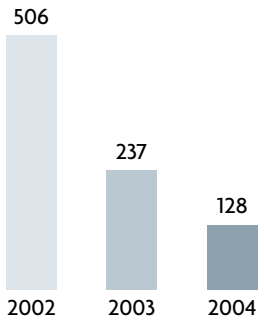
before Goodwill Amortization and Non-operating Items (In Millions of Euro)



Due to the continuing improvement of operational performances and to the significant reduction of the Group tax rate, net income before goodwill amortization and non-operating income amounted to €138.1 million in 2004, or an increase of 36.0% compared to 2003.

Net Debt

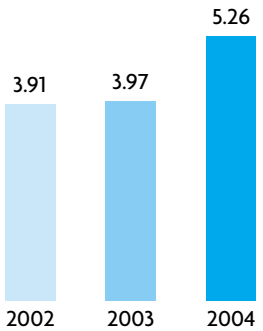
excluding Convertible Bond Redemption Premium (In Millions of Euro)



For the third consecutive year, the Group reduced its net debt. The 46.0% reduction during 2004 resulted in a net gearing ratio of 7.0% as of December 31, 2004.

Earnings per Share

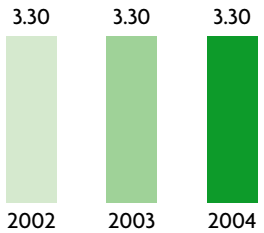
excluding Goodwill Amortization and Non-operating Items (In Euro)



On a fully diluted basis, 2004 EPS increased by 32% to €5.26. Repurchases of convertible bonds and shares contributed to this performance.

Dividend per Share

(In Euro)



Taking into account the down payment of €2.00 per share made on December 3, 2004, the Group paid an additional €1.30 per share on May 3, 2005, after shareholders' approval at the Annual General Meeting held on April 29, 2005.

International Financial Reporting Standards (IFRS)

The IFRS came into effect on January 1, 2005. As a result, Technip's 2005 quarterly and full year accounts will be prepared according to these new standards. Technip's published 2004 financial statements (quarterly and full year results), prepared and presented according to the French generally accepted accounting principles, will be restated according to IFRS in order to allow future comparisons between 2004 and 2005 results. It is expected that the IFRS will impact the Group's 2004 balance sheet and income statement and will also lead to differences in reported results. Operational performances will not be impacted by the application of the new accounting standards. In particular, consolidated cash flow should remain one of the most relevant indicators to appraise the quality of Technip's management and strategy.

Corporate Governance

The bodies of corporate governance were fully functional in 2004, marked by the enhancement of internal audit tools resulting from the French Financial Security Law and the Sarbanes Oxley Act regulations.

Board of Directors as of February 23, 2005

Daniel Valot
(Chairman and CEO)
Olivier Appert
Roger Cairns
Miguel Caparros
Jacques Deyirmendjian
Jean-Pierre Lamoure
Daniel Lebègue
Roger Milgrim
Rolf-Erik Rolfsen
Pierre Vaillaud
Bruno Weymuller

The Board of Directors, which determines the company's overall strategic directions and monitors their implementation, met seven times in 2004. It bases its decisions on the recommendations of the three specialized committees set up on May 21, 2003.

Board of Directors Committees

Audit Committee

The Audit Committee is made up of four directors: Mr. Daniel Lebègue, Chairman, and three other members, Miguel Caparros, Roger Milgrim and Pierre Vaillaud. All members are "independent" Directors, according to the criteria of the October 2003 Afep-Medef report.

The Committee met six times in 2004. The member's attendance rate at the Committees' meetings was 88%.

- The February 24, 2004 meeting focused on examining the consolidated accounts for 2003 and the state of the Group's transition to the new international accounting standards (IFRS) in 2005. The Committee also announced its recommendations for choice of statutory auditors for Technip.
- On May 25, 2004, the Committee met to examine the consolidated accounts for the 1st quarter of 2004. It also reassessed the thresholds for the pre-approval procedures pertaining to assignments carried out by Technip's statutory auditors and their network members. The Committee also designated Mr. Lebègue as the financial expert for the Audit Committee in order to satisfy American regulations.
- The meeting of June 21, 2004 focused on examining and approving the draft Form 20-F for submission to the Securities and Exchange Commission. Progress was also made toward the Group's transition to the IFRS.
- On July 27, 2004, the Committee met to review the consolidated accounts and activities of the first half of 2004 and reviewed contracts it deemed to deserve special attention.
- At the November 16, 2004 meeting the Committee examined the consolidated accounts for the 3rd quarter of 2004 as well as the impacts of changes in accounting standards and the Sarbanes-Oxley regulations.

- Finally, at the meeting of December 14, 2004 the Committee assessed progress toward implementing the new international accounting standards. Analysis of cash flow forecasts for 2005 and Standard and Poor's credit rating were also presented to the Committee.

Nomination and Remuneration Committee

The majority of the Committee is made up of "independent" Directors. Mr. Bruno Weymuller is Chairman; the other two members are Jean-Pierre Lamoure and Rolf-Erik Rolfsen.

In 2004, the Committee met twice: once in full and once as a quorum. Its deliberations focused primarily on the following points:

Concerning nominations:

- A proposal was submitted to the Board listing Directors who qualify as "independent" from the company with regard to standards and recommendations applicable in France and on regulated markets where company shares are listed.

Concerning compensation:

- A review of the company's draft report concerning management's compensation for the annual report,
- An examination of the total Director's attendance fees and their breakdown,
- A review of the politics and practices of management's compensation,
- A recommendation to the Board of Directors concerning the compensation of the CEO: variable portion of 2003, base compensation for 2004 and criteria for establishing the variable portion of 2004,
- A review of compensation for Senior Management: variable portion of 2003, base compensation for 2004 and criteria for establishing the variable portion of 2004,
- The criteria for establishing the variable portion of 2005 compensation,
- A review of the supplementary pension plan for executive management.

Independence

At its meeting of February 23, 2004, the Nominations and Remuneration Committee evaluated the independence of the Technip Directors with regard to the standards and recommendations applicable in France and on regulated markets where company shares are listed.

According to the principles of corporate governance summarized from the AFEP and MEDEF reports, "a Director is independent as long as he maintains no relationship in any way with the company, its affiliates or its management, that might compromise the freedom of his judgment."

At the February 7, 2005 meeting, the Committee examined its qualification for Director's independence against this definition.

On these grounds, it considers Mr. Cairns, Caparros, Lamoure, Lebègue, Milgrim, Rolfsen and Vaillaud as independent Directors.

The Committee presented its conclusions to the Board of Directors who adopted them during the February 23, 2005 meeting.

Strategic Committee

The committee is primarily in charge of examining the Group's global strategy proposed by the Company's CEO (strategic options, plans and budgets, investments, acquisitions or divestment of assets). The Committee is made up of four Directors: Mr Jacques Deyirmendjian, Chairman, and three other members Olivier Appert , Roger Cairns and Pierre Vaillaud. The Committee met three times in the course of 2004. The member's attendance rate at the Committee's meetings was 100%.

- At the May 25, 2004 meeting, the Committee examined new acquisition and divestment plans as well as the review of investments and of research and development.
- The July 27, 2004 meeting focused on certain strategic options.
- On December 14, 2004 the Committee reviewed the 2005 budget by branch and Group-level, as well as the three-year plan.

Statutory auditors

Titular Auditors
Cabinet Barbier Frinault et Autres – Ernst & Young network, represented by Gilles Puissochet
PricewaterhouseCoopers Audit, represented by Louis-Pierre Schneider

Alternate Auditors
Christian Chochon
Yves Nicolas

Their term of office is six years and will expire at the end of the Shareholders' Meeting called to rule on the accounts as of December 31, 2009.

Internal Control

The Internal Audit is an activity that gives the Group assurance on the degree of control of its operations, makes recommendations for improvement to enhance efficiency and productivity therefore contributing to increasing shareholders' value.

It helps the Group achieve its objectives while evaluating, through a systematic, methodical and continuous approach:
- Risk management processes
- Internal control processes
- Corporate governance processes

Risk Management
With regard to risk management, the Internal Audit helps identify and evaluate risks to which the Group is exposed. It also establishes global tools to manage risks, and evaluates their efficiency and pertinence.

Internal Control
Internal control is a process, implemented by the Board of Directors and the Group's executive management, intended to provide reasonable assurance of the realization of the following objectives:
- Operational efficiency
- Reliability of financial information
- Compliance with the laws and regulations in force (in particular the Sarbanes-Oxley Act and the Financial Security Law)

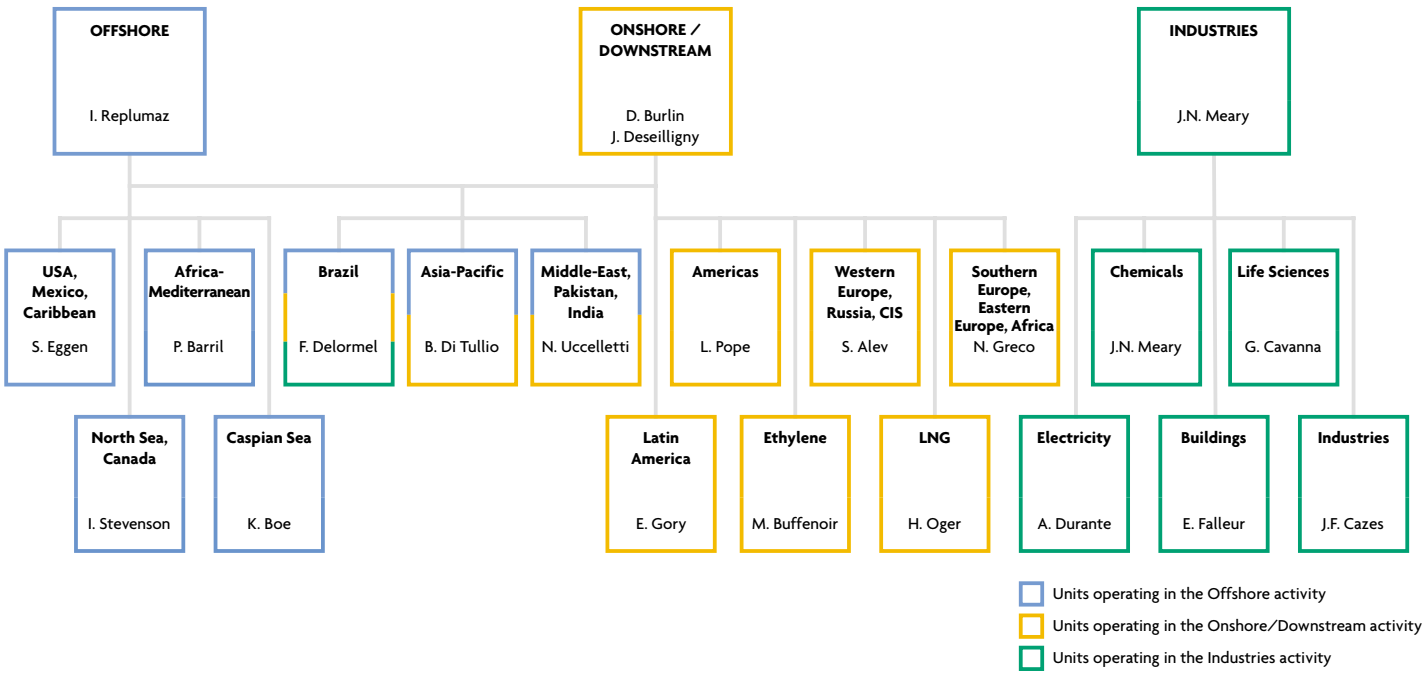
Corporate Governance
Internal Audit plays an important role in the processes of overseeing smooth operations anywhere in the Group.

Organization

Executive Management Committee

Daniel Valot,
Chairman and CEO;
Daniel Burlin,
Chief Executive Officer, Onshore-Downstream;
Anne Decressac,
Senior Executive Vice President, Human Resources and Communication;
Jean Deseilligny,
Senior Executive Vice President Business and Operations, Onshore-Downstream;
Olivier Dubois,
Chief Financial Officer;
Ivan Replumaz,
Chief Executive Officer, Offshore

Operations



Technip Worldwide

Group's fleet

- Alliance
- Marianos
- Seamec 1
- Seamec 2
- Seamec 3
- Normand Pioneer *
- Wellservicer
- Orelia
- Apache
- Constructor
- Venturer
- Sunrise 2000
- Deep Pioneer
- Deep Blue

* Owned by Solstad (Long-term charter)

2004 in Review

January

Technip signs an EPC contract with alliance partner Air Products for a hydrogen facility in the Petroplus Refinery at Cressier in Switzerland. This unit will be the 22nd to be built by the alliance created between Technip and Air Products.

Technip is awarded by Novo Nordisk a contract for the expansion of its insulin production plant located at Chartres, 100 km southwest of Paris, France.

A consortium formed by Va Tech and Technip is awarded by Energia Molise S.p.A. a lump sum turnkey contract worth €300 million for the implementation of an 800 MW combined cycle power plant at Termoli, Central Italy.

February

Technip announces its 2003 full year results and order intake.

Technip, in association with Subsea 7, is awarded by Statoil a contract related to the subsea portion of the new Aasgard Q satellite development in the Norwegian part of the North Sea.

Technip, through its affiliate Technip Offshore UK Limited, is awarded three contracts for key developments in the UK North Sea: Pierce (Shell), Stirling (Eni) and Rhum (BP). These contracts represent a total value of over €50 million.

A consortium of Stolt Offshore and Technip announces the award of a $730 million (€580 million) contract from BP for the development of the Greater Plutonio field located offshore Angola.

Technip is awarded by Total a turnkey contract worth about €260 million to increase the conversion capacity of its Normandy refinery, located near Le Havre, France.

Technip, through its U.S. subsidiary Technip Offshore Inc., is awarded a contract by Kerr-McGee Oil & Gas Corp. for the engineering and construction of a Spar floating production platform hull and the engineering and delivery of the associated moorings and production riser system for the Constitution Field in the Gulf of Mexico.

Technip launches a capital increase program reserved for employees and authorized by the Shareholders' Meeting of July 11, 2003. Approximately 12,000 Group employees in France and other countries participate in the program. On March 29, 2004 this operation leads to a capital increase of 1.4% allowing employees to buy 331,614 shares.

March

Technip and Sonangol hold an opening ceremony for Angoflex Limitada, their newly built umbilical plant located in Lobito, Angola. With this new entity, Technip expands its asset base in West Africa, an area where oil and gas subsea developments are increasing strongly year after year.

April

Technip sets new deepwater world records with Deep Blue, the largest ultra-deepwater pipelay and construction vessel, on the installation of subsea pipelines for the Na Kika project in the Gulf of Mexico.

Technip USA Corp., a wholly-owned affiliate of Technip based in California, wins a contract to provide engineering services covering cracking furnaces for an ethylene plant in Kuwait.

Technip is awarded a Front End Engineering Design (FEED) service contract by ChevronTexaco for the development of the Tahiti project facilities located in the deepwaters of the Gulf of Mexico.

Technip is awarded a 19.4 MMSCFD hydrogen plant by Cenex Harvest States for their Laurel, Montana refinery.

Technip, in a joint venture with Subsea 7, is awarded a contract worth nearly €75 million by Woodside Energy Ltd. for the Enfield oil development located in the Carnarvon Basin, Australia.

May

Technip announces that its 1st Quarter 2004 earnings are in line with full year targets.

Technip is awarded two contracts with a combined value of approximately €200 million as part of the Otway Gas Project being developed by Woodside Energy Ltd in Australia.

The Technip/Fels Setal consortium is awarded by Petrobras Netherlands BV (Petrobras) a contract worth approximately $639 million for the engineering and construction of the P-51 semi-submersible production platform to be installed offshore Brazil.

Technip issues a 7-year €650 million Eurobond.

July

Technip, through its Norwegian affiliate Technip Offshore Norge AS, is awarded by Statoil a contract related to the subsea portion of the Norne Satellites Project in the Norwegian part of the North Sea.

Technip is awarded by Sasol a contract worth €47 million for a large-capacity polypropylene plant to be built at Secunda, Republic of South Africa.

Technip Offshore UK Ltd. is awarded a contract worth approximately €37 million by Amerada Hess Limited to provide subsea service management for its Ivanhoe, Rob Roy, Hudson, Triton, Fife, Flora, Fergus and Angus assets located in the UK North Sea.

Technip USA Corp., a U.S. affiliate of Technip, is awarded a 110 MMSCFD hydrogen plant by Air Products and Chemicals, Inc. to be located at Convent, Louisiana.

Technip successfully delivers world's first cell Spar to Kerr-McGee for the Red Hawk Field in the Gulf of Mexico.

August

Technip, in a joint venture with Snamprogetti, KBR and JGC Corporation, is awarded the engineering, procurement and construction (EPC) contract for the NLNGSix project at its existing liquefied natural gas facility in Nigeria.

Technip is awarded by Agip Oil Company Ltd. (owned 50% by NOC and 50% by ENI) a contract worth approximately €50 million for the Bouri East Area Development (EAD) in Libya.

September

Technip, through its affiliate Technip Offshore UK, is awarded three contracts for field developments in the UK North Sea valued over £40 million (€60 million): Pict and James, operated by Petro-Canada and Kerr-McGee respectively, Atlantic and Cromarty jointly developed by BG Group and Amerada Hess.

Technip delivers the Angostura central platform topsides to BHP Billiton and its partners Total and Talisman in Trinidad and Tobago.

Technip wins six contracts totaling about €35 million for ethanol and biodiesel units, which for the most part, implement the Technip Group's proprietary "Speichim" technologies.

October

Technip is awarded by Subsea 7 a contract worth approximately €40 million for the supply of all risers and some of the flowlines for the Chinguetti field, the first oil development offshore Mauritania.

Technip is awarded two petrochemical projects in China: one for the modernization of six cracking furnaces for PetroChina Jilin Petrochemical Company, the other for the construction of three cracking furnaces for PetroChina LiaoYang Petrochemical Company.

Technip, in consortium with Ingeniera y Construccion Sigdo Koppers, is awarded a contract worth approximately €21 million (75% Technip) by Enap Refinerias SA (subsidiary of the Chilean state oil company Enap) for a new hydrotreating unit to be located at its Bio Bio Refinery at Talcahuano, Chile.

November

Technip is awarded by Marathon an EPCI (engineering, procurement, construction, installation and commissioning) contract worth approximately €130 million for the installation of the subsea system for the Alvheim field on the Norwegian Continental Shelf.

Technip, in a consortium with Al Jaber Energy Services, is awarded a lump sum turnkey contract worth approximately $62 million (€48 million) by Dolphin Energy Limited for a new terminal to receive and distribute natural gas from Qatar to the United Arab Emirates.

Within the framework of its non-core asset disposal program, Technip sells on October 27, 2004 its mooring division to Acteon, a global group of specialist subsea engineering companies. The transaction covers the mooring business and assets based mainly in Louisiana.

Under the terms of a Leveraged Management Buy-Out (LMBO), Technip sells on November 26, 2004, 75% of Technip KTI SpA, an Italian engineering company specialized in refining and steam reforming furnaces as well as in sulfur recovery facilities. The other ex-KTI entities, acquired in 1999 and based in the Netherlands and in the US, remain wholly owned by Technip.

December

Technip signs with the Qatar Liquefied Gas Company Limited (II) ("Qatargas II") a contract for the world's two largest LNG (Liquefied Natural Gas) trains. This contract, worth approximately $4 billion, will be executed by a joint venture created by Technip France and Chiyoda from Japan.

Technip is awarded by Al-Jubail Petrochemical Co. (KEMYA), a 50/50 joint venture between SABIC & ExxonMobil Chemical, a contract for an additional cracking furnace in its ethylene plant located in Al-Jubail, Saudi Arabia.

Technip is awarded by Mariner Energy Inc. an installation contract for rigid oil and gas pipelines connecting the Swordfish field to the Neptune Spar production platform located in the Gulf of Mexico.

Technip is awarded a contract by Dominion for the Triton and Goldfinger fields subsea tiebacks in the Gulf of Mexico.

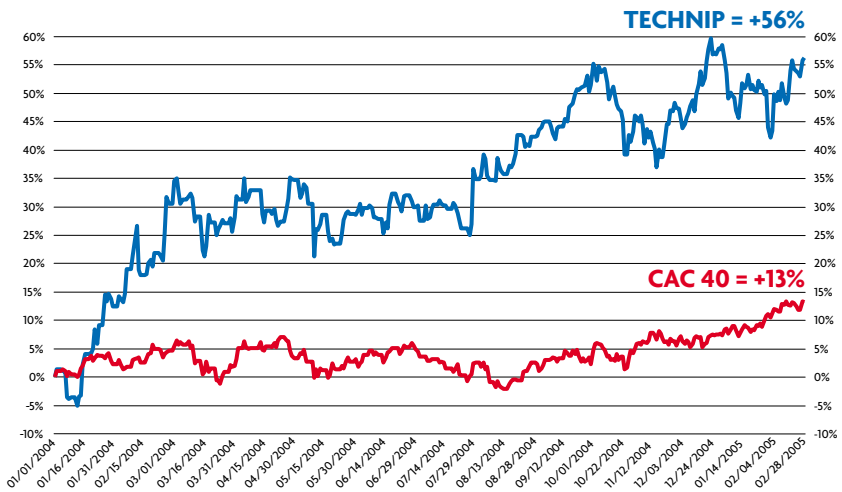
Technip is awarded by Shell Todd Oil Services Limited (STOS), on behalf of the Pohokura Joint Venture, a significant contract for the supply and installation of flexible lines and umbilicals, and the installation of the wellhead platform of the Pohokura gas development project in New Zealand.

Stock Exchange Listing

Technip Share Price

Paris (Eurolist by Euronext™)

Evolution of Technip share price compared to the CAC 40 Index
(from 01/01/04 to 02/28/05)

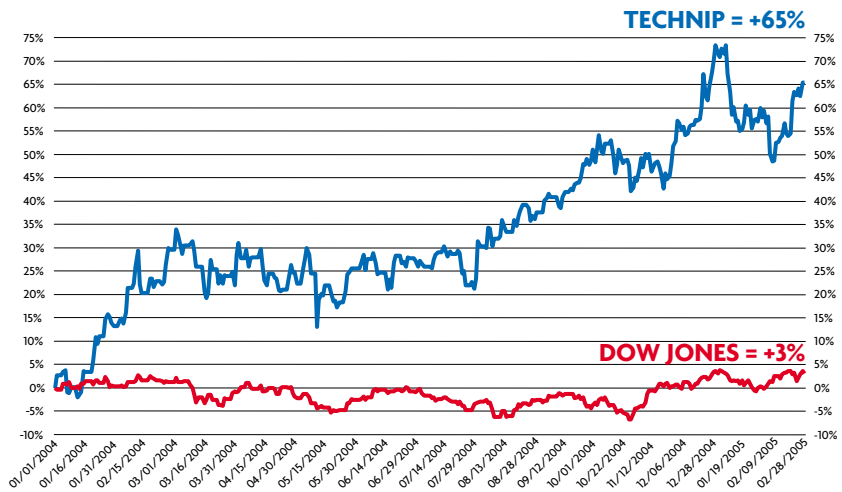


Technip's 10th anniversary listing on the Paris Stock Exchange

Technip listed 43% of its capital on the Paris Stock Exchange on October 27, 1994 at an initial price of €39.17 (FRF 257). Ten years later, over 80% of Technip's capital was traded on the Stock Exchange, renamed Euronext Paris, where the share price closed at €130.00 (FRF 853) on September 30, 2004.

New York (NYSE)

Evolution of Technip ADS price compared to the Dow Jones Industrial Index
(from 01/01/04 to 02/09/05)



Eurolist by Euronext™
The new indices

NextCAC 70:
Technip has been selected by Euronext to be included in a new stock index, NextCAC, made up of 70 European stocks, often leaders in their field of activity and listed on the Amsterdam, Brussels, Lisbon and Paris.

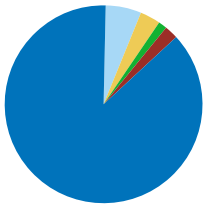
CAC Next20:
Technip has also been selected for a new index published by Euronext and made up of the twenty most representative stocks, measured by free-float capitalisation and liquidity, after the forty stocks of the CAC 40 index.

Stock Market Data (from 01/01/04 to 02/28/05)

Number of Shares as of 02/28/2004: 24 130 334
Market Capitalization: 3,235,877,789 €

Share Price	**134.10 €**
Highest since January 1, 2004	137.00 €
Lowest since January 1, 2004	81.50 €
Variation since January 1, 2004	**+ 56 %**
Average number of shares traded daily	**163,972**
ADS price	**44.52 $**
Highest since January 1, 2004	46.69 $
Lowest since January 1, 2004	26.36 $
Variation since January 1, 2004	**+ 65 %**

Shareholders at February 28, 2005



- Oppenheimer Funds Inc.: 6.00 %
- IFP (Institut Français du Pétrole): 3.20 %
- Treasury shares: 1.40%
- Employees: 2.20%
- Others: 87.20%

Shareholder and Investor Contacts

Shareholders, investors and financial analysts have access to a team of contacts who can answer their questions in French or English.

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Dow Jones Sustainability Index (DJSI)

In September 2003, Technip was selected for its social responsibility performance and is now listed in the Dow Jones Sustainability Index World.

Sustainable Development, Quality, Health, Safety, Environment

Having joined the Global Compact in 2003, Technip is committed to bringing within the framework of its business activity, concrete answers to the questions of sustainable development. In October 2004, a Sustainable Development Committee was created in order to collect information relative to sustainable development and to identify indicators that chart Technip's performance year to year.
The Committee was commissioned to participate in the restructuring of Technip's Code of Business Ethics, establish an Environmental Code and provide general direction for the Sustainable Development Report to be published in May 2005.

2004 Safety Performance

OMIFCO Project in Oman:	*2 x 12 million hours without LTI**
NLNG Plus Project in Nigeria:	*30 million hours without LTI*
Qatar Gas DBN Project in Qatar:	*4 million hours without LTI*
NEB Project in the United Arab Emirates:	*4 million hours without LTI*

** Lost Time Incident*

	2002	2003	2004
Frequency of serious injuries*	0.57	0.54	0.3
Level of seriousness**	3.78	3.29	1.08

**Number of serious injuries x 200,000 hours / number of actual hours worked*
***Number of days of lost time x 200,000 hours / number of actual hours worked*

Environment, Health and Work Safety Management

In 2004, Technip pursued the implementation and the certification of its health, safety and environment management systems for the Group's major operating units according to the international guidelines in force (ISO 14001, OHSAS 18001, VCA). Also in 2004, three additional operating units of the Group (based in France, Germany and China) saw their management system ISO 14001 certified.

A training program developed in partnership with DuPont Safety Resources called "HSE Footprint," launched in 2003, was continued in 2004. At the end of 2004, nearly 1300 Group employees, partners and clients received training in nearly 64 fields in 15 countries.

Health and Safety at Work

The health monitoring system for all expatriates was further enhanced in 2004 with collaboration from the World Health Organization and from specialists in tropical medicine. New procedures were established and actions taken to alert and inform employees of the risks and precautions to take in high-risk regions. These risks include malaria, HIV, dengue and yellow fever. Additionally, medical-related information on at-risk countries was made available to all Group employees.

In 2004, the frequency of recorded accidents and the number of serious accidents resulting in LTI (Lost Time Injuries) both improved for a record number of 190 million man-hours worked. Technip regrets, however, that three fatal accidents occurred during work conducted by its subcontractors.

Environment

The Group continued to establish relevant indicators that serve as a foundation for its program geared at reducing water and energy consumption and waste sorting and recycling on its worksites. The Group is conducting studies on the reduction of energy demand on its oil and gas production systems. One objective is to reduce gas emissions during the production phase and to reuse them in the heat recovery systems on the platforms.

In an effort to reduce greenhouse effect emissions, Technip has developed on the NEB project in the United Arab Emirates, a system to recycle produced gas. This project, which aims to increase the output of oil in two fields, will save more than 1.7 million tons of Co^2 from being emitted into the atmosphere.

Quality Management

In 2004, Technip continued its effort in the area of quality in order to obtain ISO 9001:2000 certification.

At the end of 2004, 26 of the Group's units were certified.

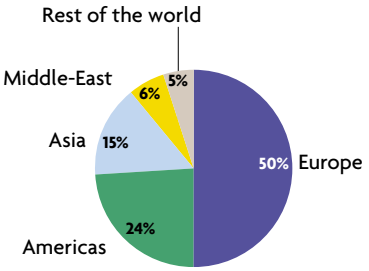
Security

In 2004, a Security Director at the Group-level was nominated. Human and material means have been set up that aim to obtain a constant level of protection for people, technological assets and infrastructures. A network of dedicated correspondents has been created in the main subsidiaries in order to develop cohesion and to share knowledge and experiences. Lastly, since July 1, 2004, all of our floating vessels have been ISPS (International Ship and Port Security) certified.

Human Resources

Our goal is to continuously enhance our employees' skills and expertise and to give them the opportunity to contribute to the growth of the Group by fully developing their potential.

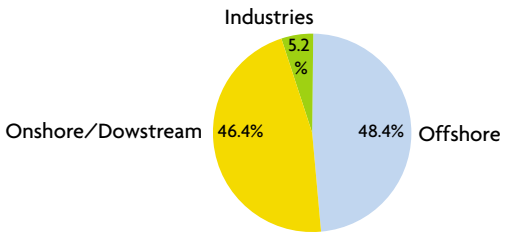
The richness of an international multicultural Group:



• *19,000 employees in 52 countries worldwide:*
The workforce outside of Europe continued to increase in 2004, reaching 50% of the total Group personnel. The strongest growth was in Asia and the Middle East. Cultural diversity is one of the main assets of the Group. Technip places priority on the successful integration of each of its employees and trains them within multicultural teams, which fosters a reciprocal source of enrichment and mutual development.

The whole of these actions lies within the scope of an active policy of international mobility adapted to the needs of the projects we carry out. Geographical and functional mobility prove to be very effective tools for the diffusion of best practices and for the development of a strong Group culture based on its core values. In 2004, a little more than 800 people were expatriates in the Group.

• *The distribution of workforce by activity is in line with the breakdown of revenues by activity.*



Reinforcing the Competencies and Key Expertise

Through the development of numerous relationships and partnerships with schools and universities, active participation in annual student forums, and by devoting a part of the Web site to careers (the most visited of the Technip site), the Group recruits without much difficulty, except in specific cases, the talents necessary to continue its growth and development. In 2004, Technip received 23,500 spontaneous candidatures, 18,400 of which came from the Internet site (an increase of almost 23% compared to that of the previous year). In 2004, the Group recruited 2,000 new employees within its main disciplines: project, process, studies, project control, construction, QHSE and production.
These recruitments were carried out with the desire to bring in diverse and complimentary profiles with regard to their training, experience and culture.

Technip also implements the necessary training for the betterment of the Group's disciplines and for their evolution, as well as for the professional development of its employees. Each operational unit sets up training plans that correspond to its own needs; while at the Group level, international training is implemented in order to foster common expertise.

On the technical level, several units participated in the "Technip Education" program. This program trains engineers in technologies in which Technip has unique experience such as flexible or rigid subsea pipe.
A training program was also developed on an international level, for the Group's high-potential employees.

Technip continues to examine its main disciplines in order to anticipate trends and adapt to them. In 2004, a review of the "Project Manager" function, a Technip core discipline, was conducted throughout the Group. This process will continue across the other main disciplines of the Group.

The Technip College of Experts, which was set up in 2002, continued its work evaluating in-house skills in the prime technological fields and identifying new experts. 126 experts joined the network in 2004 bringing the number of Group experts to 335.
The College of Experts also made recommendations regarding technical communication and internal training.

Contribution to the Development of the Group through Innovation

In 2004, Technip continued its policy of fostering the innovation and creativity of its employees. The Jacques Franquelin Award, open to all Group employees, aims to encourage those who contribute to the dynamism and development of Technip by their resourcefulness. The award includes three categories: Initiative, Technological Innovation, and Cooperation within the Group. Each year it honors about fifteen prize-winners among more than one hundred employee-nominated candidates. In 2004, 113 proposals were submitted to the jury who selected 19 of them from across all domains of the Group.

Technip also calls upon the imagination, creativity and entrepreneurship of its teams to implement continuous improvement processes for its methods and for reducing costs.

The "Technip 2005 Think Tanks", launched in September 2004, were tasked with making concrete proposals to the Executive Management Committee on seven broad diverse topics related to the development of Technip. The 84 participants chosen to participate in the Think Tanks represent the Group's diversity through their complementary skills, experience and cultural background. Additionally, all employees had the opportunity to contribute to the brainstorming work of these Think Tanks by submitting suggestions via email to an address created for each of the topics. The seven Think Tanks presented 150 proposals. After having analyzed these recommendations, the General Management Committee selected 135 for implementation by naming a person in charge for each and a plan for its realization.

Optimization of Salary Savings

The Technip Group Savings Plan (P.E.G.) constitutes an employee investment of more than 80 M€, 65% of which are employee shareholders' funds. Group employees thus hold 2.4% of Technip's capital and are directly associated with the evolution of share prices. The capital increase reserved for Group employees that was launched in December 2003, materialized on March 29, 2004. From the 10 principal countries in which the Group is established, 2,500 employees participated demonstrating their wish to be more closely associated with the development of the company.

Additionally, Technip, along with employee representatives of the Supervisory Board for the employee savings fund, lead an initiative to simplify and optimize the offer given to Group employees. The employee saving scheme had become complex following various acquisitions, with multiple funds often managed identically. The results of a study led to concrete measures allowing for better comprehension and greater range of choice for employee shareholders, while at the same time, simplifying and reducing management costs by reducing the number of funds.

Developing Social Dialogue

European Works Council (EWC)

On June 30, 2004, an agreement for the establishment of a European Works Council (EWC) for Technip was signed unanimously with employee representatives of the ten European countries where the Group is established.

The EWC will be a forum for communication and dialogue at the European level, on topics related to the Group's activities such as its social, economic and financial situation, environmental and societal policies, as well as hygiene and safety. The EWC is composed of three Group representatives and 15 staff representatives having a four-year term of office. The EWC meets twice annually.

Harmonization of the Statutes in France

In France, the year was marked by the unanimous signature with trade-union organizations, for a harmonization agreement for the collective statutes of employees coming from Coflexip with those of Technip. This comes less than one year after the merger between Coflexip and Technip.

Financial Information*

Consolidated Statements of Income

(In Millions of Euro except EPS)	2004	2003	2002
Revenues	5,141.0	4,711.1	4,452.4
Cost of Sales and Selling and G&A expenses	(4,766.3)	(4,365.6)	(4,104.7)
Depreciation and Amortization (excluding Goodwill)	(116.2)	(117.9)	(143.0)
Operating Income before Goodwill Amortization [1]	**258.5**	**227.6**	**204.6**
Financial Result	(42.6)	(28.3)	(50.0)
Provision for Redemption Premium on Convertible Bonds	(11.4)	(16.1)	(16.9)
Non-operating Income (Loss)	(16.1)	(7.6)	(6.9)
Income Tax	(65.2)	(82.0)	(46.3)
Income of Equity Affiliates	1.2	1.1	---
Minority Interests	(2.4)	(0.8)	3.9
Net Income before Goodwill Amortization	**122**	**94.0**	**88.4**
Goodwill Amortization	(117.3)	(113.7)	(117.8)
Net Income	4.7	(19.7)	(29.4)
Fully Diluted Adjusted EPS in Euro [2]	5.26	3.97	3.91

(1) Operating income before goodwill amortization (EBITA) allows more meaningful comparisons between the Group's operational performance and those of its peers who may use different accounting standards, such as US GAAP.

(2) Number of fully diluted shares as of December 31:
2004: 28,886,234
2003: 29,302,440
2002: 28,385,816

Consolidated Balance Sheets

In Millions of Euro	2004	2003	2002
ASSETS			
Non-current Assets	3,098	3,246	3,518
Contracts in Progress, Inventories & Deferred Bid Costs, net	6,692	6,442	4,977
Premium for Redemption of Convertible Bonds	32	52	74
Receivables & Other Current Assets, net	1,517	1,376	1,296
Cash & Cash Equivalents [1]	1,434	892	741
TOTAL ASSETS	**12,773**	**12,008**	**10,606**
LIABILITIES			
Shareholders' equity	1,789	1,938	2,026
Minority Interests	10	9	16
Accrued Liabilities	323	324	329
Financial Debt	1,562	1,129	1,247
Premium for Redemption of Convertible Bonds	75	85	90
Progress Payments on Contracts	7,354	7,048	5,420
Other Liabilities	1,660	1,475	1,478
TOTAL LIABILITIES	**12,773**	**12,008**	**10,606**

** French GAAP (audited)*

Consolidated Statements of Cash Flow

(In Millions of Euro)	2004	2003
Net Income	4.7	(19.7)
Depreciation of Property, Plant & Equipment	116.2	117.9
Goodwill Amortization	117.3	113.7
Provision for Redemption Premium on Convertible Bonds	11.4	16.1
Net Loss (Gains) on the Disposal of Fixed Assets	9.2	0.3
Deferred Income Tax	0.2	1.3
Minority Interests	1.2	(0.3)
Cash from Operations	**260.2**	**229.3**
Changes in Working Capital	**108.3**	**119.4**
Net Cash provided by (used in) Operating Activities	**368.5**	**348.7**
Capital Expenditures	(118.6)	(122.4)
Proceeds from Assets Disposals	14.0	104.8
Other Cash Provided by (Used in) Investments Activities	(18.5)	28.6
Net Cash Provided by (Used in) Investment Activities	**(123.1)**	**11.0**
Increase (Decrease) in Short Term Debt	(31.9)	(65.2)
Increase (Decrease) in Long Term Debt	462.9	(20.8)
Capital Increase	26.3	---
Dividend Payment [1]	(129.8)	(77.3)
Shares Buy-Back	(22.7)	(6.5)
Net Cash Provided by (Used in) Financing Activities	**304.8**	**(169.8)**
Foreign Exchange Translation Adjustment	**(8.6)**	**(38.6)**
Net Increase (Decrease) in Cash and Cash Equivalents	**541.6**	**151.3**
Cash and Cash Equivalents at beginning of year	892.4	741.1
Cash and Cash Equivalents at beginning of year	1,434.0	892.4

(1) included interim dividend paid on December 3, 2004: 48.0 M€

International Financial Reporting Standards (IFRS)

As previously mentioned, Technip's 2005 consolidated statements will be established in accordance with International Financial Reporting Standards (IFRS).

In the interest of providing timely information to shareholders and capital markets, Technip provided preliminary indications of the main impacts of IFRS on February 2, 2005.

These are listed below:

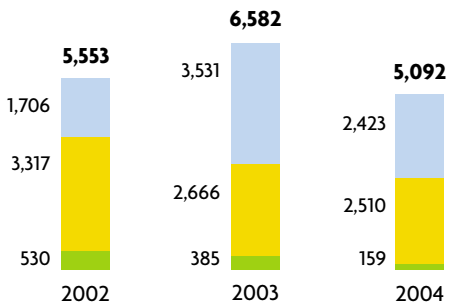
- Consolidated Balance Sheet:
  - Goodwill ceases to be amortized and will remain subject to an annual impairment test;
  - The line items "Contracts in Progress", "Progress Payment on Contracts" and "Provisions on Contracts" will be netted;
  - The outstanding convertible bond will be subject to "split accounting" and will be allocated between debt and equity.
- Consolidated Income Statement:
  - Contract profits and losses will be recognized in Gross Margin;
  - Selling (including Tendering), General and Administrative costs will no longer be included within Cost of Sales, but will be treated as a separate line item;
  - Depreciation of fixed assets and exceptional items will no longer appear as a separate line item;
  - The Financial Result will be impacted by the split accounting treatment of the convertible bond;
  - Goodwill will not be amortized;
  - Grants of stock options will be expensed at date of issue.

The result of the transition from French GAAP to IFRS on 2004 consolidated accounts should be:

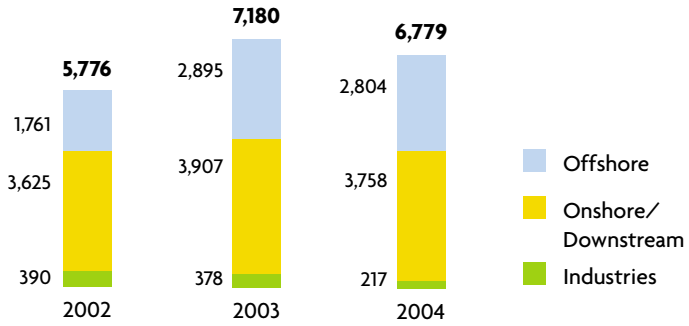
- A reduction of about 50% of the total of the balance sheet
- A net increase in the net income of approximately €100.0 million.

Throughout 2005, Technip will provide updates to shareholders, financial analysts and the investment community at large in order to assist them during the transition from French GAAP to IFRS.

Order Intake (In Millions of Euro)



Backlog at Year-end (In Millions of Euro)



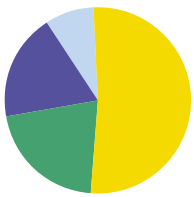
Backlog Scheduling (In Millions of Euro)

As of December 31, 2004	Offshore	Onshore/ Downstream	Industries	Group
2005	1,950	1,500	180	**3,630**
2006	800	1,500	30	**2,330**
2007 and beyond	54	758	7	**819**
Total	**2,804**	**3,758**	**217**	**6,779**

Geographical Breakdown (In Millions of Euro)

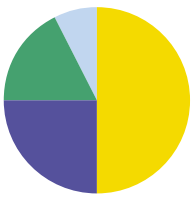
	Europe, Russia/ Central Asia	Africa Middle-East	Asia Pacific	Americas	Group
2004 Order Intake	942	2,640	433	1,077	**5,092**
2004 Revenues	1,279	2,554	379	929	**5 141**
Backlog as of December 31, 2004	1,077	4,146	460	1,096	**6,779**

Order Intake



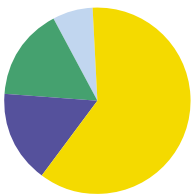
- Africa, Middle-East: 52%
- Americas: 21%
- Europe, Russia/Central Asia : 18.5%
- Asia Pacific: 8.5%

Revenues



- Africa, Middle-East: 50%
- Europe, Russia/Central Asia: 25%
- Americas: 17.5 %
- Asia Pacific: 7.5 %

Backlog



- Africa, Middle-East: 61%
- Europe, Russia/Central Asia: 16%
- Americas: 16%
- Asia Pacific: 7%

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A limited company capitalized at 73,413,838.55 euros
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Annual Report 2004

Technip

CONTENT

CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2004

PARENT COMPANY FINANCIAL STATEMENTS

BEFORE ALLOCATION OF EARNINGS

(Condensed presentation)

Consolidated financial statements

1. Consolidated statements of operations
(Amounts in Millions of Euro, except as otherwise stated)

		12 Months		
	Note	2004	2003	2002
Net Sales	3	5, 141.0	4,711.1	4,452.3
Cost of Sales		(4, 472.4)	(4,023.9)	(3,792.2)
Selling, General and Administrative Expenses		(293.9)	(341.7)	(312.5)
Operating Income before Depreciation and Amortization (EBITDA)		**374.7**	**345.5**	**347.6**
Depreciation and Amortization other than Goodwill	4	(116.2)	(117.9)	(143.0)
Operating Income before Goodwill Amortization (EBITA)		**258.5**	**227.6**	**204.6**
Financial Result	6	(54.0)	(44.3)	(66.9)
Operating Income after Financial Result		**204.5**	**183.3**	**137.7**
Non-operating Income (Loss)	7	(16.1)	(7.6)	(6.9)
Income Tax	8	(65.2)	(82.0)	(46.3)
Income of Equity Affiliates		1.2	1.1	—
Minority Interests		(2.4)	(0.8)	3.9
Net Income before Goodwill Amortization		**122.0**	**94.0**	**88.4**
Net Income of fully Consolidated Companies (1)		123.2	93. 7	84. 5
Goodwill Amortization		(117.3)	(113.7)	(117. 8)
Net Income (Loss) Group Share		**4.7**	**(19.7)**	**(29.4)**
Net Income of the Consolidated Group		7.1	(18.9)	(33.3)
Non-operating Income		*16.1*	*7. 6*	*6. 9*
Goodwill Amortization		*117.3*	*113. 7*	*117. 8*
Net Income before Non-operating Income and Goodwill Amortization		*138.1*	*101.6*	*95.3*
Number of Shares considered for Diluted Earnings per Share Computation	9	28,886,225	29,302,440	28,385,816
Average Number of Outstanding Shares		23,654,629	23,432,215	26,794,373
Diluted Earnings per Share (in Euros) (2)	9	0.64	-	-
Net Income per Share (in Euros)		0.20	(0.84)	(1.10)
Diluted Earnings per Share before Non-operating Income and Goodwill Amortization (in Euros) (2)	9	5.26	3. 98	3. 91

(1) The net income of fully consolidated companies does not include income of equity affiliates and minority interests.
*(2) Net income before redemption premium after tax and OCEANE financial costs after tax (see **Note 9**). In 2003 and 2002, the diluted earnings per share after goodwill amortization were negative and are consequently not disclosed.*

The accompanying notes are an integral part of these consolidated financial statements.

2. Consolidated balance sheets
(Amounts in Millions of Euro, except as otherwise stated)

	Note	2004	2003	2002
ASSETS				
Intangible Assets, net	11	2,363.9	2,497.0	2,637.6
Property, Plant and Equipment, net	12	714.9	738.5	861.1
Other Investments and Loans, net	13	5.8	8.4	18.3
Equity Affiliates	14	13.5	2.1	1.2
TOTAL NON-CURRENT ASSETS		**3,098.1**	**3,246.0**	**3,518.2**
Contracts-in-progress	15	6,593.4	6,368.2	4,896.2
Inventories and Deferred Bid Costs, net	16	98.2	73.6	80.8
CONTRACTS-IN-PROGRESS, INVENTORIES AND DEFERRED BID COSTS, NET		6,691.6	6,441.8	4,977.0
Advances to Suppliers		249.4	244.6	122.5
Accounts Receivable, net	17	594.8	755.6	725.6
Other Current Assets, net	18	705.3	427.7	521.6
RECEIVABLES AND OTHER CURRENT ASSETS, NET		1,300.1	1,183.3	1,247.2
Marketable Securities		739.4	110.0	99.1
Cash		694.6	782.4	642.0
CASH AND CASH EQUIVALENTS	19	1,434.0	892.4	741.1
TOTAL CURRENT ASSETS		**9,675.1**	**8,762.1**	**7,087.8**
TOTAL ASSETS		**12,773.2**	**12,008.1**	**10,606.0**

	Note	2004	2003	2002
LIABILITIES AND SHAREHOLDERS' EQUITY				
Common Stock: ¤ 3.05 Nominal Value,		73.5	72.4	71.4
24,110,654 Shares as of December 31, 2004				
23,738,331 Shares as of December 31, 2003				
23,408,004 Shares as of December 31,2002				
Paid-in-surplus		1,275.6	1,250.4	1,250.5
Retained Earnings		492.6	646.5	721.8
Cumulative Translation Adjustments		(25.0)	(1.9)	12.0
Treasury Shares and Shares Held by Subsidiary (1)		(32.4)	(9.7)	—
Net Income		4.7	(19.7)	(29.4)
SHAREHOLDERS' EQUITY	**20**	**1,789.0**	**1,938.0**	**2,026.3**
MINORITY INTERESTS		**10.4**	**9.2**	**16.3**
Retirement Indemnities		70.8	89.3	86.3
Accrued Liabilities	21	251.9	234.8	242.5
Redemption Premium for the Convertible Bonds	23	74.7	84.5	90.4
Long-term Financial Debt		1,367.7	903.2	945.9
Short-term Financial Debt		194.4	226.3	301.2
TOTAL FINANCIAL DEBT	**22**	**1,562.1**	**1,129.5**	**1,247.1**
TOTAL FINANCIAL DEBT AND REDEMPTION PREMIUM		**1,636.8**	**1,214.0**	**1,337.5**
Progress Payments on Contracts	15	7,353.6	7,047.8	5,420.2
Accounts Payable		852.5	783.1	720.8
Other Creditors	24	808.2	691.9	756.1
TOTAL OTHER LIABILITIES		**9,014.3**	**8,522.8**	**6,897.1**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12,773.2**	**12,008.1**	**10,606.0**

(1) As of December 31, 2004 and 2003, 340,242 and 140,953 shares held by subsidiaries have been deducted from shareholders' equity.
In 2002, Technip cancelled all the shares held by the Company except 49,499 shares intended to cover the stock option plans recorded in marketable securities.

The accompanying notes are an integral part of these consolidated financial statements.

3. Consolidated statements of cash flows
(Amounts in Millions of Euro, except as otherwise stated)

	2004 (12 Months)	2003 (12 Months)	2002 (12 Months)
CASH FLOW FROM OPERATING ACTIVITIES			
Net Income	4.7	(19.7)	(29.4)
Minority Interests	2.4	0.8	(3.9)
Net Income before Minority Interests	**7.1**	**(18.9)**	**(33.3)**
Amortization of Intangible Assets and Goodwill	132.6	128.3	133.6
Depreciation of Property, Plant and Equipment	100.9	103.3	127.2
Amortization of OCEANE Loan Redemption Premium	11.4	16.1	16.9
Income of Equity Affiliates, net of Dividend	(1.2)	(1.1)	—
(Decrease) Increase in Non-current Provisions, net	(19.1)	3.0	6.2
Net (Gain) Loss on Disposal of Fixed Assets and Investments	9.2	0.3	(10.7)
Increase (Decrease) in Provisions for Deferred Tax	19.3	(1.7)	—
Net Cash provided by Operating Activities before Changes in Operating Assets and Liabilities:	**260.2**	**229.3**	**239.9**
Net Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Advances to Suppliers	(4.8)	(122.1)	(24.6)
(Increase) Decrease in Contracts-in-progress	(225.2)	(1,472.0)	1,400.0
(Increase) Decrease in Accounts Receivable	160.8	(1.4)	90.3
(Increase) Decrease in Other Current Assets	(313.6)	101.1	(129.1)
(Decrease) Increase in Current Provisions	17.7	(7.7)	—
(Decrease) Increase in progress-Payments on Contracts	305.8	1,627.6	(1,290.4)
(Decrease) Increase in Accounts Payable and Other Creditors	167.6	(6.1)	146.7
Net Cash provided by Operating Activities	**368.5**	**348.7**	**432.8**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditures (Intangibles)	(5.2)	(0.3)	(1.5)
Capital Expenditures (Property, Plant and Equipment)	(118.6)	(122.4)	(124.3)
Proceeds from Disposal of Intangible Assets	—	0.3	0.2
Proceeds from Disposal of Fixed Assets	14.0	104.8	111.8
Acquisition of Investments	—	(3.3)	(0.4)
Proceeds from Disposal of Investments	14.1	1.6	31.2
AKER Deepwater Division Purchase Price Reduction	—	38.2	—
Increase (Decrease) from Changes in Scope of Consolidation (*)	(27.4)	(7.9)	1.7
Net Cash (provided by) Investing Activities	**(123.1)**	**11.0**	**18.7**
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Short Term Debt	24.9	5.8	91.0
Decrease in Short Term Debt	(56.8)	(71.0)	(252.0)
Increase in Long Term Debt	648.2	76.5	794.7
Decrease in Long Term Debt	(185.3)	(97.3)	(952.0)
Increase in Loans	—	—	—
Decrease in Loans	—	—	—
Share Buy Back	(22.7)	(6.5)	(45.4)
Increase (Decrease) in Minority Interests	—	—	(5.1)
Parent Company's Equity:			
- Capital Increases in Cash	26.3	—	12.4
- Paid and prepaid Dividends	(129.8)	(77.3)	(79.7)
- Capital decrease	—	—	—
Net Cash provided by (Used in) Financing Activities	**304.8**	**(169.8)**	**(436.1)**
Foreign Exchange Translation Adjustment	(8.6)	(38.6)	(37.7)
Net Increase (Decrease) in Cash and Cash Equivalents	**541.6**	**151.3**	**(22.3)**
Cash and Cash Equivalents at the Beginning of the Year	892.4	741.1	763.4
Cash and Cash Equivalents at the End of the Year	**1,434.0**	**892.4**	**741.1**

(*) This represents the cash balances of companies acquired (or disposed of) measured as of the date of the acquisition or disposal.

The accompanying notes are an integral part of these consolidated financial statements.

4. Consolidated statements of changes in shareholders' equity
(Amounts in Millions of Euro, except as otherwise stated)

	Stock Issued							
	Number of Shares issued	Common Stock	Paid in Surplus	Retained Earnings	Cumulative Translation Adjustment	Treasury Shares / Shares held by Subsidiary	Net Income (Loss)	Shareholders' Equity
As of December 31, 2001	**26,713,448**	**81.5**	**1,605.5**	**661.5**	**13.1**	**(255.5)**	**108.1**	**2,214.2**
Capital Increase	170,509	0.5	11.8					12.3
Capital Decrease	(3,475,953)	(10.6)	(366.8)					(377.4)
Appropriation of Net Income 2001				28.4			(108.1)	(79.7)
Foreign Currency Translation					(1.1)			(1.1)
Net Income 2002							(29.4)	(29.4)
Treasury Shares/Shares held by Subsidiary						255.5 (1)		255.5
Others (including ISIS merger) (1)				31.9				31.9
As of December 31, 2002	**23,408,004**	**71.4**	**1,250.5**	**721.8**	**12.0**	**0.0**	**(29.4)**	**2,026.3**
Capital Increase	330,327	1.0	(0.1)	47.6				48.5
Appropriation of Net income 2002				(106.7)			29.4	(77.3)
Foreign currency translation					(13.9)			(13.9)
Net income 2003							(19.7)	(19.7)
Treasury Shares/Shares held by Subsidiary						(9.7)		(9.7)
Others				(16.2)				(16.2)
As of December 31, 2003	**23,738,331**	**72.4**	**1,250.4**	**646.5**	**(1.9)**	**(9.7)**	**(19.7)**	**1,938.0**
Capital Increase	372,323	1.1	25.2					26.3
Appropriation of Net Income 2003 and prepaid dividends (2)				(149.5)			19.7	(129.8)
Foreign Currency Translation					(23.1)			(23.1)
Net Income 2004							4.7	4.7
Treasury Shares/ Shares held by Subsidiary						(22.7)		(22.7)
Others				(4.4)				(4.4)
As of December 31, 2004	**24,110,654**	**73.5**	**1,275.6**	**492.6**	**(25.0)**	**(32.4)**	**4.7**	**1,789.0**

(1) In 2002, Technip wrote off the shares held by the Company and its subsidiary ISIS except 49,499 shares reserved for the stock option plans recorded in marketable securities.

(2) Includes the payment of 2003 dividends, of the precept (special equalization tax on dividends) for ¤ 82.3 millions and of the 2004 interim dividend for ¤ 47.5 millions.

The accompanying notes are an integral part of these consolidated financial statements.

5. Notes to the consolidated financial statements

INTRODUCTORY NOTE - CHANGES IN SCOPE OF CONSOLIDATION AND BUSINESS DESCRIPTION

(a) Changes in Scope of Consolidation

During the year 2004, Technip transferred two companies, EHR and IG Spa and a part of TECHNIP KTI Spa (see **note 2**).

As Technip-Coflexip and Coflexip legally merged in July 2003, Technip-Coflexip is now called "Technip". The accounting impacts resulting from the merger are presented in **Note 2**.

As Technip-Coflexip and ISIS merged in June 2002, the reciprocal shareholding between ISIS and Technip-Coflexip resulting from the public exchange offer on ISIS shares that occurred in October 2001 has therefore ended.

(b) Operational Segments

Following the acquisition of Coflexip in October 2001, the Group reorganized its operational segments. The Group is now organized into three activities as follows:

- The Offshore activity includes the former Coflexip business units (including the Deepwater Division acquired from Aker Maritime in early 2001) and the offshore business units from the former Technip.
- The Onshore / Downstream activity comprises all business units from the former Technip in charge of engineering and construction of petrochemical and refining units as well as onshore upstream facilities, including gas treatment units, LNG facilities and onshore pipelines.
- The Industries activity is devoted to engineering and construction of non-oil related facilities: pharmaceutical units, chemical facilities, power plants, cement factories, industrial buildings and infrastructures.

From a geographical standpoint, Technip reports on the basis of four regions:

- Europe, Russia-Central Asia,
- Africa, Middle East,
- Asia-Pacific,
- Americas.

(c) Nature of Business and Operating Cycle

Technip's principal business includes the following:

- Lump-sum or cost-to-costs engineering service contracts performed over a short period;
- Engineering, manufacturing, installation and commissioning service contracts lasting approximately 12 months; and
- 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.

(d) Income Statement Presentation

Since 2003, the "goodwill amortization" line item has been reclassified and is now shown in a single line below the operating income section of the consolidated statement of operations. The consolidated statements of operations for the 2002 fiscal year have been modified in accordance with the new presentation.

The definition of the principal indicators used is as follows:

EBITDA corresponds to the operating income before depreciation of assets and goodwill amortization.

EBITA corresponds to the operating income before goodwill amortization in conformity with accounting principles generally accepted in France.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

(a) Basis of Presentation and Change in Accounting Method

The consolidated financial statements of Technip, and its consolidated subsidiaries ("Technip", "the Company" or "the Group") have been prepared in accordance with generally accepted accounting principles in France and comply with the "New Principles and Methodology Relative to Consolidated Financial Statements," Regulation Number 99-02 of the French "Comité de la Réglementation Comptable" approved on June 22, 1999.

(b) Consolidation Methods

Subsidiaries in which Technip's voting rights exceed 50% are consolidated. Significant jointly controlled entities are consolidated using the proportionate consolidation method.

The equity method is used for investments in which the Company has the ability to exercise significant influence over the operating and financial policies of the investee company. In the absence of other evidence, such influence is presumed to exist for investments in companies in which the Company's direct or indirect ownership is between 20% and 50% of total voting rights.

The historical cost method is used to account for investments in which the Company's ownership is less than 20% or for non-significant investees or subsidiaries. The list of Technip consolidated subsidiaries and the applicable method of consolidation is provided in **Note 29**.

(c) Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in France requires Group management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the reporting period and, in particular, the gross margin at completion on long-term contracts. Actual results could differ from those estimates.

(d) Revenue Recognition

Revenue and gross margin on long-term contracts are determined using the percentage-of-completion method. The percentage-of-completion ratio representing the progress of the contract is computed consistently for all contracts as follows:

- For long-term contracts, which include construction services (lump-sum turnkey contracts), the percentage-of-completion is based on technical milestones defined for the main components of the contracts, that the Company considers to stand for the best measure of progress of these contracts. Milestones related to engineering and construction parts of the contracts are valued on the basis of the hours spent while milestones relates to deliveries of procurement parts of the contract are valued on the basis of the cost of the related purchase.
  For these contracts, the completion of early phases, such as engineering design, confirmation of significant orders, and assurance that field conditions are satisfactory, is necessary to firmly assess identified risks and to estimate with sufficient precision the total future costs as well as the expected timetable. As a result, the related positive gross margin is recognized when the gross margin at completion can be estimated more precisely, on a contract-by-contract basis. The gross margin corresponding to the completion ratio reached at that time is immediately recognized. The remaining gross margin is recognized using the percentage-of-completion method for the remaining duration of the contract.
- For long-term contracts, which do not include construction services, revenue and gross margin are recognized based on the relation that costs incurred to date bear to estimated total costs.

Allowance is made for the total foreseeable losses in the case of unprofitable long-term contracts.
Long-term contract gross margin is based on an estimate of total costs at completion, which are reviewed and revised periodically throughout the life of the contract.
A long-term contract is completed, when the contractual transfer of ownership is achieved or, in the case of "make-good" contracts relating to complex integrated systems, when the provisional acceptance is received, even if there are minor conditions outstanding.
At completion of the contract, accrued liabilities are recorded as necessary, to cover pending contingencies and expenses.
The Group also performs a large number of non-significant contracts for which revenue and gross margin are recorded when services have been rendered.

(e) Foreign Currency Transactions

Foreign currency transactions are translated into Euro at the rate of exchange applicable at the transaction date, except for those related to long-term contracts, which are translated using the "contract rate", based on foreign currency hedging (see **Note 1 (r)**).
At year-end, monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rate of exchange prevailing at that date except for "contracts-in-progress" accounts and progress payments received from long-term contract customers which are recorded at the "contract rate". The resulting exchange gains or losses are recorded in the statement of operations.

(f) Translation to Reporting Currency

The statements of operations of foreign subsidiaries are translated into Euro at the average rate of exchange prevailing during the year. Balance sheets are translated at the exchange rate at the balance sheet date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in shareholders' equity as foreign currency translation adjustments.
The functional currency of the foreign subsidiaries is the local currency.
The Brazilian subsidiaries' financial statements were denominated in US Dollars until 2002. Starting in 2003, the functional currency of these subsidiaries is the local currency, the Brazilian Real, in light of the trends in foreign currency movements with regard to these companies.

(g) Intangible Assets

Intangible assets primarily consist of "fonds de commerce", which are amortized over five years, and licenses and

patents, which are amortized over ten years. Costs related to software rights are recorded in operating income when incurred and amortized over three to five years depending on their utilization.

Goodwill resulting from business combinations, accounted for using the purchase method, is recorded in the balance sheet under the "Goodwill" line item. Goodwill is amortized over a period ranging from 5 to 25 years, depending on the activity of the business acquired and is allocated to the different operational segments.

Intangible assets are tested for impairment whenever events or circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset exceeds the estimated undiscounted cash flows used in determining the fair value of the asset. The amount of the impairment loss to be recorded is calculated by the excess of the assets carrying value over its fair value. Fair value is generally determined using a discounted cash flow analysis corresponding to the most likely scenario adopted by the Board of Directors. Actual results may differ from forecasts.

The goodwill tested is allocated to the operational segments and to identified assets and liabilities. The scenarii retained in 2004 are based on the business plan for the years 2005 to 2007 corresponding to these business segments, as approved by the Board of Directors. After 2007, the annual growth rate is 3.0% including a 1.5% inflation rate. The forecasts are thus drawn up over a period of 10 years with a standard terminal value, defined in 2014. The discounting of future cash flows is carried out at a rate of 7.82%. The tax rate used is 34.0%.

(h) Property, Plant and Equipment

Property, plant and equipment are stated at cost. They are depreciated on a straight-line basis over their estimated useful life as follows:

Buildings	10 to 50 years
Vessels	10 to 25 years
Machinery and Equipment	6 to 10 years
Office fixtures and Furniture	5 to 10 years
Vehicles	3 to 7 years
EDP Equipment	3 to 5 years

Property, plant and equipment used by Technip under capital lease agreements are recorded in the balance sheet and depreciation expense is recorded in the consolidated statements of operations as if acquired by the Company with a credit facility.

The carrying value of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that there may be impairment. If the review indicates that the carrying value of any of the tangible assets will not be recoverable, the tangible asset will be reduced to its estimated net realizable value.

Dry-docking expenses on vessels are amortized evenly over the anticipated period between dry-dockings. This accounting principle corresponds to the alternative method allowed by the "CRC 2002-10" to the component-based approach.

(i) Other Investments and Loans

Other investments are recorded at the lower of historical cost or net realizable value, assessed on an individual investment basis upon the underlying net equity value, future profitability or market value.

(j) Deferred Bid Costs

Costs directly attributable to obtaining future turnkey engineering/construction contracts, the signature of which can be reasonably expected, are deferred and capitalized in the balance sheet under the "Inventories and Deferred Bid Costs" line item, then transferred to the contract costs upon final contract award.

At year-end, an allowance is provided according to the probability of success.

(k) Contracts-in-progress

Profits expected to be realized on contracts, which are recognized in the consolidated statements of operations as described in **Note 1(d)**, are based on the Company's estimates of total contract sales value and costs at completion. Bonuses and claims amounts are included in revenue when estimated to be probable.

As is common in the industry, certain contracts are performed jointly by the Company with third parties through joint ventures. The Company's share in these contracts is recognized in its consolidated statements of operations through the proportionate consolidation of the corresponding joint venture (see **Note 1(b)**).

Contracts-in-progress include:

- Equipment and material purchases, costs of subcontracted services and miscellaneous services incurred in relation to the contracts;
- Man-hour costs directly assigned to the contract, valued using hourly

rates, which include an overhead factor covering all operating expenses except for selling, research and development expenses and under-activity costs; and
- The gross margin recognized under the percentage-of-completion method as described in **Note 1 (d)**.

Contracts-in-progress do not include financial costs.

Costs incurred in relation with a contract are accumulated and presented in the balance sheet under the "Contracts-in-progress" line item together with the gross margin recognized (see **Note 1(d)**).

Progress payments made by customers under ongoing long-term contracts are accumulated in the balance sheet under the "Progress Payments on Contracts" line item.

At completion of the contract:
- "Contracts-in-progress" (which at that time amounts to the total sales price of the contract) is reduced by accumulated progress payments received by the Company under this contract, the remaining balance being invoiced to the customer and recorded under the "Other Receivables on Contracts" line item (see **Note 17**); and
- If necessary, accrued liabilities are recorded to cover pending contingencies and expenses and are shown under the "Expenses to Complete Contracts" line item in the balance sheet. These liabilities are considered as current for the purpose of the preparation of the statements of cash flows.

(l) Inventories

Inventories are stated at the lower of cost or market value with cost being determined on the weighted-average cost basis.

(m) Advances to Suppliers

Advance payments made to suppliers under contracts-in-progress are shown under the line item "Advances to Suppliers" in the balance sheet.

(n) Accounts Receivable

Accounts receivable are stated at their nominal value. A provision for doubtful accounts is recorded if receivables are expected to be uncollectible.

(o) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and liquid marketable securities with an initial maturity of less than three months. Liquid marketable securities are recognized in the balance sheet at their market value at closing date. Changes in fair value, both unrealizable gains and losses, are recognized in each period's statement of operations.

(p) Retirement Indemnities and Accrued Liabilities

Accrued liabilities are recorded based on the analysis of related exposure or the expense incurred, based on the best estimates available.
- Foreseeable Losses on Contracts: a provision is recorded for foreseeable losses in the case of unprofitable long-term contracts.
- Contingencies Related to Contracts: this provision concerns litigation mainly on former contracts.
- Territoriality Contingencies Related to Contracts: when multiple affiliates or partners are involved in a contract, the complexity of the applicable national rules and regulations in countries where the Company operates, such as administrative and tax rules and regulations, may sometimes cause the Company to use assumptions in order to measure related obligations.
- Expenses to Complete Contracts: at the time of completion of a contract, pending charges and works to be performed to reach the final acceptance are accounted for as "Expenses to complete contracts".
- Accrual for Retirement Indemnities includes:
  - End-of-career indemnities, which are to be paid at retirement date,
  - Deferred wages indemnities, which are to be paid when employees leave the company, and
  - Retirement indemnities, which are to be paid as annuities.

  The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, and turnover of staff and rate of return on investment. However, the method used in France is not the preferential method recommended by the CNC (the French Institute of Accountants) and applicable starting from January 1, 2004.
- Restructuring: the total estimated costs related to a restructuring plan are recorded in the period when the plan is announced.

(q) Deferred Taxation

Deferred income taxes are provided based on the differences in timing of expense and income recognition between income tax and financial reporting. The company records a valuation allowance on deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

(r) Foreign Currency Transactions and Financial Instruments

To hedge its exposure to exchange rate fluctuations during the bid-period of long-term contracts, the Company occasionally enters into insurance contracts, upon which foreign curren-

cies are exchanged at a specified rate and at a specified future date only if the contemplated new contract is awarded. A premium paid at the outset by the Company to enter into such insurance contract is charged to the income statement when paid. If the commercial bid is not successful, the insurance contract is automatically terminated without any cash settlements or penalties. On the other hand, if the commercial contract is awarded to the Company, a second premium is paid to the insurance company, the cost of which is charged to the income statement over the duration of the contract.

On certain occasions, the Company may buy foreign currency options during the bid period.

Forward exchange contracts are used to hedge firm contractual commitments not previously hedged using an insurance contract. The "contract rate" used to recognize the commercial commitment (see **Note 1(e)**) is calculated on the basis of these financial instruments.

All the financial instruments held by the Group are aimed at hedging future inflows and outflows against exchange rate fluctuations during the period of performance of the contracts.

The hedging instrument sometimes relates to the portion of anticipated foreign currency cash inflows for a contract not naturally hedged by estimated foreign currency cash outflows to be incurred during the performance of the same contract.
Every Group subsidiary enters into forward exchange contracts with banks or with the Group treasury company, Technip Eurocash SNC (a general partnership).
The Group does not buy or sell any financial instruments for speculative purposes. All financial instruments held by the Group are off-balance sheet commitments and are consequently not reflected in the balance sheet.

All financial instruments and related underlying transactions have a maturity of less than four years.

(s) Research and Development Costs

Research and development costs are expensed when incurred and classified as operating expenses under "Selling, General and Administrative Expenses". However, they are capitalized in the balance sheet when technical feasibility and return on investment can be demonstrated.

(t) Financial Result

The financial result on long-term contracts is recorded under "Net Sales". Financial result not related to long-term contracts is presented separately in the consolidated statement of operations under the "Financial Result" line item.

(u) Non-operating Income

Non-operating income relates to income and expenses arising from asset disposals and restructuring operations.

(v) Diluted Earnings per Share

Diluted earnings per common share incorporate the incremental shares issuable upon the assumed exercise of stock options and upon the assumed conversion of the Company's OCEANE convertible bonds as if conversion to common shares had occured at the beginning of the year. Earnings have also been adjusted for interest expense on the OCEANE convertible bonds.

(w) Shares held by Subsidiaries

Shares held by subsidiaries are presented as a reduction of shareholders' equity except for shares specifically assigned to stock-option plans.

NOTE 2 – CHANGES IN SCOPE OF CONSOLIDATION: SIGNIFICANT ACQUISITIONS AND DISPOSALS

For the Year Ended December 31, 2004

During the year 2004, Technip transferred two companies, EHR and IG Spa and a part of TECHNIP KTI Spa.
The German Company EHR was sold on April 7, 2004 for ¤ 12.2 million and has generated a consolidated net gain of ¤ 2.3 million.
The Italian Company IG Spa was sold on April 23, 2004 for ¤ 2.0 million and has generated a consolidated net gain of ¤ 0.7 million.
In anticipation of transfer, EHR and IG Spa have been excluded from the scope of consolidation on January 1st, 2004.
The Company has sold 75% of the KTI shares to KTI employees during November 2004. No gain has been generated by this transaction. The remaining 25% still under Company control is consolidated using the equity method as of December 31, 2004 with a retroactive effect as of January 1st, 2004.
As the Group transferred its unstrategic activities, it also transferred assets of Technip Offshore Moorings Inc Company without any gain at the end of the year 2004.

The Coflexip additional goodwill after the merger and the Aker Maritime price reduction is detailed as follows:

In Millions of Euro		
Creation of 5,504,436 Technip Shares (¤ 147.99 a share)		814.6
Cash paid for 5,000,000 Coflexip Shares (¤ 199.0 a share)		995.0
Net Purchase Costs		**28.7**
Purchase Price for 52.47% in Coflexip		1,838.3
Coflexip Net Equity as of September 30, 2001 (52.47%)		(421.4)
Step-up for 52.47% in Coflexip		1,416.9
Step-up for 16.63% in Coflexip via ISIS		253.1
Step-up for 69.1% in Coflexip		**1,670.0**
Release of net Goodwill recognized by Coflexip (Foreign Exchange Effect included)		503.5
Allocation to Identified Assets:		
Vessels	(106.4)	(125.5)
Buildings	(24.2)	
Patents	(59.4)	
Deferred Tax	64.5	
Goodwill 2001 (gross)		**2,048.0**
Adjustment on Coflexip Shares held by ISIS (after Merger)		5.5
Gain on Sales of CSO Assets		(48.3)
Depreciation of US Deferred Tax Assets		13.8
Provisions for Transfers		32.1
Provisions and Miscellaneous Charges		48.0
Goodwill 2002 (gross) after Adjustment		**2 ,099.1**
Aker Deepwater Division Price Reduction		(40.7)
Capital Increase Following the Repurchase of Minority Interests for the Technip / Coflexip Merger		49.5
Book Value of Minority Interests Repurchased		(14.3)
Other		(1.0)
Goodwill 2003 (gross) after Adjustment		**2,092.6**
Profit on Merger Adjustment		4.9
Goodwill 2004 (gross) after Adjustment		**2,087.7**

Thus, Coflexip's total goodwill after the purchase of the two installments in 2000 and 2001 and after the adjustments made in 2002, 2003 and 2004 can be analyzed as follows:

In Millions of Euro		
Goodwill on the Purchase of 29.4% of Coflexip Shares (April 2000)		447.5
Goodwill on the Purchase of 69.1% of Coflexip Shares (October 2001) after Aker Price Reduction	2,087.7	2,057.4
Goodwill on the Technip / Coflexip Merger (July 2003)		30.3
Total Amortization at the End of December 2004		(375.7)
Goodwill after Adjustments (net)		**2,159.5**

Goodwill has been allocated in its entirety to the Offshore segment which is further allocated to the following activities:

In Millions of Euro	
Goodwill net, related to the "Floaters" activity	307.4
Goodwill net, related to the "SURF" activity	1,852.1

The Group performed an impairment test on this goodwill by comparing the book value of the activity to its fair value, based on estimated discounted cash flows converted to a current value. (See **Note 1 (g)**). Based on the impairment test, no impairment is required.

For the Year Ended December 31, 2003

The Group changed its name from Technip-Coflexip to Technip following the legal merger of Technip-Coflexip and Coflexip in July 2003. The merger resulted in a capital increase of ¤ 1.0 million, a paid-in-surplus of ¤ 48.5 million arising from the repurchase of Coflexip's minority interest and additional goodwill of ¤ 35.2 million.

During the first six months of 2003, Coflexip and Aker Maritime reached an agreement regarding the purchase price adjustment mechanisms stipulated in the contract following the acquisition of Aker Maritime's Deepwater division, leading to a ¤ 40.7 million purchase price reduction. This reduction led to a decrease in the Coflexip acquisition goodwill recorded in Technip's accounts.

During 2003, the Group raised its stake in SEAMEC (India) to 78.2% following a 20% purchase of interests.

For the Year Ended December 31, 2002

The year 2002 was marked by the merger of Technip and ISIS in June. Technip already held a 99.05% interest at the end of December 2001. As the contribution value was ¤ 750.0 million, that is a value close to the one set as part of the public offer in 2001, the impact on the consolidated statements is limited. Following the merger, ISIS contributed to Technip its portfolio of shares, including the shares of Technip (cancelled), Coflexip, CGG (exchanged for Technip shares, then cancelled), and shares of Novasep and Géoservices (sold).

No significant acquisition occurred in 2002.

In 2002, Technip sold its minority stake of 46% in its subsidiary Ipedex, accounted under the equity method in 2001.

In 2002, Coflexip disposed of non strategic assets including the subsidiaries Mc Nulty Offshore Ltd and Captain Franck Mc Nulty & Sons Ltd (construction site in United Kingdom), as well as the activities and resources related to the "Well Operations" segment (including the Seawell vessel). The former Coflexip head office, building located at Porte Maillot, was also sold.

The goodwill resulting from the acquisition of the 69.1% interest in Coflexip has been adjusted in order to take into account the consolidated gains on sales that took place in the Coflexip scope during the year 2002. Other adjustments have also affected the goodwill, and these are presented above.

NOTE 3 - BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION

(a) Information by Business Segment

Technip has three operational segments, which are defined as follows:

- Offshore activity – integrated design, engineering, fabrication and construction services, including floaters, subsea flow lines, risers and umbilicals as well as project management and maintenance operations.
- Onshore/Downstream activity – design and implementation of production, refining and treatment units.
- Industry activities – project management and engineering services to a diverse array of clients unrelated to the hydrocarbons industry.

The segment result used by the Company to measure segment profitability is operating income before depreciation and amortization.

In Millions of Euro	Offshore	Onshore /Downstream	Industries	Total
2004				
Net Sales	2,487.2	2,385.1	268.7	5,141.0
Operating Income before Depreciation and Amortization	267.1	109.1	(1.5)	374.7
Backlog as of December 31st (*)	2,804.3	3,758.4	216.3	6,779.0
Capital Expenditures	101.1	16.1	1.4	118.6
2003				
Net Sales	2,209.7	2,119.0	382.4	4,711.1
Operating Income before Depreciation and Amortization	242.7	100.4	2.4	345.5
Backlog as of December 31st (*)	2,894.9	3,907.5	378.0	7,180.4
Capital Expenditures	102.0	16.4	4.0	122.4
Exercice 2002				
Net Sales	2,125.0	1 938.6	388.7	4 452.3
Operating Income before Depreciation and Amortization	250.1	85.3	12.2	347.6
Backlog as of December 31st (*)	1 760.7	3 625.7	389.7	5 776.1
Capital Expenditures	106.0	16.0	2.3	124.3

(*) The backlog is defined as the remaining portion on ongoing contracts sales price to be recognized in the future.

(b) Information by Geographical Segment

Technip has activity in four major geographical areas:

- Europe, Russia – Central Asia;
- Africa, Middle East;
- Asia-Pacific; and
- Americas.

The segment result used by the company to measure segment profitability is operating income before depreciation and amortization.

In Millions of Euro	Europe, Russia, & Central Asia(*)	Africa & Middle East	Asia Pacific	Americas	Vessels	Total
2004						
Net Sales	1,278.9	2,553.8	378.9	929.4	—	5,141.0
Operating Income before Depreciation and Amortization	135.1	138.0	47.6	54.0	—	374.7
Backlog as of December 31st (**)	1,077.1	4,146.3	459.9	1,095.7	—	6,779.0
Property, Plant and Equipment, net	198.7	23.6	7.0	76.6	409.0	714.9
2003						
Net Sales	1,138.2	2,150.3	344.5	1,078.1	—	4,711.1
Operating Income before Depreciation and Amortization	118.9	144.3	23.2	59.1	—	345.5
Backlog as of December 31st (**)	1,480.2	4,161.5	509.5	1,029.2	—	7,180.4
Property, Plant and Equipment, net	213.4	27.0	5.0	90.1	403.0	738.5
2002						
Net Sales	1,196.6	1,482.0	445.2	1,328.5	—	4,452.3
Operating Income before Depreciation and Amortization	148.4	102.9	22.1	74.2	—	347.6
Backlog as of December 31st (**)	833.7	3,038.0	510.7	1,393.7	—	5,776.1
Property, Plant and Equipment, net	249.0	36.9	5.6	140.2	429.4	861.1

(*) of which net sales for France :
2004: ¤ 159.0 million,
2003: ¤ 164.9 million,
2002: ¤ 77.9 million.
(**) The backlog is defined as the remaining portion on ongoing contracts sales price to be recognized in the future.

(c) Major Customers

No single customer accounts for more than 10% of the total net sales of the Group for the year ended December 31, 2004, 2003 and 2002 respectively.

NOTE 4 - OPERATING INCOME (EBITA)

Operating income is stated after accounting for the following items:

(a) Amortization and Depreciation

In Millions of Euro	12/31/04	12/31/03	12/31/02
Amortization of Intangible Assets (a)	(15.4)	(14.9)	(15.8)
Depreciation of Property, Plant and Equipment:			
Buildings	(8.5)	(9.5)	(21.3)
Vessels	(36.8)	(35.0)	(42.7)
Machinery and Equipment	(34.8)	(35.2)	(37.8)
Office Fixtures and Furniture	(17.1)	(20.9)	(21.4)
Other	(3.6)	(2.4)	(4.0)
Total Depreciation of Property, Plant and Equipment	(100.8)	(103.0)	(127.2)
Total Depreciation and Amortization	**(116.2)**	**(117.9)**	**(143.0)**

(a) Excluding goodwill amortization.

In 2003, the decrease in depreciation of tangible assets results from the change in the vessels' estimated life. The Company provides for depreciation of vessels using the straight-line method over the estimated useful lives of 10 to 25 years. During 2003, the Company changed the depreciable lives of certain vessels to reflect their updated estimated economic lives. The effect of this change in accounting estimate reduced depreciation expenses in 2003 by approximately ¤ 8.9 million.

(b) Research and Development Costs

Research and development costs are included in the "Selling, General and Administrative Expenses" line item, and amounted to ¤ 33.2 million, ¤ 33.3 million and ¤ 37.4 million for the years ended December 31, 2004, 2003 and 2002, respectively.

(c) Financial Result from Ongoing Contracts

As described in **Note 1(t)**, financial income and expenses arising from ongoing turnkey contracts are included in net sales for ¤ 9.9 million for the years ended December 31, 2004 and 2003 and ¤ 13.6 million for the year ended December 31,2002.

NOTE 5 - PAYROLL AND STAFF

Technip has a workforce of about 19,000 people, in 52 countries, including an average of 4,000 external staff integrated in operating teams (for fully consolidated companies). The workforce remained steady between 2004 and 2003.

For the companies accounted for under the proportionate consolidation method, the workforce is not significant.

The payroll expenses recorded in 2004 stands at ¤ 920.2 million, compared to ¤ 900.3 million in 2003 and ¤ 874.4 million in 2002.

NOTE 6 - FINANCIAL RESULT

In Millions of Euro	12/31/04	12/31/03	12/31/02
Dividends from Investments	0.5	2.1	0.4
Net Gain (loss) on Sales of Securities (e)	4.8	1.5	—
Interest Expenses / Income (a) and (b)	(11.7)	(11.6)	(15.9)
Changes in Provisions related to Unconsolidated Subsidiaries	(1.0)	—	(0.5)
Convertible Bond: Financial costs and issue costs amortization (c)	(10.0)	(9.7)	(10.4)
Convertible Bond: Redemption premium amortization	(11.4)	(16.1)	(16.9)
Eurobond issued in May 2004	(18.5)	—	—
Credit Facility: Financial Costs	(2.4)	(1.9)	(3.0)
Valuation Allowance for Shares held by the Company	—	—	(2.4)
Others (d)	(4.3)	(8.6)	(18.2)
Total Financial Result	**(54.0)**	**(44.3)**	**(66.9)**

(a) As described in **Note 1 (t)**, interest expenses / income as reported under Financial Result is exclusive of any financial result reported under Net Sales which may arise from ongoing turnkey contracts (see **Note 4 (c)**).

(b) Including ¤ 3.3 million from commercial paper in 2004 compared to ¤ 7.6 million in 2003 and ¤ 10.8 million in 2002.

(c) These financial costs and amortized issuance fees are related to the ¤ 793.5 million convertible bond issued at the end of January 2002. These amounts were, respectively, ¤ 6.6 million and ¤ 3.4 million in 2004, ¤ 7.2 million and ¤ 2.5 million in 2003, and ¤ 8.2 million and ¤ 2.2 million in 2002.

(d) Including in 2003 a ¤ 2.9 million exchange loss compared to a ¤ 13.4 million exchange loss in 2002, resulting mainly from exchange losses due to the conversion into US Dollar functional currency of the Brazilian subsidiaries' current accounts denominated in local currency following the significant devaluation in the Brazilian real in 2002, and the sudden US Dollar weakening compared to the European currencies at year-end.

(e) Including in 2004 the loss on the repurchase of the OCEANE obligations of (¤ 4.9) million set off by the redemption premium amortization.

NOTE 7 - NON-OPERATING INCOME

In Millions of Euro	12/31/04	12/31/03	12/31/02
Gain (Loss) on Sales of Consolidated Investments (a)	3.0	(1.5)	3.7
Gain on Sales of Unconsolidated Investments (b)	—	—	1.9
Restructuring Costs (c)	(12.0)	(7.1)	(7.0)
Non-recurring Losses on Former Projects (d)	(0.6)	—	(8.7)
Net Gain on Sales of Property, Plant and Equipment (e)	(1.2)	2.4	—
Other (f)	(5.3)	(1.4)	3.2
Non-operating Income	**(16.1)**	**(7.6)**	**(6.9)**

(a) In 2004, the gain comes from the sales of EHR and IG SpA for respectively ¤ 2.3 and ¤ 0.7 million, respectively. In 2003, the loss comes from the disposal of Unirig Pty Ltd. shares. In 2002, the gain results from the sale of Ipedex shares.

(b) In 2002, this item corresponds to the sale of Rintekno shares.

(c) In 2004, this item consists of the restructuring a German subsidiary. In 2003, this item consists of restructuring costs of German and Finnish subsidiaries. In 2002, it includes restructuring costs of German subsidiaries.

(d) In 2002 and 2003, this item includes TP Germany non-operating costs related to two contracts dating from the acquisition by the Group of KTI/MDEU from Mannesmann in 1999.

(e) In 2004, this item includes mainly the gains and losses on the sales of fixed assets of the Group (an office building in Boulogne, France for ¤ (3.1) million and an office building in Aberdeen, Scotland (the Westhill building) for ¤ 2.6 million). In 2003, this item includes a ¤ 3.5 million net gain on the SCI CB3 building sale and a ¤ (1.1) million loss resulting from the associated move from the building.

(f) In 2004, this item includes a ¤ 3.0 million costs pursuant to the 2003 sale of the Group's headquarters in Paris, France. In 2002, this item includes ¤ 6.2 million in tax credits linked to the payment of dividends from Italian subsidiaries in previous years, and a ¤ 1.3 million capital gain on the repurchase of convertible bonds.

NOTE 8 – INCOME TAX

The principles described in **Note 1 (q)** result in the following:

(a) Analysis of Income Tax Expense

In Millions of Euro	12/31/04	12/31/03	12/31/02
Current Income Tax	(23.0)	(94.2)	(26.0)
Deferred Income Tax	(41.5)	12.2	(19.9)
Total Income Tax Expense before Tax on Net Gain on Sales of Investments	(64.5)	(82.0)	(45.9)
Tax on the Net Gain on Sales of Investments	(0.7)	—	(0.4)
Total Income Tax Expense	(65.2)	(82.0)	(46.3)

(b) Reconciliation between the Provision for Income Tax before Net Gain on Sales of Investments and Pre-tax Income before gain on sales of investments

The reconciliation between total income tax expense and pre-tax income in 2004, 2003 and 2002 is based on pre-tax income before gain on sales of investments and includes the non-deductible part of goodwill depreciation.

In Millions of Euro	12/31/04	12/31/03	12/31/02
Net Income	4.7	(19.7)	(29.4)
Minority Interests	2.4	0.8	(3.9)
Income Tax before Tax on the Net Gain on Sales of Investments	64.5	82.0	46.3
Less: Income of Equity Affiliates	(1.2)	(1.1)	—
Less: Non-Deductible Goodwill Amortization and Variance of Valuation	130.2	126.6	130.7
Less: Gain on Sales of Investments	(5.2)	(3.5)	(5.6)
Pre-tax Income before Gain on Sales of Investments	**195.4**	**185.1**	**138.1**
French Income Tax Rate	35.43%	35.43%	35.43%
Theoretical Income Tax	69.2	65.6	48.9
Difference between French and Foreign Tax Rates	(7.2)	6.9	6.3
Permanent Differences	(2.9)	(3.1)	(4.4)
Others (a)	5.4	12.6	(4.5)
Total Income Tax Expense before Tax on Net Gain on Sales of Investments	**64.5**	**82.0**	**46.3**
Effective Tax Rate before Tax on Net Gain on Sales of Investments (b)	33.01%	44.29%	33.53%

(a) Including ¤ 13.0 million in 2003 related to operational losses not recognized in the Offshore American subsidiaries.

(b) The effective tax rate declined to 33.01% in 2004 from 44.3% in 2003 and 33.5% in 2002. The apparent increase between 2002 and 2003 results primarily from the Group's decision not to recognize further deferred tax assets in view of the operational losses recorded in the United States in 2003 and in 2002.

(c) Deferred Tax Assets and Liabilities

As of December 31, 2004, 2003 and 2002, the deferred tax assets and liabilities in the balance sheets were as follows:

In Millions of Euro	12/31/04	12/31/03	12/31/02
Deferred Tax Assets (a)	80.1	120.1	73.6
Deferred Tax Liabilities (b)	(144.8)	(162.5)	(126.2)
Net Deferred Tax Asset	**(64.7)**	**(42.4)**	**(52.6)**

(a) In 2004 and 2003, the Group decided not to recognize deferred tax assets on the operational losses in the Offshore American subsidiaries leading to a decrease in net deferred tax assets between December 31, 2002 and December 31, 2003. On the basis of the future results of the Group, the group decided to record a valuation allowance against a part of the deferred tax assets relating to losses carried forward in the United States for US$ 12.8 million in 2002.

*(b) Deferred tax liabilities relates to differences between accounting and tax depreciation in the purchase price allocation at the time of the acquisition of Coflexip in October 2001 (see **Note 2(b)**), specially in variance of the vessels valuation. As of December 31, 2004, Technip recognized ¤ 42.0 million of deferred tax compared to ¤ 64.5 million at the time of the acquisition.*

(d) Tax Losses Carried Forward

Tax losses carried forward and not yet utilized mainly come from TSE (formerly MSE), a German subsidiary acquired in 1999, from Technip Germany and from Coflexip American subsidiaries. They amount to ¤ 297.1 million.

Unrecorded deferred tax assets as of December 31, 2004, principally relate to tax losses carried forward on TSE, which amount to ¤ 53.8 million, and tax losses on Technip Offshore American subsidiaries, which amount to ¤ 79.4 million. Technip decided not to recognize this deferred tax asset in its consolidated financial statements.

NOTE 9 - DILUTED EARNINGS PER SHARE

The diluted earnings per share have been determined in accordance with **Note 1 (v)**.

(In Millions of Euro)	12/31/04	12/31/03	12/31/02
Net Income	4.7	(19.7)	(29.4)
Amortization of Convertible Bond Redemption Premium, after Tax	7.4	10.4	10.9
Convertible Bond Financial Costs, after Tax	6.5	4.6	4.7
Net Income before Redemption Premium Amortization and OCEANE Financial Costs	18.6	(4.7)	(13.8)
Net Income before Non-operating Income and Goodwill Amortization	152.0	116.6	110.9
(In Thousands)			
Number of Shares:			
Issued Shares as of December 31st	24,111	23,738 (a)	23,408
Stock Options (Subscription Options)	1,396	1,496	476 (b)
Convertible Bonds	3,719	4,209	4,502
Technip Shares held by Subsidiaries	(340)	(141)	---
	28,886	29,302	28,386
(in Euro)			
Diluted Earnings per Share (c)	0.64	---	---
Diluted Earnings per Share before Non-operating Income and Goodwill Amortization	5.26	3.98	3.91

(a) In 2003, does not take into account the capital increase resulting from the 2004 Employee Stock Participation Plan (331,780 shares) which became effective as of January 1, 2003.
(b) In 2002, does not take into account the 2003 plan, which accounts for 697,000 shares.
(c) In 2003 and 2002, the diluted earnings per share are negative and are consequently not disclosed.

NOTE 10 - COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The amount of directors' fees paid by Technip to the members of the Board of Directors during 2004 was ¤ 217,000. The gross amount of compensation and benefits of all kinds paid by Technip to the members of the Board of Directors during 2004 was ¤ 963,080.

NOTE 11 - INTANGIBLE ASSETS, NET

Intangible assets are detailed as follows:

In Millions of Euro	12/31/04	12/31/03	12/31/02
Other Intangible Assets, gross	152.4	132.3	142.3
Accumulated Amortization	(74.2)	(44.0)	(33.5)
Net (a)	78.2	88.3	108.8
Goodwill	2,728.4	2,737.6	2,746.6
Accumulated Amortization	(442.7)	(328.9)	(217.8)
Net (b)	2,285.7	2,408.7	2,528.8
Intangible Assets, net	2,363.9	2,497.0	2,637.6

(a) Intangible Assets

Intangible assets include:

- ¤ 51.4 million of patents and trademarks (gross value) identified when Coflexip purchased the Aker Maritime Deepwater Division in January 2001,
- ¤ 59.4 million of patents and trademarks (gross value) identified at the time of the public offers on Coflexip and ISIS in October 2001, others than those resulting from the Aker Maritime Deepwater Division

Patents and trademarks are amortized over 10 years.

- ¤ 19.7 million (gross value) of software for its E-Procurement platform. The investment is amortized over five years since the end of November 2001.

(b) Goodwill, net

In Millions of Euro	12/31/04	12/31/03	12/31/02
KTI/MDEU	107.9	119.5	127.5
Coflexip (April 2000)	341.2	363.6	386.0
Coflexip (October 2001)	1,789.9	1,872.2	1,993.5
Coflexip Merger (July 2003)	28.3	34.5	---
Others	18.4	18.9	21.8
Net	2,285.7	2,408.7	2,528.8

The goodwill represents the difference between the purchase price of an acquisition and the fair value of its net assets, if the purchase method of accounting is used. This goodwill is amortized over a period that is dependent upon the activities of the acquired company (see **Note 1 (g)**).

KTI/MDEU

The goodwill calculated in 1999 in relation to the purchase of KTI/MDEU from Mannesmann represented ¤ 159.5 million, gross, amortized on a 20-years basis, which corresponds to an annual amortization of ¤ 8.0 million. The significant net goodwill decrease is due to the transfer of EHR and to the transfer during the year 2004 of 75% of the shares of KTI SpA for ¤ 4.0 million, net.

CSO: 2000, 2001 and 2003 Instalments

The goodwill increase in 2000 results from the acquisition of 29.7% of Coflexip on April 19, 2000 with goodwill of ¤ 447.5 million, gross, amortized on a 20-years basis corresponding to an annual amortization expense of ¤ 22.4 million.

The goodwill of 2001 after 2002 and 2003 adjustments (see **Note 2**) amounts to ¤ 2,057.4 million and is amortized over 25 years, or ¤ 82.3 million per year.

In 2003, Technip raised the goodwill by ¤ 35.2 million following the merger between Technip and Coflexip in July 2003 (capital increase and paid-in-surplus for ¤ 49.5 million less minority interests amounting to ¤ 14.3 million, see **Note 2**). The goodwill is amortized over 23 years, which correspond to the residual period of the Coflexip's goodwill. The amount is now of ¤ 30.3 million (merger profit adjustment of ¤ 4.9 million in 2004 (see **Note 2**)). The yearly amortization expense amounts ¤ 1.4 million.

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT, NET

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures & Furniture	Others	Total
Gross Value	14.0	152.0	694.5	440.7	108.4	60.6	1,470.3
Accumulated Depreciation	---	(65.1)	(285.6)	(285.1)	(84.3)	(35.3)	(755.4)
Total December 31, 2004	**14.0**	**86.9**	**408.9**	**155.7**	**24.1**	**25.4**	**714.9**
Gross Value	14.1	181.9	655.7	443.0	141.1	63.2	1,499.0
Accumulated Depreciation	---	(81.5)	(252.7)	(305.3)	(96.0)	(25.0)	(760.5)
Total December 31, 2003	**14.1**	**100.4**	**403.0**	**137.7**	**45.1**	**38.2**	**738.5**
Gross Value	73.5	243.0	625.7	439.1	162.3	60.1	1,603.7
Accumulated Depreciation	---	(99.5)	(196.3)	(302.9)	(114.2)	(29.7)	(742.6)
Total December 31, 2002	**73.5**	**143.5**	**429.4**	**136.2**	**48.1**	**30.4**	**861.1**

As of December 31, 2004, two office buildings, one in France and one in Scotland, were sold (gross value of ¤ 18.0 million and carrying value of ¤ 6.2 million at the date of the sale), and a vessel was purchased (the Deep Pioneer) in December 2004 by the exercise of the option to buy for ¤ 21.0 million.

As of December 31, 2003, the head office building located in La Defense was sold. The building's net book was ¤ 94.6 million.

The property, plant and equipment include assets, which are placed at the Group's disposal by means of capital leases are detailed as follows:

	12/31/04		12/31/03	
In Millions of Euro	Gross	Net	Gross	Net
Buildings	---	---	14.0	3.0
Vessels	52.5	---	52.6	3.8
Equipment	4.1	---	4.1	0.0
Total	56.6	---	70.7	6.8

NOTE 13 - OTHER INVESTMENTS AND LOANS, NET

In Millions of Euro	12/31/04	12/31/03	12/31/02
Investments at Historical Cost	6.7	9.3	9.7
Valuation Allowance	(2.4)	(5.3)	(4.7)
Net Value	4.3	4.0	5.0
Loans Related to Investments	2.1	1.5	2.2
Valuation Allowance	(1.6)	(1.5)	(1.5)
Net Value	0.5	---	0.7
Security Deposits	**0.7**	**2.5**	**5.9**
Others	**0.3**	**1.9**	**6.7**
Other Investments and Loans, net	**5.8**	**8.4**	**18.3**

NOTE 14 - EQUITY AFFILIATES

Equity affiliates are analyzed as follows:

	Percentage Owned			In Millions of Euro		
	12/31/04	12/31/03	12/31/02	12/31/04	12/31/03	12/31/02
TP India	---	50.0%	50.0%	---	1.1	0.9
Nargan	20.0%	20.0%	20.0%	1.6	1.0	0.3
KTI Spa	25.0%	---	---	0.8	---	---
TPL (a)	100.0%	---	---	11.1	---	---
Total Titres mis en équivalence				13.5	2.1	1.2

(a) Company that is being liquidated.

NOTE 15 – CONTRACTS-IN-PROGRESS

Contracts-in-progress relate to ongoing turnkey contracts, engineering/procurement contracts and ongoing contracts including installation or commissioning operations, which are recorded as described in **Note 1 (k)**.

In Millions of Euro	12/31/04	12/31/03	12/31/02
Contracts-in-progress, net	6,593.4	6,368.2	4,896.2

Contracts in progress include accumulated margin recognized on ongoing contract. As described in **Note 1 (k)**, amounts shown under the "Contracts-in-progress" line item are financed by progress payments received from customers which amount to ¤ 7,353.6 million, ¤ 7,047.8 million and ¤ 5,420.2 million as of December 31, 2004, 2003 and 2002, respectively.

NOTE 16 - INVENTORIES AND DEFERRED BID COSTS, NET

In Millions of Euro	12/31/04	12/31/03	12/31/02
Inventories			
Raw Materials	39.0	40.1	45.6
Unfinished Goods	46.1	23.5	18.5
Finished Goods and Merchandise	13.6	13.5	15.8
Less: Valuation Allowance	(9.6)	(10.1)	(8.4)
Inventories, net	**89.1**	**67.0**	**71.5**
Deferred Bid Costs, net (a)	**9.1**	**6.6**	**9.3**
Inventories and Deferred Bid Costs, net	**98.2**	**73.6**	**80.8**

(a) Costs directly linked to the awarding of future turnkey engineering/construction contracts, for which the signature can be reasonably expected, are deferred and capitalized in the balance sheet.

NOTE 17 - ACCOUNTS RECEIVABLE, NET

In Millions of Euro	12/31/04	12/31/03	12/31/02
Receivables on Contracts and Guarantee Retention	591.0	755.6	725.1
Doubtful Accounts	24.5	41.8	41.0
Allowance for Doubtful Accounts	(20.7)	(41.8)	(40.5)
Total Accounts Receivable, net	**594.8**	**755.6**	**725.6**

The Group's main customers include major oil and gas, petrochemical or oil-related companies.
The maturity of receivables corresponds to the operating cycle of the contracts.
Each client's financial situation is periodically reviewed and any potential risks are recorded as a reserve.

NOTE 18 - OTHER CURRENT ASSETS, NET

In Millions of Euro	12/31/04		12/31/03	12/31/02
	Gross	Net	Net	Net
Deferred Tax Assets (see **Note 8 (c)**)	133.9	80.1	120.1	73.6
Value Added Tax	42.4	42.4	60.0	40.0
Prepaid Income Tax and Other Current Tax	109.5	109.5	39.8	62.6
Advances to non-Consolidated Subsidiaries	13.0	10.7	0.4	7.8
Joint Venture associates' Current Account	106.3	97.1	13.6	16.8
Receivables from Suppliers	---	---	14.5	2.5
Receivables from Personnel	1.7	1.7	1.7	1.4
Dividends to be received on investments (Deduction at Source)	17.4	17.4	---	1.5
Prepaid Expenses	80.3	78.8	39.5	53.4
Insurance Indemnities to be Received	0.1	0.1	0.1	5.4
Funds in Escrow	---	---	---	68.9
Redemption Premium on Bonds (see **Note 22**)	76.6	32.1	51.6	73.5
Others	247.9	235.3	86.4	114.2
Total Other Current Assets, Net	**829.1**	**705.3**	**427.7**	**521.6**

NOTE 19 - CASH AND CASH EQUIVALENTS

(a) Marketable Securities - Cash Equivalents

In Millions of Euro	12/31/04	12/31/03	12/31/02
Marketable Securities:			
Historical Cost	739.4	110.0	102.6
Valuation Allowance	---	---	(3.5)
Market Value at Year-end	**739.4**	**110.0**	**99.1**
Detailed Analysis of Marketable Securities:			
Mutual Funds	501.8	40.5	70.4
Certificates of Deposit	103.4	21.1	15.5
Shares held by the Company (*)	---	---	3.2
Fixed Term Deposits	67.3	34.6	8.3
Others	66.9	13.8	1.7
Total Marketable Securities	**739.4**	**110.0**	**99.1**

(*) In 2004 and 2003, shares held by the company have been excluded from Group's shareholders' equity.
In 2002, Technip carried out the cancellation of all the shares held by the company except 49,499 shares intended to cover stock option plans, recorded as marketable securities.

(b) Cash

Cash amounts to ¤ 694.6 million as of December 31, 2004, compared to ¤ 782.4 million and ¤ 642.4 million in 2003 and 2002, respectively.

(c) Detailed Analysis of Cash and Marketable Securities by Currencies

In Millions of Euro	12/31/04	12/31/03	12/31/02
Euro	793.0	391.9	315.0
U.S. Dollar	431.7	311.4	260.9
Great Britain Pound	87.0	63.1	61.8
Norwegian Crown	19.1	40.0	27.2
Others	103.2	86.0	76.2
Total	**1,434.0**	**892.4**	**741.1**

A large part of cash and marketable securities are booked or invested in Euros or US Dollar. The Group frequently uses these currencies within the framework of its commercial relations. Cash and cash equivalents in other currencies correspond to deposits retained by subsidiaries located in countries where such currencies are the national currency in order to ensure their liquidity or to amounts received from customers prior to the payment of expenses in these same currencies, or the payment of dividends.

NOTE 20 - SHAREHOLDERS' EQUITY

(a) Parent Company's Common Stock Breakdown and Changes

As of December 31, 2004, Technip common stock consisted of 24,110,654 outstanding shares with a par value of ¤ 3.05. The changes since December 31, 2002 can be analyzed as follows:

	No. of Shares Outstanding	Common stock (in Millions of Euro)
Common Stock as of December 31, 2002	23,408,004	71.4
Increase related to the Merger with Coflexip (1)	330,327	1.0
Common Stock as of December 31, 2003	23,738,331	72.4
Employee Subscriptions (2)	331,780	1.0
Option of Subscription for Share Exercised (3)	40,543	0.1
Common Stock as of December 31, 2004	24,110,654	73.5

*(1) Capital increase resulting from the merger with Coflexip in July 2003 (see **Note 2**).*
(2) Employee subscriptions: The shareholders authorized the conditions for such transaction at a meeting held on July 11, 2003.
*(3) These increases result from the exercise of stock options granted to employees as described in **Note 20(d)**.*

The Company owned 340,242, 140,953, and 49,499 of its shares as of December 31, 2004, 2003 and 2002, respectively. In 2004 and 2003, shares held by the company were deducted from shareholders' equity. In 2002, the shares held by the company were all intended to cover stock-option plans. They were recorded in the marketable securities item.

(b) Technip Shareholders as of December 31st

	12/31/04	12/31/03	12/31/02
Oppenheimer Funds Inc (*)	6.0%	---	---
IFP	3.2%	6.7%	6.8%
Gaz de France	0.0%	7.2%	7.3%
Total Group	0.0%	3.3%	3.8%
Employees	2.4%	2.6%	2.6%
Treasury Shares and Shares held by Subsidiaries (**)	1.4%	0.6%	0.2%
Others	87.0%	79.6%	79.3%
Total	100.0%	100.0%	100.0%

(*) The amounts of 2002 and 2003 are not communicated because no threshold was crossed.
*(**) Shares held by Technip: see **Note 20(a)**.*

(c) Cumulative Translation Adjustments

Cumulative translation adjustments reflect the exchange differences arising from the translation into Euro of the financial statements of foreign subsidiaries as described in **Note 1 (f)**.

(d) Executive Stock Option Plans

The 1999 stock option plan was authorized by the shareholders' meeting held on April 30, 1999 and implemented by the Board of Directors on April 30, 1999. These options are valid up to five years. The plan expired on April 30, 2004.

The 2000 stock option plan was authorized by the shareholders' meeting held on April 28, 2000 and implemented by the Board of Directors on December 14, 2000. These options are valid up to eight years from the date of grant.

The 2003 stock option plan was authorized by the shareholders' meeting held on June 20, 2002 and implemented by the Management Board on December 9, 2002. These options are valid up to six years from the date of grant.

The 2003 stock option plan (remaining portion of part B) was authorized by the shareholders' meeting held on August 24, 2001 and implemented by the Board of Directors on May 21, 2003. These options are valid up to 6 years from the date of grant.

The former stock option plans implemented by Coflexip have been held by Technip since the merger between Technip and Coflexip SA. The stock option plans can be described as follows:

- Stock option plan 9.2 was authorized by the shareholders' meeting held on May 21, 1996 and implemented by the Board of Directors on March 24, 1997. These options are valid up to ten years from the date of grant.
- Stock option plan 9.3 was authorized by the shareholders' meeting held on May 21, 1996 and implemented by the Board of Directors on May 18, 1998. These options are valid up to ten years from the date of grant.
- Stock option plan 10 was authorized by the shareholders' meeting held on June 2, 1999 and implemented by the Board of Directors on December 14, 1999. These options are valid up to ten years from the date of grant.
- Stock option plan 11 was authorized by the shareholders' meeting held on May 30, 2000 and implemented by the Board of Directors on March 20, 2001. These options are valid up to ten years from the date of grant.

Technip Plans	Number of Stock Options					Total
	Plan 1999/2001		Plan 2003			
	1st Part 1999 (a)	2nd Part 2000 (b)	Part A (c)	Part B (c)	Remaining Portion of part B	
Options Granted (Purchase)	315,520	-	-	-	-	315,520
Options Granted as of 12.31.99	**315,520**	**-**	**-**	**-**	**-**	**315,520**
Options Exercised	(2,200)	-	-	-	-	(2,200)
Options Cancelled	(7,900)	-	-	-	-	(7,900)
Options Granted (Purchase)	-	139,576	-	-	-	139,576
Options Granted (Subscription)	-	493,028	-	-	-	493,028
Options Granted as of 12.31.00	**305,420**	**632,604**	**-**	**-**	**-**	**938,024**
Options Exercised (Purchase)	(20,800)	-	-	-	-	(20,800)
Options Exercised (Subscription)	-	-	-	-	-	-
Options Cancelled (Purchase)	-	-	-	-	-	-
Options Cancelled (Subscription)	-	(3,200)	-	-	-	(3,200)
Options Granted (Purchase)	-	-	-	-	-	-
Options Granted (Subscription)	-	-	-	-	-	-
Options Granted as of 12.31.01 (Purchase)	**284,620**	**139,576**	**-**	**-**	**-**	**424,196**
Options Granted as of 12.31.01 (Subscription)	**-**	**489,828**	**-**	**-**	**-**	**489,828**
Options Exercised (Purchase)	(4,400)	-	-	-	-	(4,400)
Options Exercised (Subscription)	-	-	-	-	-	-
Options Cancelled (Purchase)	(8,100)	-	-	-	-	(8,100)
Options Cancelled (Subscription)	-	(13,950)	-	-	-	(13,950)
Options Granted (Purchase)	-	-	-	-	-	-
Options Granted (Subscription)	-	-	234,080	462,920	-	697,000
Options Granted as of 12.31.02 (Purchase)	**272,120**	**139,576**	**-**	**-**	**-**	**411,696**
Options Granted as of 12.31.02 (Subscription)	**-**	**475,878**	**234,080**	**462,920**		**1,172,878**
Options Exercised (Purchase)	-	-	-	-	-	-
Options Exercised (Subscription)	-	-	-	-	-	-
Options Cancelled (Purchase)	(14,200)	-	-	-	-	(14,200)
Options Cancelled (Subscription)	-	(27,200)	(22,090)	(4,400)	-	(53,690)
Options Granted (Purchase)	-	-	-	-	-	-
Options Granted (Subscription)	-	-	-	-	5,200	5,200
Options Granted as of 12.31.03 (Purchase)	**257,920**	**139,576**	**-**	**-**	**-**	**397,496**
Options Granted as of 12.31.03 (Subscription)	**-**	**448,678**	**211,990**	**458,520**	**5,200**	**1,124,388**
Options Exercised (Purchase)	(231,295)	-	-	-	-	(231,295)
Options Exercised (Subscription)	-	-	-	(900)	-	(900)
Options Cancelled (Purchase)	(26,625)	-	-	-	-	(26,625)
Options Cancelled (Subscription)	-	(34,000)	(10,380)	(10,350)	-	(54,730)
Options Granted (Purchase)	-	-	-	-	-	-
Options Granted (Subscription)	-	-	-	-	-	-
Options Granted as of 12.31.04 (Purchase)	**-**	**139,576**	**-**	**-**	**-**	**139,576**
Options granted as of 12.31.04 (subscription)	**-**	**414,678**	**201,610**	**447,270**	**5,200**	**1,068,758**
Technip treasury shares dedicated to the stock purchase options plan						
Maturity date	04.30.2004	12.14.2008	12.09.2008	12.09.2008	05.21.2009	

(a) Options utilizable after 3 years from 04.30.1999
(b) Options utilizable after 3 years from 12.14.2000
(c) Options utilizable after 3 years from 12.09.2002
(d) Options utilizable after 3 years from 05.21.2003

Coflexip Stock option plans	Plan 9.2	Plan 9.3	Plan 10	Plan 11	Total
Options granted in	**1997**	**1998**	**1999**	**2001**	**-**
Number of purchase options granted	-	-	-	34,415	**34,415**
Number of subscription options granted	200,000	123,400	127,386	180,000	**630,786**
Cumulative figures as of December 31, 2003:					
Options exercised (purchase)	-	-	-	-	-
Options exercised (subscription)	(127,926)	(450)	(16,152)	-	(144,528)
Options cancelled (purchase)	-	-	-	-	-
Options cancelled (subscription)	(33,387)	(25,200)	(19,850)	(36,000)	(114,437)
Purchase options granted as of December 31, 2003	**-**	**-**	**-**	**34,415**	**34,415**
Subscription options granted as of December 31, 2003	**38,867**	**97,750**	**91,384**	**144,000**	**371,821**
Options exercised (purchase)	-	-	-	-	-
Options exercised (subscription)	(10,833)	(8,050)	(20,760)	-	(39,643)
Options cancelled (purchase)	-	-	-	-	-
Options cancelled (subscription)	-	(1,900)	(1,334)	(1,000)	(4,234)
Purchase Options Granted as of December 31, 2004	**-**	**-**	**-**	**34,415**	**34,415**
Subscription Options Granted as of December 31, 2004	**27,854**	**87,800**	**69,290**	**143,000**	**327,944**

(e) Distributable Retained Earnings

The distributable retained earnings of the parent company amount to approximately ¤ 200.0 million as of December 31, 2004.

(f) Statutory Legal Reserve

Under French Law, companies must allocate, each year, 5% of their consolidated statutory net profit to their legal reserve fund before dividends may be paid with respect to that year. Funds are allocated until the amount in the legal reserve is equal to 10% of the aggregate nominal value of the issued and outstanding share capital. The legal reserve may only be distributed to shareholders upon liquidation of the Company. The statutory legal reserve was ¤ 9.8 million as of December 31, 2004.

NOTE 21 - ACCRUED LIABILITIES

The principles on the basis of which accrued liabilities are estimated are described in **Note 1 (p)**.

In Millions of Euros	12/31/04	12/31/03	12/31/02
Current Accrued Contingencies:			
Foreseeable Losses on Contracts	21.6	6.4	5.5
Contingencies Related to Contracts	92.9	86.3	59.5
Other Contingencies	16.6	41.2	43.1
Provision for Dry-docking	4.5	6.1	7.7
Expenses to Complete Contracts	84.4	74.8	74.9
Restructuring	6.0	7.3	4.2
Others (*)	25.9	12.7	47.6
Total Accrued Liabilities	251.9	234.8	242.5

(*) As of December 31, 2004, these include the following contingencies:
Costs following the sale of the head office in 2003: ¤ 3.0 million,
Equalization on Engineering Re contingencies (reinsurance Company for the Group): ¤ 4,6 million.
As of December 31, 2002, these include the following contingencies:
CAMC/TOMI transfer contingencies (provision for assets depreciation): ¤ 16.9 million,
Exchange loss contingencies: ¤ 10.3 million.

The changes in accrued liabilities as compared with December 31, 2003 can be analyzed as follows:

In Millions of Euro	12/31/03	Increase	Decrease Used Provision	Decrease Unused Provision	Other changes	12/31/04
Foreseeable Losses on Contracts	6.4	22.3	(3.8)	(0.2)	(3.1)	21.6
Contingencies Related to Contracts	86.3	67.2	(34.9)	(24.0)	(1.7)	92.9
Other Contingencies	41.2	12.6	(36.7)	(0.5)	—	16.6
Provision for Dry-docking	6.1	2.0	(3.6)	—	—	4.5
Expenses to Complete Contracts	74.8	51.2	(34.6)	—	(7.0)	84.4
Restructuring	7.3	2.9	(3.8)	(0.3)	(0.1)	6.0
Others	12.7	17.3	(5.0)	(2.4)	3.3	25.9
TOTAL	234.8	175.5	(122.4)	(27.4)	(8.6)	251.9

"Contingencies related to contracts" line item are composed of provision for litigation.
The decrease for unused provision corresponds to provisions for which the contingencies disappeared over the period.

NOTE 22 - FINANCIAL DEBT

a) Analysis by Nature

In Millions of Euro	12/31/04	12/31/03	12/31/02
Convertible Bonds (a)	632.2	715.5	765.3
Bond loan (b)	650.0	—	—
Bank Borrowings and Credit Lines (c)	81.8	184.1	187.7
Short-term Commercial Paper	150.0	205.0	276.0
Bank Overdrafts	16.5	8.3	7.2
Refundable Advances	6.9	6.2	6.2
Employee Loans	—	—	—
Accrued Interest Payable	24.7	7.4	—
Leasing and Other	—	3.0	4.7
Total Financial Debt	1,562.1	1,129.5	1,247.1
Short-term Financial Debt (d)	194.4	226.3	297.0
Long-term Financial Debt	1,367.7	903.2	950.1

(a) At the end of January 2002, Technip issued a bond loan with an option for conversion into new shares and/or exchange for existing shares (OCEANE offer) for an initial amount of ¤ 793.5 million. The reimbursement date was set on January 1, 2007 for bonds not converted into shares at this date.
The OCEANE offer, which received the AMF final visa on January 22, 2002, has the following characteristics:
- *Issued at a price of ¤ 170 (number of bonds issued: 4,667,647);*
- *The coupon payable on January 1st of each year amounts to 1% per year of the bonds' nominal value;*
- *The redemption date was set on January 1, 2007 for bonds not converted into shares at such date;*
- *The bond redemption price as of January 1, 2007 is ¤ 190.07 in the event of non-conversion or exchange; and*
- *The actuarial rate of yield for the bondholder is 3.25% per year in the event of non-conversion or exchange.*

The bond loan was used to reimburse part of the credit facility issued by Technip to finance the purchase of Coflexip shares.
Technip repurchased 165,653 convertible bonds in 2002 and 293,141 convertible bonds in 2003 and 489,742 convertible bonds in 2004 for the amount of ¤ 161.3 million.
In accordance with the bond loan-issuing contract of the OCEANE, the 948,536 convertible bonds thus redeemed have been cancelled, reducing the outstanding amount to ¤ 632.2 million as of December 31, 2004.

(b) The bond loan has been issued on May 26, 2004 for an amount of ¤ 650.0 million and a maturity date on May 26, 2011. The interest rate is 4.625% payable annually.

(c) The bank borrowings and credit lines as of December 31, 2004, mainly include the credit facility for US$109 million (¤ 80.0 million at 2004 closing rate) as of December 31, 2004 for an authorized total amount of ¤ 850.0 millions. This credit facility was used by Technip Coflexip USA Holdings to finance part of the acquisition of the Aker Maritime ASA Deepwater Division in January 2001. This credit facility is fully repayable at maturity on April 29, 2009.

(d) The short-term financial debt, which represents ¤ 194.4 million, is composed of the following:
- *Commercial paper for ¤ 150.0 million (terms from 1 to 3 months),*
- *Short-term part of the Group long-term debt, which amounts to ¤ 3.2 million,*
- *Bank overdrafts and other short-term bank facilities for ¤ 16.5 million, and*
- *Accrued interest on convertible bonds and bond loan for ¤ 24.7 million.*

b) Analysis by Type of Interest Rate

(After Possible Hedging of Interest Rates)

In Millions of Euro	**12/31/04**	**12/31/03**
Fixed Rate	1,402.7	821.4
Variable Rate	159.4	308.1
Total	1,562.1	1,129.5

The variable-rate debt includes US$ 109.0 million (¤ 80.0 million at 2004 closing rate). This debt was swapped for a fixed rate debt until June 26, 2006.

In 2004, the average rate of the fixed-rate debt stands at 3.84% per year versus 3.52% in 2003.

Over the same period, the average rate of the overall Group debt (fixed and variable rate) stands at 3.61% per year (2.54% per year before the amortization of the redemption premium relating to the convertible bond loan).

The average rate of debt is calculated by dividing the average outstanding debt for the fiscal year by the amount of financial costs for the fiscal year (with the exclusion of bank fees not expressly related to the debt).

c) Analysis by Currency

In Millions of Euro	**12/31/04**	**12/31/03**	**12/31/02**
Euro	1,464.4	938.1	1,054.8
US Dollar	80.4	183.9	182.2
Pound Sterling	—	2.4	—
Others	17.3	5.1	10.1
Total Financial Debt	1,562.1	1,129.5	1,247.1
Less: Amounts Due Within One Year	(194.4)	(226.3)	(297.0)
Total Long-term Debt	1,367.7	903.2	950.1

d) Annual Maturities of Long- term debt

In Millions of Euro	**12/31/04**
2005 (**)	27.9
2006 (*)	632.8
2007	0.5
2008	0.6
2009 and after	733.8
Total Long-term Debt (**)	1,395.6

(*) Includes ¤ 632.2 million for the redemption of the OCEANE loan as of January 1, 2007.
(**) Includes the short-term part of the long term debt for ¤ 27.9 million.

e) Debt guaranteed by Suretyships and Security with Regard to Immovable Property

In Millions of Euro	12/31/04		
	Guarantee	**Without Guarantee**	**Total**
Bank Overdrafts, Short-term Facilities and Others	---	16.5	16.5
Commercial Paper	---	150.0	150.0
Short-term Part of Long-term Debts	1.5	26.4	27.9
Total Short Term Financial Debt	**1.5**	**192.9**	**194.4**
Long-term Financial Debt	---	1,367.7	1,367.7
Total Financial Debts	**1.5**	**1,560.6**	**1,562.1**

As of December 31, 2004, ¤ 1.5 million of bank and financial debts used by Technip and its subsidiaries are covered by security with regard to immovable property provided by these companies.

NOTE 23 – CONVERTIBLE BOND REDEMPTION PREMIUM

Following the redemption and the cancellation of 948,536 convertible bonds in 2002, 2003 and 2004, the amount of the convertible bond redemption premium has been reduced to ¤ 74.7 million (compared to ¤ 84.5 million as of December 31, 2003; ¤ 90.4 million as of December 31, 2002 and ¤ 93.7 million when issued).

NOTE 24 - OTHER CREDITORS

In Millions of Euro	**12/31/04**	**12/31/03**	**12/31/02**
Payroll Costs	108.1	70.4	62.0
Social Security Charges	30.1	38.0	20.6
Income and Value Added Taxes	179.1	125.6	150.5
Liabilities Deferred Income	144.8	162.5	126.2
Deferred Income	8.6	13.2	7.1
Debts on Fixed Assets	16.7	11.5	15.7
Ongoing Project Accruals	119.0	124.5	78.6
Fee Accruals	3.5	2.8	1.9
Current Accounts on Ongoing Contracts	22.9	16.0	28.9
Debt Covered by a Guarantee	—	—	68.9
Subsidies	13.6	6.6	7.0
Other	161.8	120.8	188.7
Other Creditors	**808.2**	**691.9**	**756.1**

NOTE 25 - RELATED PARTY TRANSACTIONS

None

NOTE 26 – OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

The off-balance sheet commitments are presented below. The part concerning financial debt is presented in **Note 22**. There are no material commitments that are not described below.

Contractual Commitments	Total	Payments			
		Less than One Year	One to Five Years	More than Five Years	
Capital Leases	—	—	—	—	(a)
Operating Leases	369.4	41.7	149.3	178.4	(a)
Foreign Exchange Rate Instruments	1,287.1	1,119.9	167.2	—	Note 27 (b)
Interest Rate Instruments	80.0	—	80.0	—	Note 27 (c)
Total	**1,736.5**	**1,161.6**	**396.5**	**178.4**	

Others Commitments	Total	Amount of Commitments by Period			
		Less than One Year	One to Five Years	More than Five Years	
Parent Company Guarantees	13,789.9	3,721.3	9,216.4	852.2	
Others Commitments Given	1,418.6	146.8	1,079.5	192.3	
Total Commitments Given	**15,208.5**	**3,868.1**	**10,295.9**	**1,044.5**	**(b)**
Total Commitments Received	**539.4**	**208.5**	**330.5**	**0.4**	**(b)**

(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.

In 2004, the rental expense amounted to ¤ 50.4 million (including vessels for ¤ 11.6 million) compared to ¤ 29.5 million in 2003.

As of December 31 2004, the present value of minimum future lease payments is as follows:

In Millions of Euro	**Operating Lease**
For the Year Ended December 31,	
2005	41.7
2006	41.9
2007	36.4
2008	36.3
2009	34.7
2010 and thereafter	178.4
Total	369.4
Less Interest	—
Total Current Net Value of Operating Leases	**369.4**

In 2003, Technip entered into a new lease contract related to a new office building located in Paris-La Défense, which is the Group's new headquarters. This lease relates to the period from March 1, 2003 to February 27, 2015. The lease concerning 2004 amounts to ¤ 24.3 million, after indexation to the cost of construction. The lease payment remains constant per period of 36 months except for changes in the construction index. Simultaneously with the sale of the building in Boulogne at the end of 2004, the capital lease relative to this building was early withdrawn.

The capital lease of the "The Deep Pioneer" vessel has also been withdrawn with the exercise of the purchase option on that vessel in December, 2004.
In 2004, 2003, and 2002, no new significant leasing contract has been entered into by the Group.

(b) Commitments

The commitments are presented below:

In Millions of Euro	12/31/04	12/31/03	12/31/02
Parent Company Guarantees	13,789.9	10,729.4	8,807.6
Commitments Given	1,418.6	1,609.7	1,696.2
Total Commitments Given	**15,208.5**	**12,339.1**	**10,503.8**
Commitments Received	539.4	592.5	445.3

Parent company guarantees given by the parent company to clients cover the due and proper performance of the specified contracts-in-progress for which the average expiration period until the release of the commitment guarantees is about 5 years.
Parent company guarantees are presented in the above table for the contract entire amount until the final delivery date. They include the part of the contract that relates to our partners in joint venture, and are not reduced according to the percentage of completion.

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.

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

(c) Contingencies

Exceptional Events and Litigation:
The Company is subject to various legal proceedings and claims arising in the normal course of its business. In the opinion of the management, the probable outcomes of these actions will not materially affect the consolidated financial position, results of operations or assets of the Company and its subsidiaries.
Any litigation based on contract has accrued liabilities in the category "Contingencies related to contracts", see **note 21**.
The main litigations in progress are the following:

ITP
On December 21, 2001, a French company filed a complaint with the Tribunal de Commerce (Commercial Court) of Versailles against Coflexip, Coflexip Stena Offshore Limited and Coflexip Stena Offshore International. The claim alleged that Coflexip had breached several confidentiality agreements. This company has also brought an action in the courts in Scotland and in the U.S. against Coflexip for infringement of a patent related to "pipe-in-pipe" technologies. The patent of this company was invalidated by the EPO (European Patent Office) in February 2004 but the Edimburg Appeal Court annulled the decision of the EPO considering that the EPO decision should have its effect on the UK territory. The Edimburg Court decision was subject to an appeal with the Chamber of Lords on February 19, 2005 at the latest. Since the company has not appealed before the required deadline, the Scottish procedure is closed. On the basis of the available information, Technip believes that these allegations are unfounded and that its potential exposure is not material.

Seamec
In February 2003, Technip through its subsidiary Coflexip Stena Offshore Mauritius Limited, purchased an additional participation of 20% in the share capital of its Indian listed subsidiary, South East Marine Engineering and Construction Ltd (SEAMEC) in an open offer ordered by the Securities and Exchange Board of India (SEBI) pursuant to the Indian stock exchange Regulations, as a consequence of the

change of control of SEAMEC, as the result of the public exchange/cash offer launched by Technip in July 2001.

The Securities Appellate Tribunal (S.A.T.), at the request of minority shareholders of SEAMEC, ordered Technip, on October 27, 2003 to pay the shareholders who brought their shares to the open offer an additional amount calculated on the quoted value of SEAMEC share in April 2000, based on the allegation that the change of control of Coflexip and consequently the change of control of SEAMEC occured in April 2000 when Technip acquired the participation of Stena Offshore International BV of 29,68% in the share capital of Coflexip.

Technip filed an appeal with the Supreme Court of India and on January 9, 2004 was granted a stay of the S.A.T. decision on the condition that bank guarantees be issued in order to secure the relevant amount, pending final decision on the merit. A bank guarantee of an amount of 2.25 billion Indian Rupees, i.e. ¤ 40.0 million for the principal amount has been issued on February 17, 2004 and another bank guarantee of an amount of 225 million Indian Rupees, i.e. ¤ 4.0 million to cover interests for a twelve months period has been issued on March 29, 2004. Technip is waiting for the Supreme Court of India decision on the merit. According to the valuation of its exposure on that litigation, the Group does not record any provision.

(d) Retirement indemnities and related commitments

The Group contributes to retirement or post-retirement benefit schemes in conformity with the laws and usual practices of countries where the subsidiaries operate.

Benefit obligations (in Millions of Euro):

	2003		2004	
	Provision	No Provision Recorded	Provision	No Provision Recorded
Actuarial Debt		182.3		172.7
Market Value of Hedging Assets		(58.3)		(68.8)
Financial Hedging		124.0		103.9
Unrecognized Assets		(34.7)		(33.1)
Net Provision (Consolidated Financial Statements as of December 31st)	89.3		70.8	

Actuarial valuation of Technip's obligations regarding retirement benefit schemes and other commitments such as post-retirement healthcare benefit schemes are determined in conformity with the 2003-R01 recommendation of the CNC. Hedging plan assets are estimated at Fair Value.

The liabilities identified and evaluated according to recommendation n° 2003-R01 principles are as follows:

Germany:
For German companies, the benefits schemes are described as followes:

- Two retirement plans that provide an allowance payable from 65 years of age;
- A differed pay plan;
- A early retirement plan;
- For employees with over 25, 40 and 45 years' length of service the company offers a jubilee plan which provides a basic allocation of one to three months'salary.

Actual benefit obligations amount to ¤ 36.9 million as of December 31, 2004.

Brazil
A jubilee plan which provides a basic allocation of half a month's salary for employees with over 10, 15, 20 and 30 years' length of service. This plan also provides a short travel to Brasil and to Paris over 20 and 30 years' length of service. Actual benefit obligations amount to ¤ 0.6 million as of December 31, 2004.

United Arab Emirates
The retirement allowance plan provides the payment of an amount determined on the basis of the professional years spent in the company (21 days salary per year until 5 years and a month salary over 5 years). Actual benefit obligations amount to ¤ 1.5 million as of December 31, 2004.

France:
In France, the benefits schemes are described as follows:

- Retirement indemnities that are determined on the basis of the wage at retirement date and professional years spent in the company;
- Retirement healthcare benefit;
- A jubilee plan which provide a basic allocation payable after 20, 30, 35 and 40 professional years in all companies (with a minimum of professional years within Technip).

Actual benefit obligations amount to ¤ 33.5 million as of December 31, 2004.

Italy:
In Italy, the benefits schemes are described as follows:

- Retirement indemnities that are determined on the basis of the wage at retirement date and professional years spent in the company;
- A early retirement plan which provide a basic allocation. That plan will be closed as of December 31, 2005.

Actual benefit obligations amount to ¤ 24.3 million as of December 31, 2004.

Norway:
The retirement plan offers an allowance over 67 years of age (with a maximum of 70% of the last wage which include social security).
Actual benefit obligations amount to ¤ 6.6 million as of December 31, 2004.

Netherlands:
For Dutch companies, the calculation of retirement indemnities is based on a supplementary defined benefit retirement plan. Actual benefit obligations amount to ¤ 55.7 million as of December 31, 2004.

United Kingdom:
The retirement allowance plan provides the payment of a pension.
Actual benefit obligations amount to ¤ 13.8 million as of December 31, 2004.

For defined benefit pension plans, accruals and prepaid expenses are determined using the projected unit credit method.

In conformity with the 2003 R01 recommendation of the CNC, actual benefit obligations are as follows:

In K¤	Retirement Plans 12/31/04	Post Retirement Healthcare Benefit 12/31/04	Jubilee Plans 12/31/04	Early Retirement Plans 12/31/04	Total 12/31/04
Actuarial Value of the Financed Obligation	114,412	0	0	0	114,412
Fair Value of Plan Assets	(68,840)	0	0	0	(68,840)
	45,572	**0**	**0**	**0**	**45,572**
Actuarial Value of the Unfinanced Obligation	49,531	1,126	3,261	4,374	58,292
Unrecognized Actuarial Gains (losses)	612	0	0	0	612
Unrecognized Service Costs	2,777	0	0	0	2,777
Net Liabilities	**98,492**	**1,126**	**3,261**	**4,374**	**107,253**

In conformity to the recommendation, the annual costs are as follows:

In K¤	Retirement Plans 12/31/04	Medical Costs for Retired People Plans 12/31/04	Jubilee Plans 12/31/04	Early Retirement Plans 12/31/04	Total 12/31/04
Service cost	7,799	0	245	83	8,126
Interest Cost	7,652	50	165	218	8,086
Expected Return on Assets	(3,492)	0	0	0	(3,492)
Amortization of Actuarial (Gains) Losses	0	0	41	257	297
Amortization of Non-vested Prior Service Cost	(102)	0	0	0	(102)
Curtailment/Settlement	0	0	0	0	0
Benefit Expense	**11,856**	**50**	**451**	**557**	**12,915**
Annual Cost	**4,286**	**0**	**0**	**0**	**4,286**

The calculations are based on actuarial assumptions especially defined for each entity (personnel turnover and future salary increases) and on the following key actuarial assumptions (in weighted average):

	2004
Discount Rate	4.58%
Expected Return on Plan Assets	5.45%
Future Increase in Wages (including Inflation)	3.21%
Future Increase in Retirement Pension (including Inflation)	1.68%
Annual Increase of Healthcare Costs	3.0%

NOTE 27 - MARKET RELATED EXPOSURE AND FINANCIAL INSTRUMENTS

(a) Liquidity Risk

A - Technip group financing is governed by the Group policy implemented by the Finances and Control management department.

B - Cash management is centralized at the head office and coordinated through the financial centers located throughout the Group's main operating subsidiaries.
The "SNC" Technip Eurocash (general partnership) entered into cash pooling agreements with the Group's main subsidiaries, in respect with local legislation and rules, in order to pool the surplus cash, to meet their needs by pooling the Group's financial resources except when economic and financial conditions lead to priority being given to a local debt. Technip Eurocash's management committee is made up of representatives of Group entities that are members of the SNC. This committee meets several times per year.

C - At the end of January 2002, Technip took advantage of beneficial market conditions to issue a bond loan with an option for conversion into new shares and/or exchange for existing shares (the OCEANE offer) for a nominal amount of ¤ 793.5 million (see **Note 22**).
Technip has extended the average maturity of its debt of January 2002, by replacing a debt payable semiannually from June 30, 2002 to December 31, 2006 by a redeemable bond issue at a single date as of January 1, 2007, in the absence of conversion in consideration for a reduced financial cost in cash.
The redemptions of convertible bonds in 2002 and in 2003 were mainly refinanced by a bank credit (expiry December 30, 2007). In 2004, the cash position and the partial use of the bond loan, as mentioned in paragraph D below, allowed Technip to reimburse in advance this bank credit and to proceed to other redemptions.

D - In May 2004, Technip, thanks to new opportune market conditions and terms, has issued a bond loan for ¤ 650.0 million (characteristics are describe in Note 22) and has also extend the average maturity of its debt.

E - As of December 31, 2004, the Group has various non-used financing sources that allow it to finance its needs:

1/ The balance not used by Technip and its eligible subsidiaries amounts to ¤ 770.0 million from a new bank credit with an authorized amount of ¤ 850.0 million. This credit, sign on April 29, 2004 is to be reimbursed at a single date as of April 29, 2009. This credit facility is not guaranteed by security with regard to immovable property provided on the Group's assets. It contains the usual commitments from Technip and from the main entities eligible as borrowers apart from all financial ratio.

This new credit replaces as of second quarter, 2004:

- A ¤ 387.0 million and US$ 42 million (¤ 30.8 million at 2004 closing rate) credit line which was previously repayable in several half-yearly payment until December 31, 2006.
- The balance as of April 29, 2004, not used by Technip and its eligible subsidiaries amounts to US$ 209 million (¤ 153.3 million at 2004 closing rate) from the bank credit of a total amount of US$ 350 million taken out for financing the purchase of the Aker Maritime ASA Deepwater Division by Coflexip, and which is reimbursable at the ended maturity date, June 25, 2006.
- Multi-currencies credit line for ¤ 330.0 million grant by a consortium of banks to Technip Eurocash with a 2004 maturity date (the new credit bank has a ¤ 350.0 million bracket which may be use according a short notice).

2/ Two bank credits amounting to ¤ 125.0 million each also usable in U.S. Dollar or Euro granted to Technip. Their maturity date is December 31, 2008, after a part deduction of ¤ 25.0 million as of December 31, 2007. The commitments are the same as those mentioned for the previous credit line Technip.

3/ Various non-used credit facilities amounting to ¤ 8.0 million.

The credit agreements with respect to these various financing arrangements do not include an early payment clause in case of deterioration of the borrower's rating. In case of use, they allow variable interest rate. As of December 31, 2004, bank credit lines confirmed and available for the Group amount to ¤ 1,028.0 million of which ¤ 1,020.0 million are available beyond December 31, 2005. The outstanding commercial papers issued at the same date amount to ¤ 150.0 million for terms of 1 to 3 months within the scope of the program declared to the "Banque de France" for a maximum amount of ¤ 600.0 million.

F - The long-term debt payment schedule is provided in Note 22. The amounts due with respect to 2005 and 2006 amounts respectively to ¤ 27.9 million and to ¤ 632.8 million.

The 2005 maturities include mainly:

- The accrued interest on OCEANES and the bond loan for ¤ 24.7 million and
- ¤ 3.2 million for the part of the long-term debt payable before a year for the Group.

The 2006 maturity corresponds mainly to the repayable amount of the convertible bonds with may not be converted into shares at the January 1, 2007 maturity.

The ¤ 650.0 million bond issue balance not used in order to reimburse US$109.0 million (¤ 89.5 million) on two bank credits has been invested on short-term periods in several banks according to the Group criteria's with the objective of capital preservation and providing regular financial returns while being easily available. This financial resource obtained at low interest rates in a low market rates context is to be used in order to reimburse most convertible bonds as possible which would not have been converted into shares as of January 1, 2007. The balance would have to come from the Group cash or confirmed credit lines.

b) Currency Risk

As indicated in **Note 1 (e)**, 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 counter parties who are selected after due analysis.

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

In Millions of Euro	12/31/04				12/31/03	12/31/02
	Maturity 2006 and after	Maturity 2005	Fair Value	Nominal Value	Nominal Value	Nominal Value
Buy Currency, Sell National Currency (Forwards and Swaps)	12.0	221.9	(20.8)	233.9	504.4	545.9
Sell Currency, Buy National Currency (Forwards, Swaps and Options)	64.8	645.4	76.9	710.2	1,404.3	1,182.8
Sell/Buy Foreign Currencies	90.4	252.6	26.1	343.0	299.0	171.2
Total	167.2	1,119.9	82.2	1,287.1	2,207.7	1,899.9

c) Interest Rate Risk

The table hereafter presents the maturity of the financial assets and the financial debts of Technip at December 31, 2004. The schedule of maturity corresponds to the date of the revision of the interest rates. It presents the amount of interest rate swaps carried out for the debt.

In Millions of Euro	Technip Group			
	Call Money Rate within 1 Year and Variable Rate	1 to 5 years	Over 5 years	Total
Financial Debt (a)	274.4	634.2	653.5	1,562.1
Financial Assets (b)	1,434.0	-	—	1,434.0
Net (c)=(a)-(b)	(1,159.6)	634.2	653.5	128.1
Commitments* (d)	(80.0)	80.0	—	—
Net (c)+(d)	(1,239.6)	714.2	653.5	128.1

(*) Operations that modify the nature of interest rate and/or the schedule of maturity of the financial debt.

Analysis of the sensitivity of the situation to the change in interest rates: Inasmuch as the net indebtedness before and after management within 1 year and variable rate is negative, Technip is not exposed to interest rate risk on its debt.

Method of monitoring the interest rate risk: Technip regularly analyzes its exposure to interest rate risk. This activity is the responsibility of the Treasury Department and the Deputy Financial Director in charge of the financing and the treasury of the Group, who, in turn reports to Finances and Control Chief Executive Officer. The Treasury Department at head office consists of 13 people.

Interest rate hedging transactions and the methods of hedging are described below.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2004, before recourse to interest rate swaps, the outstanding fixed-rate debt amounts to ¤ 1,322.7 million, including mainly the outstanding amount of ¤ 1,282.2 million related to the bond loan.

In addition, the Group hedged US$ 109 million (¤ 80.0 million at 2004 closing rate) of its bank debt at a variable rate by swaps transforming them into fixed–rate debt. The underlying debt with regard to these hedging transactions relates to a part of the outstanding amount of the credit facility used to finance the acquisition of the Aker Maritime ASA Deepwater Division.

The total amount of the fixed-rate debt amounts to ¤ 1,402.7 million as of December 31, 2004.

The hedging transactions and forward rate agreements were entered into with bank counterparties that satisfy the Group's criteria.

(d) Credit Risk

A significant portion of the Company's activity is concentrated with a limited number of clients since the worldwide market is dominated by a small number of major oil and gas companies. The Company regularly performs cre-

dit risk analyses before entering into contracts and has set up procedures for monitoring payments made by clients.
The Group has not observed significant payment defaults by its clients in 2004 and to date.

NOTE 28 – SUBSEQUENT EVENTS

(a) Redemption of Convertible Bonds

From January 1, 2005 to mid-February 2005, Technip repurchased 117,700 additional convertible bonds for an amount of ¤ 22.0 million, thus increasing the number of the convertible bonds repurchased since the issue to 1,066,236.

In accordance with the issue contract, these repurchased convertible bonds were cancelled. The outstanding amount of the convertible bond issue has thus decreased to ¤ 612.2 million (compared to ¤ 632.2 million as of December 31, 2004).

Following the repurchase and the additional cancellation of 117,700 convertible bonds since January 1, 2005, the redemption premium amount has decreased to ¤ 72.3 million (compared to ¤ 74.7 million as of December 31, 2004).

NOTE 29 – SCOPE OF CONSOLIDATION

List of the Main Consolidated Subsidiaries as of December 31, 2004

Consolidated Companies Technip Sub-group	City / Country	12/31/2004 % Control
Technip	France	Parent company
Technip France	France	100%
Technip Eurocash	France	100%
TPL – Technologie Progetti Lavori SpA	Italy	100%
Technip Italy	Italy	100%
TPG UK	UK	100%
Technip TPS	France	100%
Technip Iberia	Spain	100%
S.C.I. CB3 Défense	France	100%
Technip Overseas	Panama	100%
Technip Benelux NV	Belgium	100%
Technip Capital	Belgium	100%
ABAY Engineering	Belgium	100%
Technip Far East	Malaysia	100%
Technip International AG	Switzerland	100%
TTIL SNC	France	100%
Technip KT India	India	100%
Technip Upstream Houston (ex. CBS Engineering)	USA	100%
Technip USA	USA	100%
Technip Benelux BV	Netherlands	100%
Technip Americas	USA	100%
Technip Holding Benelux BV	Netherlands	100%
Technip Germany	Germany	100%
Technip Seiffert (ex MSE)	Germany	100%
Technip Singapour	Singapore	100%
Technip Middle East	United Arab Emirates	100%
Technip Engenharia	Brazil	100%
Citex	France	100%
Eurobatch	France	100%
SNPE Ingénierie Défense	France	100%
Seal Engineering	France	100%

Consolidated Companies Technip Sub-group	City / Country	12/31/2004 % Control
Technipnet BV	Netherlands	100%
Technip Nouvelle-Calédonie	New Caledonia	100%
Engineering Re	Switzerland	100%
EPC-Business BV	Netherlands	100%
Technip Bolivar	Venezuela	100%
Technip Oil & Gas BV	Netherlands	100%
Technip Engineering Consultant (Shangaï)	China	100%
Technip Portugal	Portugal	93,75%
PT Technip Indonesia	Indonesia	90%
Technip Biopharm	USA	85%
Technip CIS	Russia	70%
Technip Tianchen	China	60%
TSS Dalia SNC	France	55%
Dalia Floater Angola	France	55%
Bechtel Technip Goro, LLC	USA	50%
BRI-Technip (Q-CHEM)	Qatar	50%
CTME FZCO	United Arab Emirates	50%
SPF-TKP Omifpro SNC / SP-TKP Fertilizer SRL	France /Italy	50%
Technip India	India	50%
UCI FZCO (Amenam)	United Arab Emirates	50%
Pro Tek Germany GmbH	Germany	50%
Technip Engineering (B)	Brunei	49%
Technip Engineering Thaïland	Thaïland	49%
Tipiel	Colombia	44,10%
TPG (M)	Malaysia	44,10%
Technip Angola	Angola	60%
TP Saudi Arabia	Saudi Arabia	40%
Consorcia Contrina SNC/CC(S)V	France/Venezuela	34,40%
Saibos Akogep SNC	France	30%
Madecos (TSKJ/LNG)	Portugal	25%
Technip KTI SpA	Italy	25%
FSTP Brasil Ltda (P51/P52)	Brasil	25%
FSPT Pte Ltd (P51/P52)	Singapore	25%
Nargan	Iran	20%
Inversiones DIN S.A. / DITECH	Venezuela	20%

Consolidated Companies Technip Offshore International Sub-group	City / Country	12/31/2004 % Control
Technip Offshore International	Paris, France	100%
Flexifrance	Le Trait, France	100%
Technip Offshore Nigeria ltd	Lagos, Nigeria	100%
Coflexim mo	Paris, France	100%
Technip Marine	Paris, France	100%
Angoflex S.A.	Paris, France	100%
Angoflex limitada	Lobito, Angola	70%
Coflexip Développement	Paris, France	100%
Technip Offshore N.V.	Amsterdam, Netherlands	100%
Technip Offshore Contracting B.V.	Amsterdam, Netherlands	100%
Technip Offshore Holdings Ltd.	Aberdeen, UK	100%
Technip Offshore UK Ltd.	Aberdeen, UK	100%
Technip Ships One Ltd.	Aberdeen, UK	100%
Technip Ships Three Ltd.	Aberdeen, UK	100%
Technip-Coflexip U.K. Holdings Ltd	Aberdeen, UK	100%
Coflexip U.K. Ltd.	Aberdeen, UK	100%
Perry Slingsby Systems Ltd.	Aberdeen, UK	100%
DUCO Ltd.	Newcastle, UK	100%
Genesis Oil and Gas Consultants Ltd	Aberdeen, UK	100%
Technip Offshore Norge AS	Oslo, Norway	100%
Technip-Coflexip Norge AS	Oslo, Norway	100%
Coflexip Stena Offshore AS	Lysaker, Norway	100%
Technip-Coflexip U.S.A. Holdings Inc.	Houston, Texas, USA	100%
R.J. Brown Deepwater, Inc	Houston, Texas, USA	100%
DUCO Inc.	Houston, Texas, USA	100%
Coflexip Maritime Inc	Houston, Texas, USA	100%
Technip Offshore Inc	Houston, Texas, USA	100%
Technip Offshore Mooring Inc	Houston, Texas, USA	100%
Deep Oil Technology Inc	Houston, Texas, USA	50%
Genesis Oil and Gas Consultants Inc	Houston, Texas, USA	100%
Gulf Marine Fabricators Inc	Houston, Texas, USA	100%
Spars International Inc	Houston, Texas, USA	50%
Perry Slingsby Systems Inc.	Jupiter, Florida, USA	100%
Technip Offshore Canada Limited	St John's, Canada	100%
Technip Offshore Jersey Ltd.	Jersey	100%
Coflexip Stena Offshore Mauritius Ltd.	Mauritius	100%
Flex Service N.V.	Dutch Antilles	100%
Sunflex Offshore N.V.	Dutch Antilles	100%
Brasflex Tubo flexiveis Ltda	Rio de Janeiro, Brazil	100%
Brasflex Overseas Inc	Virgin Islands	100%
SeaOil Marine Services Inc	Cayman, Islands	100%
Flexibras Tubos Flexiveis Ltda	Vitoria, Brazil	100%
Technip Oceania Pty Ltd	Perth, Australia	100%
Technip CSO Australia Pty Ltd.	Perth, Australia	100%
Technip CSO Oceania Pty Ltd	Perth, Australia	100%
Technip CSO Oil and Gas Pty Ltd	Perth, Australia	100%
Genesis Oil and Gas Consultants Pty Ltd	Perth, Australia	100%
South East Asia Marine Engineering & Construction Ltd .	Calcutta, India	78,2%
Technip Offshore Finland	Finland	100%
PI Rauma OY	Finland	50%
Coflexip Singapore Pte	Singapore	100%

6. Statutory Auditors' Report on the consolidated financial statements

YEAR ENDED DECEMBER 31, 2004

(Free translation of a French language original)

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. This 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 paragraphs discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an 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 annual financial statements. The report also includes information relating to the specific verification of information in the group management report.

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

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 shareholders' meeting, we have audited the accompanying consolidated financial statements of Technip for the year ended December 31, 2004.

These consolidated 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 the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with the accounting rules and principles applicable in France.

II - Justification of assessments

In accordance with the requirements of article L. 225-235 of the French company Law *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- As indicated in notes 1 (c) and (d) to the consolidated financial statements, Technip uses significant accounting estimates, to determine the margin at completion for each contract in particular on the basis of the most recent available data. Within the scope of our assessment of the significant estimates used to prepare the financial statements, we reviewed the processes set up by the company in this respect, assessed the data and assumptions used as a basis for these estimates and compared the accounting estimates of the previous periods with the corresponding actual figures.

- As indicated in note 1 (g) to the financial statements, Technip carries out impairment tests for goodwill by using the discounted future cash flow method, as determined on the basis of strategic plans drawn up by the company and approved by the Management. Within the scope of our assessment of significant estimates used to prepare the financial statements, we reviewed the assumptions adopted, the calculations made by the company, the consistency of the methods and the evaluations justifying the absence of impairment of goodwill as at December 31, 2004.

We carried out the assessment of the reasonableness of these estimates. It should be noted that as forecasts are uncertain due to their very nature, the actual figures may sometimes vary significantly.

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

III - Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Group management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Neuilly-sur-Seine and Paris, April 4, 2005
The Statutory Auditors
Members of the Paris and Versailles Regional Companies

Barbier Frinault & Autres
ERNST & YOUNG
Gilles Puissochet

PricewaterhouseCoopers Audit
Louis-Pierre Schneider

PARENT COMPANY FINANCIAL STATEMENTS

BEFORE ALLOCATION OF EARNINGS

(Condensed presentation)

1. PRELIMINARY NOTE

The parent company statutory financial statements of Technip are summarized below and disclose the main points of the financial data and the results of operations.

The main activity of Technip consists in holding interests in affiliates, receiving dividends, centralizing and re-invoicing both management fees and other costs like insurance, information systems costs and financing costs and guarantees.

In April 2004, Technip issued a multi-currency revolving facility agreement for an amount of ¤ 850.0 million with a term of 5 years.

In May 2004, Technip issued a bond for a nominal amount of ¤ 650.0 million (issuance premium of ¤ 1.9 million) repayable at the maturity date in May 2011. The interest rate is 4.625%. The bond allowed the company to reduce the Eurocash debt.

During 2004, Technip pursued its program of redeeming convertible bonds with respect to the convertible bond issued in January 2002. As a result, the nominal amount of the bond issue was reduced from ¤ 715.5 million as of January 1, 2004 to ¤ 632.2 million as of December 31, 2004. The redemption premium related to this bond issue, which amounted to ¤ 84.5 million at the beginning of the year, was reduced to ¤ 74.7 million.

The complete version of the parent company financial statements is available at the Company's headquarters.

2. BALANCE SHEETS AS OF 12/31/2004, 2003, 2002 *(before allocation of earnings)*

(In Millions of Euro)	note	2004	2003	2002
ASSETS				
Fixed Assets, net	6.1	3,173.9	3,161.8	3,203.1
Current Assets, net		230.2	331.0	214.8
Cash and Cash Equivalents	6.2	2.3	13.0	12.4
ASSETS		**3,406.4**	**3,505.8**	**3,430.3**

(In Millions of Euro)	note	2004	2003	2002
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' Equity (excluding Net Income)		1,696.9	1,792.1	1,714.9
Net Income		104.2	8.3	105.8
Accruals	6.3	24.6	49.8	40.8
Financial Debt	6.4	1,550.5	1,611.3	1,532.1
Other Current Liabilities		30.2	44.3	36.7
LIABILITIES AND SHAREHOLDERS' EQUITY		**3,406.4**	**3,505.8**	**3,430.3**

3. STATEMENTS OF OPERATIONS

(In Millions of Euro)	note	2004	2003	2002
Operating Income		30.9	1.1	(10.5)
Net Financial Income	6.6	54.1	13.1	84.4
Net Extraordinary Items	6.7	(1.5)	(0.1)	9.5
Income Tax & Employee Profit Sharing	6.8	20.7	(5.8)	22.4
NET INCOME		**104.2**	**8.3**	**105.8**

4. STATEMENTS OF CASH FLOWS AS OF 12/31/2004, 2003 AND 2002

(In Millions of Euro)	12/31/2004 (12 Months)		12/31/2003 (12 Months)		12/31/2002 (12 Months)	
CASH FLOW FROM OPERATING ACTIVITIES						
Net Income	104.2		8.3		105.8	
Amortization and Depreciation of Intangibles, Property, Plant, Eq.	27.6	(a)	33.1	(a)	11.8	(a)
Change in Provision	(33.0)		100.3	(b)	27.4	
Dividends from Technip Treasury Shares	0.0		0.2		(11.1)	
Net Gain (or Loss) on Disposal of Fixed Assets	(2.6)		0.2		(8.4)	
CASH FLOW FROM OPERATIONS	**96.2**		**142.1**		**125.5**	
Change in Working Capital Items	57.7		(147.7)	(c)	(54.3)	(d)
Change in Deferred Charges	(3.9)		(1.1)		(14.6)	
Change in Treasury Shares	(22.7)		6.4			
Change in Working Capital	**31.1**		**(142.4)**		**(68.9)**	
1) NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**127.3**		**(0.3)**		**56.5**	
CASH FLOW FROM INVESTING ACTIVITIES						
Capital Expenditure (intangibles)	(3.1)		0.0		(0.1)	
Capital Expenditure (Property, Plant and Equipment)	(2.2)		(12.2)		(0.0)	
Increase (Decrease) in Financial Investments	(1.5)		6.6		21.3	(i)
2) NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(6.8)**		**(5.6)**		**21.1**	
CASH FLOW FROM FINANCING ACTIVITIES						
Increase (Decrease) in Short-Term Debt (Affiliates)	27.5	(e)	3.0		2.7	
Increase (Decrease) in Short-Term Debt (Eurocash)	(568.6)	(f)	55.9		9.7	
ISIS Cash Contribution					143.0	
Increase (Decrease) in Long-Term Debt - Credit Facility	(51.4)	(g)	68,8	(l)	(878.9)	(j)
Increase (Decrease) in Long-Term Debt - Bond Issue	564.8	(f)	(42.7)	(m)	765.3	(j)
Capital Increase and Issuance Premium	27.3	(h)	0.0		12.1	
Capital Decrease and issuance Premium	(0.9)		(1.0)		(45.4)	(k)
Dividends Paid	(129.8)	(n)	(77.1)		(79.7)	
3) NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(131.1)**		**6.9**		**(71.1)**	
1) - 2) - 3) - NET INCREASE (DECREASE) IN CASH & CASH EQ.	**(10.6)**		**1.0**		**6.6**	
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	12.8		11.8		2.6	
Cash from Merger of ISIS with Technip					2.6	
CASH & CASH EQUIVALENTS AT END OF THE YEAR	**2.2**		**12.8**		**11.8**	
CASH & CASH EQUIVALENTS						
Cash and Marketable Securities	2.3		13.0		12.4	
Short-Term Credit Lines	(0.1)		(0.2)		(0.6)	
TOTAL	**2.2**		**12.8**		**11.8**	

(a) This item includes the amortization of the acquisition costs of Coflexip amounting to ¤ 9.2 million in 2004 and ¤ 9.2 million in 2003, ¤ 9.4 million in 2002 and the amortization of the redemption premium of the bond issue for ¤ 11.5 million in 2004, ¤ 16.1 million in 2003 and ¤ 16.8 million in 2002.
(b) Includes ¤ 86.1 million valuation allowance on SCI CB3 shares resulting from the disposal of the building owned by SCI CB3
(c) This is mainly due to the ¤ 73.4 million net income of SCI CB3.
(d) The main variations result from ISIS and principally from the termination of the Géoservices debt for an amount of ¤ 70.4 million and dividends to be paid for ¤ 11.4 million.
(e) Redemption in advance of 3 loans by the SCI CB3 for an amount of ¤ 24.2 million.
(f) Technip has issued a bond loan in May 2004 for a amount of ¤ 650.0 million which allowed the company to reduce the Eurocash debt and repurchased 489,742 of convertible bonds in 2004.
(g) Includes installment A : ¤ 35.7 million and installment B : ¤ 35.7 million.
(h) Capital increase reserved for employees (nominal amount of ¤ 1.0 million and issuance premium of ¤ 23.4 million).
(i) This includes the transfer of Novasep shares by ISIS before the merger (¤ 19.8 million).
(j) The bond loan enabled the company to repay a part of the Credit facility. The balance has been financed by the GEIE Eurocash and the cash from the merger with ISIS.
(k) Represents the cancellation of the Technip treasury shares purchased over the period, except those classified as marketable securities and allocated to a stock option plan.
(l) Includes installment A: ¤ 34.4 million and installment B: ¤ 34.4 million.
(m) Repurchase of 293,141 bonds at a nominal value of ¤ 170.0 each.
(n) Includes interim dividend for ¤ 47.5 millions.

5 – NOTES ON ACCOUNTING POLICIES

Accounting policies used by Technip in preparing the financial statements conform to generally accepted accounting principles in France. No major changes in the accounting principles have occurred during the 2004 fiscal year.

5.1 - 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 balance sheet date and any differences are recorded as unrealized exchange losses or gain.
At year-end, the exchange risk is assessed on the basis of the overall situation of the company with respect to foreign currency translation. If a potential loss is identified, a provision for exchange risk is booked for the same amount.

5.2 – Accounting Policies for Provisions Regarding Subsidiaries

Provisions are booked with respect to shares and related receivables whenever the value of the investment is higher than the share held in the shareholders' equity, 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 major subsidiaries, these prospects are assessed on the basis of forecasts of future cash flows, based on the most likely scenarii adopted by management.

All provisions for contingencies related to subsidiaries 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 contingencies.
In the financial result, waiver of debts granted to subsidiaries, to the extent covered by provisions, are offset by the reversal of the relevant provision.
In the financial result, sales of investments in subsidiaries, to the extent covered by provisions, are offset by the reversal of the relevant provision.

5.3 – Shares Held by the Company

As of December 31, 2004, shares held by the Company have been reclassified under other investments for the net book value, according to the n°98-D note from the CUCNC. These were recorded under marketable securities.

5.4 – Provisions for Contingencies

Provisions for contingencies include provisions for retirement commitments, provisions for exchange losses and provisions for miscellaneous expenses.
When several subsidiaries or partners are involved in a contract in force, the complexity of the applicable national rules and regulations in countries where the Company operates, such as administrative and tax rules and regulations, may sometimes cause the Company to book provisions with respect to these risks.

6 – NOTES TO FINANCIAL STATEMENTS

6.1 - Fixed Assets

(In Millions of Euro)	Gross Value	Depreciation & Amortization	Net Value
12/31/2003			
Intangible Assets	1.6	1.6	0.0
Property, Plant and Equipment	17.9	4.0	13.9
Investments	3,307.4	159.5	3,147.9
Total Fixed Assets	**3,326.9**	**165.1**	**3,161.8**
12/31/2004			
Intangible Assets	4.7	1.8	2.9
Property, Plant and Equipment	20.1	6.1	14.0
Investments	3,313.8	156.8	3,157.0
Total Fixed Assets	**3,338.6**	**164.7**	**3,173.9**

The main movements in fixed assets relate to the acquisition of the Oracle license for ¤ 2.5 million and Hyperion licenses and the costs related to the installation of the consolidation software for ¤ 0.6 million.
The main movements in property, plant and equipment relate to the last fixtures relating to the fitting out of the Adria building.

The main changes in investments for the year consist of:

- A complement price the for license the Nargan Company for an amount of ¤ 1.6 million
- The redemption of the SCI CB3 loans for an amount of ¤ 24.2 million and Technipnet BV for ¤ 1.0 million
- The adjustment for the depreciation of investment in Technip Americas for ¤ 2.0 million, Technip Portugal for ¤ (0.1) million, Technip Germany for ¤ (2.8) million and Technip capital for ¤ (1.8) million.
- The reclassifification of shares held by the Company under others investments for the net book value of ¤ 32.4 million.

6.2 – Marketable Securities

(in Millions of Euro)	2004	2003	2002
Money Market Mutual Funds	—	1.1	1.1
Shares	—	—	3.6
Treasury Shares	—	9.7	3.2
Provisions	—	—	(3.5)
Premium on Option	0.6	1.9	1.5
Disposals	1.7	0.3	6.5
TOTAL	**2.3**	**13.0**	**12.4**

As of December 31, 2004, shares held by the company have been reclassified under investments.

6.3 - Accruals

At year-end, the provisions consist of miscellaneous expense items for ¤ 5.2 million, a provision for exchange losses for ¤ 17.3 million and a provision for miscellaneous risks for ¤ 0.5 million.

6.4 – Financial Debt and Loans

Debt relates on the one hand to the bond issued to finance the offer on Coflexip for an amount of ¤ 707.0 million (includes the redemption premium for ¤ 74.7 million (gross value)) and the bond issued in May 2004 for ¤ 650.0 million (includes the redemption premium for ¤ 1.9 million (gross value)) and on the other hand to the current account with Technip Eurocash SNC for an amount of ¤ 165.9 million.

6.5 – Compensation Paid to the Members of the Board of Directors

The directors' fees allocated to the members of the Board of Directors by Technip in 2004 amount to ¤ 217,000.0.

The gross amount of compensation and the other benefits paid to the members of the Board of Directors amount to ¤ 963,080.0 in 2004.

No loan was granted to the Chairman and Chief Executive Officer during the fiscal year.

6.6 – Net Financial Income

The financial income is mainly composed of the following items:

(In Millions of Euro)	12/31/2004	12/31/2003
Dividends from Investments	119.8	194.9
Net Balance of Financial Income and Costs	(36.4)	(24.8)
Loss on Financial Assets	0.9	(25.5)
Net Balance of the Provisions Related to the Subsidiaries and Marketable Securities	2.7	(95.2)
Amortization of the Fees Related to the Offer on Coflexip	(9.2)	(9.2)
Amortization of the Issuing Costs Related to the Bond Loan	(3.4)	(2.4)
Amortization of the Redemption Premium	(11.5)	(16.1)
Provision for Foreign Exchange Risk	(8.6)	(4.7)
Provision for Other Risks	0.0	(4.4)
Others	(0.2)	0.5
Financial Income	**54.1**	**13.1**

The variation in income between 2003 and 2004 is primarily due to the sale of the SCI CB3 building in 2003 for ¤ 100.2 million less the impairment of the SCI CB3 shares for ¤ 86.1 million, or a net gain of ¤ 14.1 million and a cancellation of a receivable in a current account as well as a call under a guarantee with respect to a joint venture of which Technip is a partner for an amount of ¤ 25.5 million in 2003 and interest on issuance premium on bond loan in 2004 for ¤ 18.4 million.

Dividends from investments include, firstly, the revenues from subsidiaries and investments presented in **Note 7** (table of subsidiaries and investments) and, secondly, the income of SCI CB3 and the companies devoted to the performance of a contract not referred to in the table of subsidiaries and investments.

6.7 – Net Extraordinary Items

The main items are related to the gain on the sale of IG SpA investments (¤ 1.7 million) and costs on the building in Boulogne, which was sold in 2004 for ¤ 3.1 million.

6.8 – 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's tax income was negative. This tax deficit was set off against the tax income or loss of the other companies within the consolidated tax group.
The final impact on the income statement is as follows:
Technip (sub-group): ¤ 22.8 million
Technip (leading company): ¤ 2.6 million
Tax adjustment: ¤ (4.8) million

6.9 –Distributable Retained Earnings

The distributable retained earnings of the parent company amount to approximately ¤ 200.0 million as of December 31, 2004, after estimating the amount of income tax.

7 – SUBSIDIARIES AND INVESTMENTS

Companies		Common stock	Reserves & retained earnings before allocation	Percentage of ownership (%)	Share book-value Gross	Share book-value Net
A- Detailed information concerning investments for which gross-value exceeds 1% of the reporting company's common stock (or which are considered as significant within the group)						
1/- Subsidiaries (more than 50% of common stocks held by TECHNIP)						
TECHNIP FRANCE 6-8 Allée de l'Arche - Faubourg de l'Arche 92973 PARIS LA DEFENSE CEDEX France	EUR	22,548,292	9,919,837	77.61 %	42,238,744	42,238,744
TECHNIP OFFSHORE INTERNATIONAL 6-8 Allée de l'Arche - Faubourg de l'Arche 92973 PARIS LA DEFENSE CEDEX France	EUR	6,300,934	791,792,391	100.00%	2,867,000,000	2,867,000,000
TECHNIP ITALY 68, Viale Castello della Magliana 00148 ROME Italy	EUR	25,800,000	28,918,729	95.30 %	20,314,164	20,314,164
TPL - TECNOLOGIE PROGETTI LAVORI 75, Viale Castello della Magliana 00148 ROME Italy	EUR	9,030,000	1,872,405	95.00 %	7,044,888	7,044,888
TECHNIP PORTUGAL Edificio Lusotecna Estrada de Alfragide 92 2720-026 AMADORA Portugal	EUR	600,000	2,542,126	77.08 %	5,545,760	2,693,946

Outstanding loans and advances by Technip	Bonds posted and guarantees given by Technip	Revenue	Net income	Dividends received by Technip	Observations
	142,335,418	1,532,090,447	60,738,697	56,019,277	
	and parent company guarantees for KEMAPCO / DAROU / EPC NANHAI DALIA / SIMIAN SAPPHI / EAST AREA BP ANGOLA / DOLPHIN ENERGY QATAR LIQUIFIED GAS				
		0	93,048,087	10,535,937	
	14,268,967	1,171,167,739	13,294,391	28,590,000	
	and parent company guarantees for QVC / HAWIYAH SULPHUR ULG-LSGO / SULPHUR RECOVERY TAKREER / ABQAIQ / HARADH SABIC / QATIF / ORYX GTL GASCO / TERMOLI / RIYADH QATAR GTL				
		400,026	(264,704)	2,526,562	
		13,157,597	353,215	35,868	

Companies		Common stock	Reserves & retained earnings before allocation	Percentage of ownership (%)	Share book-value	
					Gross	Net
TECHNIP TPS	EUR	914,694	191,812	99.94%	152,358	152,358
24, Boulevard de l'Hôpital						
75005 PARIS						
France						
TECHNIP IBERIA	EUR	588,223	1,435,191	99.99%	848,519	848,519
Gran Via Carlos III - 97 J						
08028 BARCELONA						
Spain						
S.C.I. CB3 DEFENSE	EUR	430,668	73,176	100.00%	86,147,570	
6-8 Allée de l'Arche - Faubourg de l'Arche						
92973 PARIS LA DEFENSE CEDEX						
France						
TECHNIP CAPITAL	EUR	19,286,116	(2,196,893)	100.00%	19,325,971	18,816,000
4, rue de Genève						
EVERE						
B-1140 BRUSSELS						
Belgium						
TECHNIP AMERICAS	USD	58,000,010	(21,999,547)	100.00%		
1990 Post Oak Blvd, suite 200	EUR	42,581,316	(16,151,198)		53,054,445	26,226,422
77056 - 3846 HOUSTON , TEXAS						
USA						
TECHNIP INTERNATIONAL AG	CHF	5,000,000	2,897,619	99.84%		
Industriestrasse 13 C , Postfach 4339	EUR	3,240,651	1,878,035		3,081,820	3,081,820
CH 6304 ZOUG - SWITZERLAND						
Switzerland						
TECHNIP EUROCASH	EUR	300,000		60.00%	180,000	180,000
6-8 Allée de l'Arche - Faubourg de l'Arche						
92973 PARIS LA DEFENSE CEDEX						
France						
TECHNIP TIANCHEN	CNY	6,630,296	26,385,315	60.00%		
521 Jing Jin Road	EUR	588,136	2,340,493		319,533	319,533
Tianjin 300400						
People's Republic of China						
TECHNIP C.I.S	RUB	1,900	(24,898,190)	70.00%		
20, rue Galernaya	EUR	50	(657,970)		706,907	0
190 000 SAINT PETERSBURG						
Russia						

Outstanding loans and advances by Technip	Bonds posted and guarantees given by Technip	Revenue	Net income	Dividends received by Technip	Observations
		11,954,717	1,970,022	840,000	
	4,261,715	11,281,240	1,008,402	472,870	
	19,208	1,788,624	(2,475,988)		
		4,403	1,727,485		
21,877,983		0	(277 569)		
		0	(223,245)	0	
		55,467	(396,551)		
		35,921	(256,812)	(156)	
		0	1,984,113	2 175 932	
		91,728,694	(3,446,557)		
		8,911,894	(334,850)		
		124,458,981	2,753,901		
	734,160	3,474,602	76,882		

Companies		Common stock	Reserves & retained earnings before allocation	Percentage of ownership (%)	Share book-value	
					Gross	Net
TECHNIP FAR EAST	MYR	2,000,000	19,406,551	100,00%		
Suite 13.03 - 13th floor	EUR	385,869	3,744,198		31,671	31,671
Menera Tan & Tan						
50400 KUALA LUMPUR						
Malaysia						
COFRI	EUR	670,776	68,616	99.99%	718,325	718,325
16, Rue Henri Régnault						
92902 PARIS LA DEFENSE CEDEX						
France						
TTIL SNC	EUR	38,112	(268,216)	60.00 %	22,867	22,867
6-8 Allée de l'Arche - Faubourg de l'Arche						
92973 PARIS LA DEFENSE CEDEX						
France						
TECHNIP HOLDING BENELUX BV	EUR	9,089,080	95,827	100.00%	26,659,065	26,659,065
Bredewater 26						
2700 CA ZOETERMEER						
Netherlands						
TECHNIP GERMANY	EUR	12,800,000	(2,840,924)	100.00%	100,231,017	62,144,464
Theodorstrasse. 90						
D-40472 DUSSELDORF						
Germany						
TPG UK	GBP	5,000	484,464	90.00%		
1st floor, Sheraton house	EUR	7,092	687,134		7,877	7,877
Lower Road						
CHORLEY WODD, Herts, WD3 5LH						
United Kingdom						
TECHNIP OVERSEAS	USD	10,000	728,000	100.00%		
2nd floor, Swiss Bank BLDG	EUR	7,342	534,469		10,465	10,465
East 53rd street, MARBELLA						
Republic of Panama						
EUROBATCH	EUR	38,112	(467,631)	99.76 %	0	0
6-8 Allée de l'Arche - Faubourg de l'Arche						
92973 PARIS LA DEFENSE CEDEX						
France						
SNPE INGENIERIE DEFENSE	EUR	38,112	4,412	99.96 %	38,097	38,097
6-8 Allée de l'Arche - Faubourg de l'Arche						
92973 PARIS LA DEFENSE CEDEX						
France						

Outstanding loans and advances by Technip	Bonds posted and guarantees given by Technip	Revenue	Net income	Dividends received by Technip	Observations
		226,395,206	(17,770,194)		
	3,017,040	47,905,103	(3,760,163)	0	
	and parent company guarantees for CARIGALI TRITON				
	579,663	0	(20,713)	39,600	
	and parent company guarantees for DALIA				
		N.C.	N.C.	N.C.	
		0	1,004,804	796,000	
	parent company guarantees for AMENAM				
	79,329,036	186,906,468	6,760,982	0	
	and parent company guarantees for YEMEN LNG / JAIRAH UAE DOLPHIN ENERGY				
		0	(32,108)		
10,296		0	(47,316)	0	
		N.C.	N.C.		
		N.C.	N.C.	N.C.	
	parent company guarantees for OGD II				
	139,380	772,803	(190,818)	0	
		10,406,089	105,967	574,770	

Companies		Common stock	Reserves & retained earnings before allocation	Percentage of ownership (%)	Share book-value Gross	Share book-value Net
CITEX	EUR	304,898	174,126	99.97 %	1,219,592	1,219,592
Immeuble la Soie BP 48						
69513 VAUX EN VELIN CEDEX						
France						
SEAL ENGINEERING	EUR	70,000	275,393	99.76 %	884,204	884,204
Centre Atria - 5, boulevard de Prague						
30000 NIMES						
France						
PT TECHNIP INDONESIA	IDR	9,146,000,000	(1,817,550,819)	60.00%		
18th Floor, Manara Bank Danamon	EUR	722,886	(143,657)		659,123	659,123
Jl. Prof. Dr. Satrio Kav. E4 No.6						
MEGA KUNINGAN JAKARTA 12950						
Indonesia						
TECHNIP NOUVELLE-CALEDONIE	XPF	5,000,000	(7,440,282)	100.00%		
Immeuble Carcopino	EUR	41,900	(62,350)		41,900	41,900
3000 NOUMEA CEDEX						
New Caledonia						
ENGINEERING RE	CHF	2,100,000	460,900	100.00%		
Basteiplatz, 7	EUR	1,361,073	298,723		1,800,000	1,800,000
8001 - ZURICH						
Switzerland						
2/- Investments (10 to 50% of Common Stock held by TECHNIP)						
TPG (M)	MYR	1,000,000	21,088,803	30.00%		
2nd Floor, Wisma Inai	EUR	192,935	4,068,763		1,228,587	1,228,587
241, Jalan Tun Razak						
50400 KUALA LUMPUR						
Malaysia						
INVERSIONES DINSA	VEB	1,808,954,000	(107,552,000)	20.00%		
Calle 1 con Calle 2 - Apartado 61248	EUR	691,652	(41,122)		196,751	196,751
La Urbina - CARACAS 10650						
Venezuela						
TSKJ SERVICOS DE ENGENHARIA LDA	EUR	5,000	15,361,616	25.00%	511	511
& LNG SERVICOS E GESTAO DE PROJECTOS	EUR	5,000		25,00%	560	560
Avenida Arriaga n°77 - 4th floor						
9000 FUNCHAL						
Portugal						

Outstanding loans and advances by Technip	Bonds posted and guarantees given by Technip	Revenue	Net income	Dividends received by Technip	Observations
		10,117,663	184,789	806,164	
		2,423,983	459,687	485,000	
		366,321,764,924	7,175,579,103		
	9,324,851	33,001,758	646,445	0	
	and parent company guarantees for CONOCO INDONESIA				
		0	(2,781,115)		
150,000		0	(23,306)	0	
		5,484,472	125,300		
		3,551,820	81,146	0	
		412,215,276	1,846,728		
838,470	2,609,566	87,224,529	390,767	0	
	and parent company guarantees for EPMI UMBRELLA / LDPE 8991 / OSBL-UCC VIETNAM PVC / EPIC / PVC KERTEH / CHUNXIAO GAS / CARIGALI TRITON PETRONAS				
		0	(5,270,000)		
		0	(2,253)	0	
	28,308,642	N.C.	N.C.	N.C.	
	and parent company guarantees for TSKJ-NLNG TRAIN 4, 5 and 6				

Companies		Common stock	Reserves & retained earnings before allocation	Percentage of ownership (%)	Share book-value Gross	Share book-value Net
CONSORCIO CONTRINA SNC 6-8 Allée de l'Arche - Faubourg de l'Arche 92973 PARIS LA DEFENSE CEDEX France	EUR	7,622	10,979,156	28.00%	2,134	2,134
TECHNIP SAUDI ARABIA LTD P.O. Box 60159 RIYADH 11545 Saudi Arabia	SAR EUR	5,000,000 978,818	2,500,000 489,409	40.00%	448,962	448,962
SPF - TKP OMIFPRO SNC 6-8 Allée de l'Arche - Faubourg de l'Arche 92973 PARIS LA DEFENSE CEDEX France	EUR	50,000	4,899,567	50.00%	25,000	25,000
SP - TKP FERTILIZER Srl Viale de Gasperi 16 20097 San Donato Milanese Italy	EUR	50,000	4,711,542	50.00%	25,000	25,000
NARGAN 285, Taleghani Avenue 15998 TEHERAN Iran	IRR EUR	12,000,000,000 1,001,252	5,104,816,373 425,934	20.00%	7,316,548	7,316,548
TECHNIP ENGENHARIA Rua Assuncao, 112 Botafogo RIO DE JANEIRO Brazil	BRL EUR	10,729,241 2,969,046	(16,668,864) (4,612,686)	10.90%	340,939	340,939
B- Information concerning other subsidiaries and investments						
1/-SUBSIDIARIES						
a) French Subsidiaries:					438,825	762
b) Foreign Subsidiaries:					457,366	83,982
2/-INVESTMENTS						
a) French Investments:					122,600	122,600
b) Foreign Investments:					856,923	34,222
TOTAL:					**3,249,745,588**	**3,092,980,602**

Outstanding loans and advances by Technip	Bonds posted and guarantees given by Technip	Revenue	Net income	Dividends received by Technip	Observations
3,632,757	parent company guarantees for SINCOR	N.C.	N.C.	N.C.	
		359,606,123	2,509,858		
	19,967,976	77,109,953	538,186	548,244	
	and parent company guarantees for HARADH / ABQAIQ / SABIC QATIF / RIYADH KEMYA				
	45,127,180	N.C.	N.C.	N.C.	
	and parent company guarantees for OMAN INDIA FERTILIZER				
		70,496,498	852,079		
			60,846,000,944		
			5,685,435	458,673	Data as of December 31, 2003
	24,667,776	170,610,356	7,445,718		
	and parent company guarantees for SEMI SUBMERS / PNBV P51 / PNBV P52	46,953,274	2,049,119		
				89,404	
2,273,128	2,821,947			3,075	
				36,194	
397,269					
29,179,902					

8 - SELECTED FINANCIAL DATA OF THE LAST FIVE YEARS

(In Millions of euro) **NATURE OF INFORMATION**	**12/31/2000**	**12/31/2001**	**12/31/2002**	**12/31/2003**	**12/31/2004**
I - YEAR-END COMMON STOCK AND DEBENTURES					
A) - Called up Common Stock	48.9	81.5	71.4	72.4	73.5
Uncalled Common Stock					
B) - Outstanding Shares (a)	16,029,305	26,713,448	23,408,004	23,738,331	24,110,654
C) - Outstanding Subshares	-	-	-	-	-
D) - Convertible Bonds	-	-	4,501,994	4,208,853	3,719,111
II - OVERALL OPERATING INCOME					
A) - Sales Exclusive of Taxes	11.4	18.7	22.7	42.0	101.6
B) - Income before Tax, Depreciation and Amortization	109.5	102.6	125.9	144.0	78.1
C) - Income Tax	(4.6)	0.5	(22.4)	5.8	(20.7)
D) - Net Income	64.0	95.7	105.8	8.3	104.2
E) - Dividends Paid	50.9	79.7	77.1	82.3	78.4
III - OPERATING INCOME PER SHARE (in EUROS)					
A) - Net Income before Depreciation and Amortization	7.2	3.8	6.3	5.8	4.1
B) - Net Income	4.0	3.6	4.5	0.3	4.3
C) - Dividend Paid per Share	3.3	3.3	3.3	3.3	3.3
IV - STAFF (b)					
A) Number of Employees	9	9	9	9	9
B) Wages				4.1	5.5

(a) This does not include the exercise of options arising from the current stock option plans. The 340,242 treasury shares held as of December 31, 2004 are classified as financial assets.
(b) Information other than the number of employees is not provided as comparisons are not meaningful.

9. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended December 31, 2004
(Free translation of a French language original)

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. This 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 paragraphs discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an 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 annual financial statements. The report also includes information relating to the specific verification of information in the group management report.

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

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 the shareholders'meeting, we hereby report to you, for the year ended December 31, 2004, 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 the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 present fairly, in all material respects, the financial position of the Company at December 31, 2004 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

II - Justification of assessments

In accordance with the requirements of article L. 225-235 of the French company Law *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters :
As indicated in the note "Accounting policies for provisions regarding subsidiaries" to the financial statements, the stake held in subsidiaries was evaluated taking into account not only the share of equity it represents but also the prospects for future profitability.

Within the scope of our assessment of the significant estimates used to draw up the financial statements, we reviewed the assumptions used for forecasting future financial flows on which these estimates were based, and the corresponding figures for the most significant subsidiaries. It should be stressed that, as forecasts are uncertain due to their very nature, actual data may sometimes differ significantly. We carried out the assessment of the reasonableness of these estimates.
The assessments were thus made in the context of the performance of our audit of the financial statements taken as a whole and therefore contributed to the formation of our unqualified audit 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 Board of Directors' Report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.
In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders has been properly disclosed in the Board of Directors' Report.

Neuilly-sur-Seine and Paris, April 4, 2005
The Statutory Auditors
Members of the Paris and Versailles Regional Companies

Barbier Frinault & Autres
ERNST & YOUNG
Gilles Puissochet

PricewaterhouseCoopers Audit
Louis-Pierre Schneider

10. SPECIAL REPORT OF THE STATUTORY AUDITORS ON CERTAIN RELATED PARTY TRANSACTIONS

Year ended December 31, 2004
(Free translation of the French original)

To the Shareholders of Technip,

In our capacity as statutory auditors of your Company, we are required to report on certain contractual agreements with certain related parties of which we have been advised. We are not required to ascertain whether such agreements exist.

We hereby inform you that we have not been advised of any agreements covered by Article L. 225-38 OR L. 225-86 of French Company Law (Code de Commerce).

Neuilly-sur-Seine and Paris, April 4, 2005
The Statutory Auditors
Members of the Paris and Versailles Regional Companies

PricewaterhouseCoopers Audit

Louis-Pierre Schneider

Barbier Frinault & Autres
ERNST & YOUNG
Gilles Puissochet

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