

FINAL TRANSCRIPT

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PRESENTATION

Operator

Good day everyone and welcome to the conference call for Technip's third quarter 2006 results. This conference is being recorded. At this time all participants are in a listen-only mode. Later there will be a question and answer session. [OPERATOR INSTRUCTIONS]. I would now like to turn the call over to Christopher Welton, Vice President of Investor Relations. Please go ahead sir.

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Christopher Welton - *Technip - VP IR*

Thank you Kira. Good day ladies and gentlemen, welcome to Technip's third quarter 2006 results conference call. Mr. Daniel Valot, Technip's Chairman and CEO is hosting today's call. I would just like to remind today's participants of the forward-looking nature of statements in today's press release and slide presentation, as well as those made during this conference call. Please refer to the disclaimers, which are integral part of today's earnings press release and slide presentation. I'd also like to remind you that a replay of this call will be available on our website approximately two hours after the end of the call. I would now like to turn the call over to Mr. Valot.

Daniel Valot - *Technip - Chairman and CEO*

Thank you Chris. Thanks all of you for being with us today. So our third quarter numbers show very solid earnings and a very strong performance. So, we are proud of those. I will make first, a few comments as introductory remarks and then we'll move directly to questions and answers.

First, on the overall progress you've seen the percentages of progression, our revenues are up 22%. Operating income 28%, net income 63%.

If we look at the performance by segment. I think this quarter is very interesting because it's a very interesting illustration of what we've always said regarding the correlation between order intake and operating margin. You'll probably notice that in the offshore activities segment, we record this quarter a strong operating income margin above 7%. You'll also notice that in this segment our backlog is down 50% compared to one year ago. And as a result, our revenues are also going down. They are down 10%.

And so that's an illustration of what happens when we have very little new business. So, we have a very good portion of our sales which come from new contracts and which we don't recognize in the margins. And on the other side, we've got big chunk of those revenues, which come from contracts, which are pretty close to termination.

So, some of you have been surprised by the fact that we show a nice operating income, at 7.1% margin ratio, this quarter. There is nothing mysterious on that. There is no extraordinary changeovers or claims. Just the fact that we have a number of contracts close to their completion, or completed. So, we think the last bulk of margins, which we have not recognized in the previous quarters, the contingencies and provisions are taken back and so on and so forth. And that's the reason why you've got a strong margin.

What's happened -- what's happening on the Onshore-Downstream segment is exactly the opposite for the same reason. As you know in this area we had a very strong progress in order intake and backlog in 2005. That drives a very sharp increase in sales. So, we have this quarter, a progress in revenues of close to 40% compared to same quarter last year. And surprise, surprise, our operating margin ratio is [slightly slow], around 3%. But nevertheless progressing compared to the previous quarters.

You'll probably remember that during the first quarter this year, our operating margin in this segment was zero. During the second quarter it was 2%, we are now slightly above 3% and this is the normal trend we should continue as the main projects signed in 2005, are now progressing [forwards] and we start recognizing some decent margins on those projects.

One other thing I wanted to mention, because I understand it has been a bit puzzling for some of you. On our income statement, financial charges are the level of EUR17.6m, while they were EUR23.5m during the same quarter last year. And given the progress in our net cash position, this seems a bit mysterious to some of you.

I would like to stress that on these financial charges at 17.6%, the cash financial charges amount to something like EUR11m, while the non-cash charges, which are linked to the notorious IAS 19, 21, 32 and 39 amount to EUR6.5m. If we look at the detail

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of our financial charges during the third quarter 2005, we have cash charges of close to EUR20m and non-cash charges of a little bit less than EUR4m. So, in essence, what is -- what really matters which is cash financial charges, which were close to EUR20m last year are now close to EUR10 or EUR11m this year. That is very much in line with the progress we have made in our net cash position.

The third point I want to touch is the fact that, as always, we've been extremely selective in new order intake. We've been able to stabilize our backlog to a very high level. We are slightly below EUR11b at the end of September 2006. So that gives us a lot of activity for the coming quarters. And so we feel very good about our perspectives for the quarters and the next years. I believe we are now in a very strong position with the high level of backlog whose quality has improved quite dramatically during the last year.

Final point, because if I don't say it some of you will [inaudible] that this is again a profit warning. I would like to confirm what we said in very explicit terms in the press release, we do believe now we have the mid November, se pretty close to year end. We do believe that our very ambitious financial target for the full year, on which we were less than comfortable a few months ago, seem now within reach. So, we should be able to reach those financial targets for the year 2006.

So I do not want to comment more than that at this stage and I would like now to give you the opportunity to raise your questions thank you.

QUESTIONS AND ANSWERS

Operator

Thank you. Ladies and gentlemen at this time we will begin the question and answer session. [OPERATOR INSTRUCTIONS]. The first question comes from [Carolle Levy] J P Morgan. Please go ahead with your question.

Carolle Levy - JP Morgan - Analyst

Thank you good afternoon gentlemen. Just -- you mentioned in the results that margin in offshore facilities is high due to several projects close to termination. Have these projects completed or can we expect a similarly high margin in the fourth quarter?

And secondly, just a quick question on tax. It was up in the third quarter. Could you please explain why and what would be a reasonable assumption for full year for '07?

Daniel Valot - Technip - Chairman and CEO

On offshore facilities, well, I would suspect we should be able to deliver relatively decent margins again during the fourth quarter. I don't know if it will be as high as 7% but it should be a good level of margins.

For the next year, for 2007, your question was about what -- again offshore facilities margins or what [can be seen in] the margins of the whole Company?

Unidentified Company Representative

Taxes.

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Carolle Levy - JP Morgan - Analyst

Taxes Yes.

Daniel Valot - Technip - Chairman and CEO

Thank you. Well, there has been a bit this quarter, we are back to 34% which is more or less in line with what we had one year ago. But a bit higher than what we had during the past two or three quarters. It's difficult in -- it's really one of the most difficult items on which somebody can make accurate forecasts. It depends so much on the breakdown of our profit by country.

You know the tax pressure is not exactly the same from one country to another. So, we do a lot of things in order to optimize our tax situation. But nevertheless, it can go -- fluctuate from one quarter to another one. So, at this stage, and before we have completed our budgeting exercise I would not myself, make any prediction on that. I don't know if Olivier Dubois is more of a -- is more comfortable with this question that I am.

Olivier Dubois - Technip - President and CFO

No, I'm not really much more comfortable [inaudible] say that for the budget of 2007 we will probably shoot in a non active approach for 30 to 31% tax rate and if we really [inaudible] next year [inaudible] improve [inaudible] tax rate. But on a normal basis we shoot for 30 to 31%.

Carolle Levy - JP Morgan - Analyst

That's great, thank you. Just in relation to that first question. Can you confirm that the projects, which actually -- which are close to termination and allowed you to achieve high margins that they've actually been -- that they're actually completed now?

Daniel Valot - Technip - Chairman and CEO

You mean the offshore facilities, which [inaudible]?

Carolle Levy - JP Morgan - Analyst

Yes, in offshore facilities, your Dahlia FPSO that you mentioned. You've got Shah Deniz, the East Area project as well.

Daniel Valot - Technip - Chairman and CEO

Well, those projects have been either completed or pretty close to completion during the third quarter. For those which are completely completed they will be during the fourth quarter. And that's the reason why we feel good about the prospect of adding additions to the market during the fourth the quarter.

Carolle Levy - JP Morgan - Analyst

Okay that's great thank you.

Daniel Valot - Technip - Chairman and CEO

Thank you.

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Operator

[Xvar Nassim] from Lehman Brothers. Please go ahead with your question.

Xvar Nassim - *Lehman Brothers - Analyst*

-- any expectations from next year. It seems that you --

Christopher Welton - *Technip - VP IR*

Excuse me we didn't hear the beginning of your question could you start over?

Xvar Nassim - *Lehman Brothers - Analyst*

Sure yes. I was just saying that looking at your current backlog and then your revenue expectations for the next year, it just seems as if there will have to be a lot more wins before you come close to the kind of expectations which are out there in the market. So I was just wondering if you could give some sort of indication of where you see revenues next year, as compared to this year?

And the second question was if you please confirm whether the third quarter boost in the onshore operating profit came from Kupe Gas or was it from elsewhere? And if it did, will this be down in the fourth quarter and when will we expect to see another kick-in and high contribution from the Kupe project? Thanks.

Daniel Valot - *Technip - Chairman and CEO*

Well, on the trend for our revenues next year, [properly] speaking it's inaccurate, we won't give any indications on the 2007 now. Once again, we have just completed our budgeting exercise. So we will come back to you early next year when we have a clear picture of what we expect in 2007.

Now, on the Offshore-Downstream margins, what can I say. When we started this year first quarter, our operating margin was zero. And we told you that in our Onshore-Downstream revenues, our estimation was that 71% of those revenues came from contracts signed during the previous five quarters, 71%. So, 71% of our revenues come from -- came from new contracts which, basically, recognized no margin as long as we not to go over, let's say, 25% completion.

So, this proportion fell to 60% during the second quarter and then you find that our net income margin ratio during the third quarter was still a not as, but better than it is [this year] with 2%. And if you look at what happened during the third quarter, it's no surprise, we have about 50% of our revenues, which came from contracts signed during the five previous quarters. So, as we move on, the proportion of revenues which carry some margin is increasing in our total revenues. And so, we feel that normally, if there is no accidents here or there, we should have a smooth progression quarter-after-quarter in our Onshore-Downstream operating margins.

On -- your question implies some request for information about our big LNG projects, that's my understanding.

Xvar Nassim - *Lehman Brothers - Analyst*

Yes.

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Daniel Valot - Technip - Chairman and CEO

So, what can I say, generally speaking the project in the -- the LNG project in Yemen, which is the one for which we are the leader is progressing extremely well so far. So, we are still at an early stage but we feel pretty good about the way this project is starting. On the three Qatar projects, I would say the one which is the most advanced today is Qatargas 2 on which the itinerary is basically behind us. Most of the procurement has been done or secured. And we are in full fledged construction. So far, so good. So we still have, thanks God, a lot of contingencies in our pricing. Construction is quite something because on this single project we have today, close to 20,000 people working on the site and you can imagine that it's not exactly a piece of cake but so far so good.

The two other projects are, of course, late events because they were signed later on. On [Qatargas3] we started the construction a few months ago. It's still at a very early stage. On Qatargas 3 and 4, we are just starting construction now. For those projects, obviously, the challenge is construction. On the last two ones it's difficult to say anything because we are just starting. On the first one, which is Qatargas 2, it's not a piece of cake but so far so good. So, that's the indications I can give at this stage. This will be a long, long, long story to complete those projects. But so far we have no reasons to be -- to feel extremely concerned. We feel rather good about the way those projects are progressing.

Xvar Nassim - Lehman Brothers - Analyst

Okay, thank you.

Daniel Valot - Technip - Chairman and CEO

Thank you.

Operator

Jean-Luc Romain, CM-CIC Securities. Please go ahead with your question.

Jean-Luc Romain - CM-CIC Securities - Analyst

Good afternoon. I would like to know what part of your backlog currently relates to contracts, which were awarded since 2005? And what part relates to contracts which were awarded when conditions were unsure for you? And if you could give us an update on the Oryx GTL contract?

Daniel Valot - Technip - Chairman and CEO

Well, I would suspect that the -- your question is mainly I would assume on Onshore-Downstream isn't it? Because if you look at the contracts in the SURF business and many of those contracts are short term and executed during the same year especially in the North Sea. So, I don't think it will be of a great difference to be in our books in order to extract the proportion of contracts signed in 2005 compared to the others.

On the Onshore-Downstream, as I said, we have during the last quarter, about 50% of our revenues coming from contracts signed in the past five quarters. So we have still a big proportion of our revenues coming from relatively older contracts, which were signed at the time when the margins were not that big and which were hit by the increase in the raw material costs and the equipment costs.

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Jean-Luc Romain - *CM-CIC Securities - Analyst*

In your revenues, but in your backlogs what you can?

Daniel Valot - *Technip - Chairman and CEO*

In our backlog, roughly speaking, I don't have this data in my head so Chris Welton will can you back to give you this indication. We need to further go through the -- our documents.

Jean-Luc Romain - *CM-CIC Securities - Analyst*

Okay.

Daniel Valot - *Technip - Chairman and CEO*

Then you asked another question which was about?

Jean-Luc Romain - *CM-CIC Securities - Analyst*

Oryx GTL.

Daniel Valot - *Technip - Chairman and CEO*

Oryx GTL. So the GTL projects is for the second time under start up. The start up of this unit is something quite unique. It is something much more complex than for most of the projects we have had so far because it's quite a complex process. So, the start up is spread over several weeks. We had the first start up during the summer, which had to interrupted because of a technical failure. So, this technical failure has been repaired. We are again -- we have started again the process of the start up of this plant. And we are in the final days of this start up process. I do hope we'll have positive news in the coming days or weeks. So, that's the status of this project.

Jean-Luc Romain - *CM-CIC Securities - Analyst*

Thank you.

Daniel Valot - *Technip - Chairman and CEO*

Thank you.

Operator

Martijn Rats with Morgan Stanley. Please go ahead with your question.

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Martijn Rats - Morgan Stanley - Analyst

Hello I have three questions if I may. First of all, I had a question on the Facilities division. I notice that you haven't won a big platform order since the Tahiti Spar, which is now almost a year ago. And I was wondering whether any prospects for substantial large orders in sight? I believe there's an award from Shell that could well go your direction in coming weeks or months.

The second question that I have relates to SURF business because also there I notice that, despite the Kupe Gas project, I also notice that there the backlog has been relatively flat but there have been no major awards besides this one project in New Zealand for about a year or so. And I was wondering whether that is changing the mix of work for that division from large projects to smaller projects? And I was wondering if that means for margins and risk in your business?

And finally, I had question about the Industries division, in the past you've talked about your ambition to substantially scale up this business, either through acquisitions or organically. So far we've seen little of that and I was wondering whether that was still on the agenda?

Daniel Valot - Technip - Chairman and CEO

Okay, thank you. On the first question, you mentioned that a project from Shell would come in our direction. I confirm that it's coming in our direction, the signature of the agreement is being made today. So we will issue a press release tomorrow morning stating that we've won the [inaudible] spar. This is a major satisfaction for us for several reasons. First, because it's the first time Shell in the U.S. comes to the spar concept. And I do believe that there are good reasons for that. But especially so since the hurricanes we had last summer, you probably remember that after those hurricanes it has been demonstrated very clearly that the spars had very distinctive advantages in terms of stability compared to [inaudible] of floating platforms. So, first it's a first with Shell.

It's a first also in terms of deep water because it will be the first spar installed 2,300m of water depth, so, very, very deep. It will be one of the largest spars that we build. It comes, for us, exactly at the right time. As you said, we are in the process of completing the Tahiti spar, so this one comes nicely just after the Tahiti spar. And we'll - that will make sure that our yard in Finland is busy. So, we are very glad of this -- about this new acquisition.

Apart from that, we are pursuing a number of other prospects especially in West Africa and that leads me to your next question, which was about the SURF business. It's true that so far this year we have won mainly relatively small projects. And, frankly speaking, we feel rather good about it because the -- managing the risk is much easier if you've got a hundred relatively small or medium-sized projects than if you have two or three super major projects. So, in terms of risk management I believe it's much better.

Now it also comes from the fact that there has not been a lot of new projects awarded in West Africa. West Africa comes by waves. There has been a big wave in 2003, 2004. Then, so far this year, we had not a lot of projects. We are seeing on our [inaudible] upstream a number of other big projects are going to be launched in the coming 12 months. So we do believe that there will be good prospects for us, especially in West Africa, but also in the Far East for deep water, SURF and facilities projects.

On your last question, related to Industries, yes it's true, we want to grow this Industries business and we still believe that if we want to grow it quite successfully, to break up a 15% of our consolidated income, that will imply some acquisitions. So, it's still something on which we are working. It's true that so far, we've made very few poor progress, but we are going to spend our money on whatever opportunity comes in front of us. We are trying to select the best opportunities. But it's still in -- on our agenda.

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Martijn Rats - Morgan Stanley - Analyst

Okay that's very helpful. Thank you very much.

Operator

Katherine Tonks of Credit Suisse. Please go ahead with your question.

Katherine Tonks - Credit Suisse - Analyst

Hi, I have three questions if that's okay? Firstly just coming back to Facilities. Obviously, the backlog is very low. Do you expect these new orders to come in, in time to boost the revenues up in H1 or should we be factoring in quite a big revenue decline in the first half of next year?

And then secondly, can you update us on your thoughts on the fleet expansion? You've in the past mentioned that you may invest in a new pipe lay vessel?

And thirdly, we haven't had the refund in the SURF division relating to the charge that you took in Q4 last year. Is that still under negotiation or should we now discount any refund coming in?

Daniel Valot - Technip - Chairman and CEO

No, I mean starting with the last question. We didn't get any settlement of this dispute with the client so far, which doesn't mean that we should -- we suspect that the return will be zero. We still do believe that we will get something and something substantial, but it's taking a long time. The discussions are ongoing. It's very likely that the settlement now will be something which will take place in 2007 not 2006, but we are still pursuing it, working on it and confident that we can achieve something.

Coming back to the Facilities, you said that given the fact that the order intake was very low lately, should you factor in this decline in the revenues in this division during the first half of next year? That's very likely. As I said, there is one contract, which we are signing right now which is for this new spar in the Gulf of Mexico for Shell. But that's only one spar, it's big but it's not -- it will not be enough to reverse the trend. We might have the opportunity to sign some other deals in West Africa in the coming weeks or months. But very likely, during the first half of next year, our revenues in Facilities, Offshore Facilities will go down, that's for sure.

Now on the fleet expansion, you have a very good memory, Katherine, I'm not surprised. We said last time that we would make a decision on whether we want to have a new build for pipe lay and that we would make decisions -- a decision towards the end of this year. So, we are close to the end of this year. We'll have a chat at the end of this year, we believe that the decision will be taken during next month. So for the time being there's no news to tell you on this matter. That's something on which the teams are working and we will make a decision by the end of this year.

Katherine Tonks - Credit Suisse - Analyst

Great, thank you very much.

Daniel Valot - Technip - Chairman and CEO

Thank you.

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Operator

James Hubbard with UBS. Please go ahead with your question.

James Hubbard - UBS - Analyst

Hi good afternoon. In -- two questions. In the July presentation you gave with Q2 results, you said -- or there was a slide there showing EUR1,900m of scheduled backlog for the Onshore division to be recognized in second half of this year. Q3 is EUR829m and now we've got scheduled EUR800m. So, it looks like there's a EUR300m gap compared to your expectations in the middle of the year. I'm wondering does that represent one particular project which has been materially delayed, or is it just a collection of small delays? Is there something there that's going wrong that we should be worried about basically?

And secondly, on your video interview on the web this morning. You were discussing [Koresania] and the conversion of that contract from service agreement into lump-sum turnkey. I'm wondering why would you want to actually convert it anyway? Why not just leave it as a nice safe very large [cost-cost] contract? What is it the urgency to convert this into a lump-sum contract?

Daniel Valot - Technip - Chairman and CEO

Right, on your first question if I understand, it relates to numbers we gave regarding the way the backlog will convert into revenues in the coming -- in the next year or so.

James Hubbard - UBS - Analyst

Yes specifically for the Onshore-Downstream division.

Daniel Valot - Technip - Chairman and CEO

For the Onshore-Downstream. Well, the numbers we give each quarter are of course indicative. It doesn't have the precision of rocket science, it's an estimation. It's based on what we know about our projects, the speed at which they should normally be executed. It's related also to the local currencies against the euro and so and so forth. So, once again, it's not accounting numbers, it's a kind of indicative forecast and sorry, from time to time there might be some material differences between those indicative forecasts and the actual reality three months later or six months later.

On Koresania, why do we want to have this contract converted into a lump-sum turnkey project? It's just because, you need to understand the difference is not simply the fact that today it's a service contract and tomorrow it will be a lump-sum contract. The difference is the size of the contract for us. As long as it remains a service contract the only thing, which is paid to us, is our engineering man-hours. What we are shooting for is to conversion into lump-sum turnkey, which means that in our revenues the size of this thing will be some 10 times bigger. And accordingly the size of our margins will be also some 10 times bigger.

So, it's a -- what is at stake is really big for us. If the contract, while the contract will be converted in lump-sum terms which I believe should take place before the end of this year, but don't cut my head if it's not -- if it does not materialize, it's the best estimate we can make today. When it does materialize it will bring us something like EUR1b on our -- in our backlog before the end of this year. So that [will be].

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James Hubbard - UBS - Analyst

Okay, sorry, just a follow up. I took from your video interview that you said quite clearly that your doing the work, Technip has got the work, there is no question that your doing it or not. So, I took that to mean that whether lump-sum turnkey or service contract, you're doing the procurement, you're going to be supervising the construction. So is that not the case?

Daniel Valot - Technip - Chairman and CEO

Yes, but the client is paying just for our services, for our itinerary man-hours. They are paying the suppliers for the equipment, which is purchased on this contract and they are paying the construction -- the contractors for their job. So, once the contract is converted into lump-sum turnkey, all that -- all that proves, not only the engineering but procurement and construction, will flow into our accounts. So that's the major difference. Once again, on those -- on this type of projects the share of the engineering is about 10 to 15% of the total value of the project. So there is a huge, huge difference between a pure service contract and a lump-sum turnkey job.

James Hubbard - UBS - Analyst

Okay, fine. Thank you.

Operator

Christyan Malek with Deutsche Bank. Please go ahead with your question.

Christyan Malek - Deutsche Bank - Analyst

Good afternoon gentlemen and congratulations on a good set of results. Four short questions. Firstly, beyond the SURF contract which you're negotiating in terms of variation orders. Can you quite clearly state are there any outstanding claims on any other contracts in your backlog that you're pursuing? And what's your view on them?

Secondly, regarding Management Board, given your departure next quarter Mr. Valot, can you give us any light in terms of whether the hire will be internal or external? And whether there'll be a revamp of Board or Management?

Third question, you're -- you promised to pay back or return back EUR300m worth of cash to shareholders. And you mentioned various other steps in your presentation beyond the buybacks. Does that mean to say that you could potentially award some of them back into some sort of dividend?

And fourth question, in terms of your onshore margins, the success you've had this quarter, am I right to assume that that would be some sort of platform going forward, given the bulk of your profit recognition won't occur before the end of next year? Thank you.

Daniel Valot - Technip - Chairman and CEO

Onshore margins you're talking?

Christyan Malek - Deutsche Bank - Analyst

Onshore margins absolutely.

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Daniel Valot - Technip - Chairman and CEO

Onshore margins.

Christyan Malek - Deutsche Bank - Analyst

Yes.

Daniel Valot - Technip - Chairman and CEO

Okay, alright. On the SURF business, in terms of -- you mentioned are there any other substantial claims around?

Christyan Malek - Deutsche Bank - Analyst

Yes, on SURF that's everything in your backlog.

Daniel Valot - Technip - Chairman and CEO

Alright, okay. I would say no. We have the regular flow of purchase orders and valuation orders. But in terms of claim, the only substantial one is the one, which has been mentioned before.

Now, don't underestimate the fact that on many projects, especially when they are big, when the client introduces changes, because they require [inaudible] for instance, or they want a bigger whatever, that's a change, which translates into a changed order on which we have to negotiate the value of the changed order. And it is not a claim. We are not claiming for the support we are just negotiating with the client in order to get the fair compensation for an additional piece of work.

So, probably that's not very easy to understand from outside but I want to clarify that we are not a claim Company. We are not the kind of contractor, which takes contracts at a rock bottom price and then goes fighting against the client with a lot of claims. We are, I would assume, a rather reputable contractor doing his job the best we can do. And, unfortunately, for various reasons I have commented last time projects are started now with not enough preliminary studies, which means that on most projects now, there is a big number of variation orders during the life of the project, which translates into additional revenues, which have to be negotiated with the client. But that's just normal course of business. Okay?

Now on my succession, thank you very much for this question. Well, quite fortunately, I have nothing much to report. The succession is something, which is handled by the Board and by its nomination committees. So they are doing their job of selecting the appropriate successor and for the time being we have really nothing new to report to you on this subject. I do believe the process will be completed in the near future and as soon, of course, there is something new it will be reported to you.

Christyan Malek - Deutsche Bank - Analyst

Right but there is no sort of criteria that you outline or that you'd like to tell the market in terms of who you're looking for?

Daniel Valot - Technip - Chairman and CEO

Sorry?

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Christyan Malek - Deutsche Bank - Analyst

There's no sort of criteria underpinning your selection, in terms of internal or [inaudible] non-industry?

Daniel Valot - Technip - Chairman and CEO

No, no it's not my job. [Let me] make it extremely clear, it's not my job. My job is to continue to run this Company until the end of April. The job of the Board is to find the appropriate successor. And I'm very happy not to have this additional burden. So, what -- since I don't have this additional burden I have nothing to report so far, okay?

Christyan Malek - Deutsche Bank - Analyst

Right.

Daniel Valot - Technip - Chairman and CEO

On the return of cash to shareholders, it's very true that we are in this -- in the process of executing the program we embarked upon last April. And we have said, and I can confirm that we want to have this program completed before next April. And it will have taken us one year to return to our shareholders approximately EUR600m.

So far we've made half of this program through share buybacks. This was the most appropriate way of working as long as our share price was relatively low. Since our stock price is moving in the right direction today, we will have to think again, about the way we return this cash flow to shareholders. And we will discuss in the Board meeting middle December what is the best strategy to return the remaining EUR300m to our shareholders. You can imagine a number of ways and means. It's too early to talk about it now. But that's something which -- on which we will have fresh news in one month from now.

Now on the Onshore market, I'm not sure I only understood your question, if you could rephrase it please?

Christyan Malek - Deutsche Bank - Analyst

Absolutely. The question's regarding this profit -- this back end loaded profit recognition policy I think you've had. Given the 3% margin you reported in Q3, would it be fair to say that's a decent [floor] from here on forward looking margins? And I guess that's the first part of the question.

The second part is, do you expect a strong uplift towards the end of the year in line with this recognition policy that you have?

Daniel Valot - Technip - Chairman and CEO

Well, as I said, we had a proportion of revenues coming from new contracts, which is increasing slowly quarter-after-quarter. It moved from 30% two quarters ago to 40% last -- the second quarter to 50% this third quarter. So, I would expect our -- the expansion of our margins in the Onshore-Downstream segment to continue more or less at the same pace in the coming quarters. There is no reason why they should explode all of a sudden during a specific quarter.

Christyan Malek - Deutsche Bank - Analyst

Brilliant, thank you very much.

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Daniel Valot - *Technip - Chairman and CEO*

Thank you.

Operator

Paul Andriesson with Fortis, please go ahead with your question.

Paul Andriesson - *Fortis - Analyst*

Good afternoon gentlemen. Paul Andriesson, Fortis. My first question is on the SURF division, given that it seems there are now no further project problems, is there anything holding back this division to grow to 12 to 13% margins in the coming years, given the good market?

The second question is also relating to your video interview. You were talking about two very large contracts which can be either in the backlog by the end of the year or not. You seem to be pretty sure about that second contract as well. Could you identify that one for us?

And the fifth question is, you have EUR1.5b in net cash. Last time we discussed that there were some EUR300m in advance payments there. Will you have in your December meeting under consideration raising the amount to be given back to shareholders?

Daniel Valot - *Technip - Chairman and CEO*

Okay, thank you for those questions. First, on the SURF division, I -- well my sense is that there is no reason why our margins in the future in this arena shouldn't go up to something like 12 or 13%, or even better, providing we don't have any major problems on the major contracts. Once again, today, we have a little bit less [extra] contracts for the collection of relatively smaller and manageable pieces of work. So there are solid reasons to believe that we should be able to reach this level of margins in the coming quarters.

Once again, when you compare those numbers to the ones of some of our competitors you need to be fully aware that we are talking EBITA margin at Technip, margins after depreciation. So when you want to compare those with the ones released by some of our competitors who are still releasing numbers based on EBITDA margins, you need to take into account for Technip the importance of depreciation which is about five points. So when we say we make 11% margin in the SURF business, before depreciation it would be close to 16%. And that's agreed something which has to be kept in mind.

On the two contracts -- the two big contracts which might become -- which might be in our backlog before year end or not, one of them is, of course, [Amenam] project we mentioned before. It's in our backlog today but as a service contract so very small. It can be converted into a lump-sum turnkey contract and that would be an additional booking of about EUR1b in our backlog.

The other large project which we are pursuing, for which we are pretty close to a signature, is gas -- onshore gas treatment project in Venezuela called CCO, which stands for Complejo Criogenico Occidente. It's a large gas treatment project onshore in the [Marrakai Baltic] area for which we are pretty close to signature. And that would be of about EURO.5b backlog for us when this contract is signed.

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Paul Andriesson - *Fortis - Analyst*

Okay.

Daniel Valot - *Technip - Chairman and CEO*

Then, your third question was about our net cash position. And you were asking whether, given the fact that our net cash position is still rising, whether we should not expand our program of [inaudible] to shareholders from 600 to the well something bigger.

Paul Andriesson - *Fortis - Analyst*

Yes.

Daniel Valot - *Technip - Chairman and CEO*

Well I don't think this would be -- it would be prudent to do it. First, because we are -- it is --it's very likely that we are at a peak in terms of net cash. Now that we are entering into the execution of the big project for which we got very nice downpayments when we signed the contracts. Now that we are entering into execution, and more deeper into the execution of those projects, we are going to consume some of this cash. So it's very likely that the cash position at the Company, at the end of this year is at our internal forecast. Our net cash position at the end of this year should be slightly lower than it is today. So I don't think it would be careful.

The other thing is that we are also at a time when we expand our capital expenditures. So, for this year -- we said before that our capital expenditures would be above EUR200m. It seems now that some payments are going to be postponed until next year, 2007. So in terms of actual payments during the year 2006 it's very likely we will be below EUR200m. And that's also something which is pushing our net cash position up. But those delayed payments will have to be done anyway in 2007. Which means that our actual capital spending will be much higher in 2007. And that's an additional reason why it's prudent to keep this cash in our hands.

Paul Andriesson - *Fortis - Analyst*

But could you specify already 2007 CapEx? And, on the advance payments, I understood last quarter that they numbered no more than EUR300m or so, so indicating that you had some EUR1.2b in entirely free cash available.

Daniel Valot - *Technip - Chairman and CEO*

No. I won't enter into the theological discussion about what is our cash, not our cash, available cash or not available cash. I think we need to have some cash to run the business.

So going back to your question about our capital spending next year. Broadly speaking, I don't know, once again, because our budget is -- has not been completed for 2007. We said earlier that we were expecting to have a rather higher level of capital expenditures both in 2006 and 2007 and we said that we would be, for each one of those two years, around EUR250/EUR240m. It seems now that, because of some payments being postponed to the early next year, that our actual spending in 2006 will be below EUR200m. So if it's below EUR200m it's very likely that, in 2007, what we will have to spend will not be a little over EUR450m, but rather something in the [near order] of EUR300m or more. So that's an additional reason why, as I said, we need to be very careful with our cash position and keep the -- as much cash as we can in order to face the need for increased capital expenditures next year.

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Paul Andriesson - *Fortis - Analyst*

Okay. Thank you.

Daniel Valot - *Technip - Chairman and CEO*

Thank you.

Operator

Dominique Patry of Cheuvreux, please go ahead with your question.

Dominique Patry - *Cheuvreux - Analyst*

Yes, good afternoon. I would like to come back on one point. At your AGM back in May you described at length the [terms of our equaling] offshore chain of supplier and the fact that you were suffering from cost pressure, equipment delivery delays and so forth. Given what we hear from oil company, we see no reason why this will -- would have changed. Could you maybe update us with the regard to the current situation of this part of your costs, please?

Daniel Valot - *Technip - Chairman and CEO*

Okay, Mrs. Patry, what I described was not tensions on our chain of suppliers. I described tension on the chain of suppliers because I believe something -- this is something which is the general picture affecting a lot of people. You probably noticed that after my announcement we got some news from various oil companies reporting on their project being postponed, delayed, more expensive and so on and so forth. So I do believe it's a general trend which is affecting everybody.

What I would say is that the trend is still the same today. It has not softened in any way. But we are probably now more used to it and so we are able to manage it in a more efficient way than we were when [this situation] started to decline. So we are now more astute when we make our pricing. We tend to include more contingencies in our pricing. We tend to negotiate with our suppliers before bidding for any new jobs and so on and so forth. But the overall tension on the capacities, on the engineering capacities, fabrication capacities and the construction capacities, has not changed.

If you take, for instance, what's happening in the -- on the FESOs field, the three large Korean ship yards, which have been the main suppliers with contractors of FESOs, are pretty good. So that's also a reason -- one of the reasons why some projects are -- some development projects is like this. So those are the plans today. I have now plans today because there is no stock available in the Korean Gulf today. And some of the projects which the operators wanted to start now will have to be postponed just waiting for [these plans] in the Korean ship yard.

So the situation has not changed. I don't think it will change very soon because we don't see the suppliers adding additional fabrication capacities at the speed which would be needed. So it's very like that the situation of strain on capacities will remain for some time. I would say that we are, at Technip, like probably most of our competitors, better equipped to deal with it.

Dominique Patry - *Cheuvreux - Analyst*

And maybe one practical example, which type of measure have you taken in order to best offset this challenge when it's come to the construction that you are currently completing on your big LNG project in Qatar? Which type of corrective measure, or

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which type of practical example, can you help us to understand what you are doing in order to offset the challenge that you have not -- that you have maybe not enough construction capacity?

Daniel Valot - *Technip - Chairman and CEO*

So, just to give you an example, but it varies from one contract to another one. On one major contract, and it's not related to Qatar because all operations are around Qatar so it relates to a different project. A very big project, very far away from us, more in the Far East than in the Middle East. On the one very large project, when we negotiated with the client, we agreed on the fact that in spite of the date of completion, the [date] of that date of completion, we would have a great failure if the suppliers of some critical equipment were late in delivery compared to this agreed [situ]. So we took into account the fact that most of the factories are pretty full and that's an example that the client there accepted that the date of completion on the whole project could be postponed, without penalties for us, if there was late deliveries from some suppliers. That's an example.

Dominique Patry - *Cheuvreux - Analyst*

Okay. Thank you. Then I have another question on another subject. You mentioned in your preliminary remarks that you were having cash financial charges of EUR11m during the quarter. Could you explain us why, given the fact that you were in a significant net cash position during the quarter, you were still having some cash financial charges?

Daniel Valot - *Technip - Chairman and CEO*

Well, Mrs. Patry, you probably remember because we -- you know our situation pretty well. You probably remember that in our accounting system at Technip, and I don't know if it's the same with our competitors, the financial product [of the others] by the way on the treasury of the contracts is added to the result of the contract. So it's reported for us not as a financial charge or product, it's reported as a proportion of our revenues and operating income. So what comes on our -- in our accounts as financial result is the financial result on the corporate cash. And the corporate cash position has been, of course, going down because of the share buybacks we made on the market. So we still have financial charges on the corporate cash and debt position, while we generate nice financial products on the cash position on the contracts.

Dominique Patry - *Cheuvreux - Analyst*

Okay. Thank you.

Daniel Valot - *Technip - Chairman and CEO*

Is it clear enough?

Dominique Patry - *Cheuvreux - Analyst*

Yes. Thanks.

Daniel Valot - *Technip - Chairman and CEO*

Okay. Thank you. Right. Well, one thing we could do in the coming quarters, if it were helpful for you guys, would be to report when we report on our financial charges, to make the distinction between cash financial charges and non-cash financial charges.

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Because you'll have each quarter, you know, those charges related to IAS32, 39 and so on and so forth, which are just accounting numbers, which might prove to make very much from one quarter to another without a lot of real economic meaning. So, if it's helpful for you, we can, I would assume in the coming quarters, have two lines for the reporting of our financial results.

Operator

Thank you. Stephane Soussan from Exane, please go ahead with your question.

Stephane Soussan - Exane - Analyst

Good afternoon. I was just wondering, could you give a -- I don't see anymore the Angola LNG projects on your radar screen. Can you just make an update on that project?

Daniel Valot - Technip - Chairman and CEO

Well we bet on this project, we didn't win it.

Stephane Soussan - Exane - Analyst

Okay.

Daniel Valot - Technip - Chairman and CEO

So it's no longer on the radar screen.

Stephane Soussan - Exane - Analyst

Okay. And just, I was just wondering in Nigeria you have seen some significant projects I think under your execution. Do you expect some, I don't know, major problems or cost over all? Do you -- have you been impacted by big problems on the [execution] of those projects recently?

Daniel Valot - Technip - Chairman and CEO

No. The -- there are two projects which are now completed. One is this area for [Exon] which has been completed just in the -- a few weeks ago. For which the project is now completed and vital orders and claims have been settled. Put behind us.

The other one is Amenam number 2 which is pretty close to completion now. The installation has been made and there is no problem, specific problem, on this one. We have, in front of us, a very large SURF project which is [Agdani], for [Sevron] for which installation is scheduled for 2008 so we are today doing the engineering and the fabrication of the lines now in our plant in France. And so far it's progressing very nicely but you know these types of projects. The real -- the day of reckoning is when you start the installation at sea. So, for the time being, it's okay.

The other project we have is LNG project, which is Onshore of course. And then LNG for which we are completing the train number six. And so far it's running very well like the first [four or five] trains did. It's true that there are some questions about the safety in Nigeria, you have probably seen that. There have been a number of attacks, many on ex-patriots. So far we have not been implied directly in these type of things. I do hope it will continue. We take very extra care of the safety of our people there.

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So that's the picture today.

Stephane Soussan - *Exane - Analyst*

Okay. [I have] two more questions really. On the refining.

Daniel Valot - *Technip - Chairman and CEO*

Oh yes, sorry, sorry. I forgot to -- excuse me. We have another large project in Nigeria which is an additional FESO on the [filco acto]. Today the project is mainly taking place outside of Nigeria and there is engineering made in Paris, and the construction which -- the fabrication of which is going to start in Korea. So the fact that there might be some problems in Nigeria is not affecting this project. So that's the complete picture.

Stephane Soussan - *Exane - Analyst*

Okay. I just would like to -- the fourth refinery in Kuwait, when do you -- do you expect the -- an award soon?

Daniel Valot - *Technip - Chairman and CEO*

We are not yet at this stage. We are at the process of going to give an offer or not going to give an offer. It's -- as you know, it's a very large project. Well, we are today in a situation in which we face the terms and conditions exposed by the Kuwaitis which are not extremely attractive, to say the least. So we are trying to convince them to change them to make them more palatable. And if this change doesn't take place, we might then decide not to be doing those projects.

Stephane Soussan - *Exane - Analyst*

Okay. And one last question on your fleet. I just would like to -- if you decide to launch a new -- the [consent] of a new pipe-laying vessel, is to replace -- will it be an addition to your, let's say, an increase in capacity or to replace maybe the [part of the desenerite] 2000 which may be, I don't know, are they too old? They were all built in the '70s or the beginning of the '80s.

Daniel Valot - *Technip - Chairman and CEO*

Well the strategy would be to have this new vessel added to the fleet. Knowing that if, later on, we find out that there is enough or too much capacity in the market it might be wise to retire the [FXC] which will be pretty close to the likely -- pretty close to a recycled eight.

Stephane Soussan - *Exane - Analyst*

Okay. Thank you.

Operator

Alejandro Demichelis from Merrill Lynch, please go ahead with your question.

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Alejandro Demichelis - *Merrill Lynch - Analyst*

Yes, good afternoon. Two questions if I may. The first one is just to complete the picture on the Onshore part of your business. Maybe you can comment on what's going on in the ethylene projects in Middle East there and if you're expecting those to be on track and on budget?

And the second question is on the CapEx. Given that you're having, or you are indicating a lower CapEx now, should we expect any delay in some of the expansion projects that you are taking in Brazil and in your fleet?

Daniel Valot - *Technip - Chairman and CEO*

Well, not really. It's more delays in the -- in payments than delays in the actual implementation of those projects. You know, when our people start the year -- and this has been the traditional picture in this company, I would assume in many of our -- of the other companies, we have capital expenditure projects. We take the assumption that they will be executed and paid very quickly. That the financial decision, prefer it anyway to a very conservative forecast, so we bet that we will spend the money very quickly. And actually the reality is that it's spread on a longer period of time. But it's not really putting at risk the expansion projects we have.

On the ethylene projects in the Middle East, they are not -- we have three major projects in the Middle East; the one in Kuwait, the one in Saudi Arabia, the one in Qatar. They are not as beautiful as the other one, the three of them. But, so far, it's running well. So we are reasonably confident that those projects will generate decent margins.

Alejandro Demichelis - *Merrill Lynch - Analyst*

Yes, decent margins but you are still targeting 2007/2008, as a [inaudible] date for those?

Daniel Valot - *Technip - Chairman and CEO*

Oh yes, sure.

Alejandro Demichelis - *Merrill Lynch - Analyst*

Okay. Fine. Thank you.

Operator

Peter Chester with One Investments. Please go ahead with your question.

Peter Chester - *One Investments - Analyst*

Yes, thank you very much and I -- excuse me, I've got some background noise. I've got a couple of questions for you. I was wondering if you might be able to expand upon your interesting point on the mix of business that was from the last five quarters [down one]. Looking forward, maybe giving some context as to how you would expect that 50% rate currently to develop based on your current backlog on Offshore -- in the construction business, Onshore construction business.

And maybe also if you could add to that some understanding of the proportion of value of sales in different quarters or periods that would relate to projects in the final stage of completion. So, in the other end of that equation, that business with a higher margin attached to it.

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Then the other question I had is just on 2006, maybe you could give an idea of your sales, Group-wide sales, in 2006. What the value of sales eventually won in 2006, to give us some idea of the inter-year win in deliveries in the shorter term work in terms of scale.

And then two questions on the offshore side. On the SURF side, can you give us some feeling for what the capacity utilization in the flexible pipe facilities and whether there are any plans to increase that?

And then lastly, on the order development and the construction area, Onshore construction area, can you give any sense as to whether there's some -- the time lags and the supply chain are causing any delays in the awarding of business from your customers? Thank you.

Daniel Valot - *Technip - Chairman and CEO*

Well, quite a lot of exciting questions. I'm not sure I've taken notice of all of them so, perhaps, I will ask you to help me. I will give you a premier, the first news, it has not been disclosed to anybody to give you a flavor about the development of margins in our business.

With [contribute] again, that's something we did a few quarters ago, what we called the weighted average of completion of our projects. So we take all projects for which we give on a regular basis the schedule, all projects both EUR100m in -- for our share, and we compute during this specific quarter, so during the third quarter, what is the proportion of those projects, what is the average rate of completion of those projects. Okay. Weighted by their size, in fact.

So for the SURF business, during the third quarter 2006, this weighted average of completion comes to 51%. In the Offshore platforms it comes to 73%. So that explains the reason why we have relatively higher than usual operating margin ratio in Offshore platforms. In Onshore-Downstream it's 43%. It reflects the fact that the portfolio projects we have currently under execution is still relatively young and, therefore, generating very little margin recognized in our accounts.

I don't know if this answers your question but I believe that's the most informative indication of the way the margins are developing in our business.

Peter Chester - *One Investments - Analyst*

That's very helpful but I was wondering -- sorry, excuse me. That's very helpful. I was wondering if you could also give us some indication as to how you would expect those proportions, based on the order backlog that you see now, would change maybe in the next couple of quarters. Whether [they] should be reasonable for that.

Daniel Valot - *Technip - Chairman and CEO*

Well this, it's really difficult to predict because it's a combination of two factors. Sure we have the progress on the projects which are currently under execution and, then, there is the timing of arrival of new projects in our backlog. So the progress of these projects we have today in our backlog is something we can predict with some level of accuracy. The speed at which new projects will come in our backlog and when they will arrive is, obviously, much more difficult to predict.

Peter Chester - *One Investments - Analyst*

I understand.

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Daniel Valot - *Technip - Chairman and CEO*

So, the only indication we can give to you, and that's something we can give on a regular basis if you so wish, is this weighted average rate of completion. But we cannot compute it until the quarter is finished. We cannot predict on this figure.

Peter Chester - *One Investments - Analyst*

But I was wondering if on the Onshore side where it's a bit of a longer pipeline and again on SURF there's a lot more short term work and on the Onshore development maybe there is some possibility of helping us on that. As to whether this 43 -- you really expect this 43%, for example, early next year to be about 50%.

Daniel Valot - *Technip - Chairman and CEO*

Well, once again, the -- if -- it would be much more easier to predict things in our business if we decided once forever not to sign any new contracts. Then we would have the portfolio on which it would be easy to make forecasts as to when the project will be completed, what -- and hopefully which type of margin it will yield at the end of the execution. Unfortunately, we have the bad habit of signing new contracts, if possible, each quarter. So I'm sorry but I cannot answer to your question.

Peter Chester - *One Investments - Analyst*

I know. Thank you.

Daniel Valot - *Technip - Chairman and CEO*

No. Really, the only indication I can give you that we have today is a very high level of backlog in the Onshore-Downstream segment at something like EUR7b. It has been moving up very fast in 2005. We don't anticipate this backlog to go again rising as quickly in the future. So, at best, it will stabilize. It's not unlikely that it can go down a little bit. So, given this indication, you can assume that there will be a trend for Technip to have expansion in markets, in Onshore-Downstream, and this expansion is not very likely to be slowed down in a very important way by the arrival of new major massive projects. But that's the only indication I can give at this time.

Now, if you are interested in that, we can provide to you each quarter a fresh computation of this weighted average, completion ratio, because it gives some indication about the maturity of our portfolio of products and, therefore, the trend for the [margins].

Peter Chester - *One Investments - Analyst*

That would be quite useful as would be your comment on financial income before. Okay. I'll go on to the other question. Thank you.

Christopher Welton - *Technip - VP IR*

Okay. Can you repeat those questions because there were a quite a few there.

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Peter Chester - *One Investments - Analyst*

The second was if it's possible, just looking at 2006, to give some idea, since you're close enough at the year end to help us with this, what volume of business that was won in 2006 was delivered in 2006. To give an idea of the volume of shorter term work that would be occurring in this year.

Then the third one was, if you --

Daniel Valot - *Technip - Chairman and CEO*

Sorry, sorry. Perhaps it would be better to go one question. So, roughly speaking I don't know. It -- and I will suggest that Chris Welton will call you back after having computed a few numbers. Because if I try to give you an indication from the back of my head it might be wrong. It's probably something like 20% but it is better that we dig a little bit in the numbers and he will give you this indication on the phone, if you don't mind. Okay?

Peter Chester - *One Investments - Analyst*

That would be fine. The next was just on the Flexible Pipe business, if you could give us some sort of sense of -- in the Flexible Facilities, the capacity utilization and any expansion increase planned.

Daniel Valot - *Technip - Chairman and CEO*

Okay. On our Flexible business, quite a lot of demand and, therefore, we are in the process of increasing the capacity of our factory in Brazil by about 50% and we expect this expansion will be completed by the second quarter of next year. It's on its way now.

We are also in the process of expanding the capacity of our other factory, which is the one in France, and it would be an expansion of about 20% for the capacity. And we feel good about it. Those plans are extremely busy now. The demand is continuing to grow so this expansion is coming right in time.

Peter Chester - *One Investments - Analyst*

Okay, very good. And the last one was if you could give us some sense as to whether the difficulties that the supply chain is having in expanding its own capacity, is having any particular impact on the order inflow to Technip, i.e. the customers are looking at long lead times and saying well we're take a bit more time to think about the business before we place the order.

Daniel Valot - *Technip - Chairman and CEO*

Well, I would assume that the system is going to regulate itself. A number of projects, don't ask me how many, but I would suspect a number of projects will not be launched right now just because there is no capacity available. And so the odd companies before launching the project will check the critical [port]; is there any compressor fabrication availability in the near future; is there any slot available in the yards in the Far East and so on and so forth. And if the answer is no they will have to postpone their projects.

Which is one of the reasons why we feel rather good that the fact that this situation of very high level of demand for us and our competitors, of course, the trawler industry, is going to last for quite some time because the -- some of the projects which the operators would like to launch will have to be postponed any way. So the -- I do believe that we will have a very strong market ahead of us for at least the next three or four years.

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Peter Chester - *One Investments - Analyst*

That's very helpful. Thank you very much for your answers.

Operator

[OPERATOR INSTRUCTIONS]. We take our next question from Jonathan Waghorn of Goldman Sachs. Please go ahead.

Jonathan Waghorn - *Goldman Sachs - Analyst*

Hi, good afternoon. Just a point of clarification, if I may. Can you just confirm whether the Company will be giving guidance for earnings in 2007? And, if so, what metrics will be using? I appreciate you won't give us kind of a preview at the moment but will you be giving guidance? And, if so, what metrics please.

Daniel Valot - *Technip - Chairman and CEO*

Well, I'm a bit [under duress] to answer your question. I'm sorry. But since I'm going to leave beginning next year, I would not, at this stage, make any commitment which would be committing for my successor naturally. So sorry to give you this answer which is probably a bit disappointing but that's a question which will have to be discussed in very -- very seriously at our next Board meeting. Today, I don't know if the decision of the Board will be to give any guidance.

You know, it's a very difficult exercise. We know perfectly well how difficult and fateful it has been for us. Because, at the end of the day, when you give a guidance, the market is looking at our performance, not in absolute terms, but our absolute performance compared to the guidance. And there are so many uncertainties in -- today around us given the situation of the over-heated market we are facing, that giving you guidance and being straight on the guidance each quarter is becoming more and more difficult. So, frankly speaking, I don't know what the answer will be and, since I don't know what the answer will be, I'd rather tell you I don't know.

Jonathan Waghorn - *Goldman Sachs - Analyst*

Okay. Just one follow on from that then, if I may. When is the Board Meeting, please?

Daniel Valot - *Technip - Chairman and CEO*

Our next Board Meeting will be mid December.

Jonathan Waghorn - *Goldman Sachs - Analyst*

Right.

Daniel Valot - *Technip - Chairman and CEO*

And the following one will be in February to -- for our fourth quarter numbers.

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Jonathan Waghorn - *Goldman Sachs - Analyst*

Okay, so it may well be mid-year guidance then?

Daniel Valot - *Technip - Chairman and CEO*

Perhaps.

Jonathan Waghorn - *Goldman Sachs - Analyst*

Thank you very much for your time.

Daniel Valot - *Technip - Chairman and CEO*

Good. Thank you.

Operator

There are no further questions at this time. Please continue.

Christopher Welton - *Technip - VP IR*

Fine. Ladies and gentlemen, this concludes today's conference call unless Mr. Valot would like to make some closing comments.

Daniel Valot - *Technip - Chairman and CEO*

No. It's okay. Thank you.

Christopher Welton - *Technip - VP IR*

As I mentioned, there will be a replay of this call available on our website in about two hours. In the interim and afterwards, please contact Technip Investor Relations should you have any questions or require additional information. Thank you for participating.

Operator

Thank you for your participation in today's results conference call. We would like to clarify that a replay of this call will be available within the next two hours. The replay will be on our website, www.technip.com, in the Investor Relations section or by dialing +44 207 806 1970 using the confirmation code 3471232#, or by dialing +33 171 230 248 using the confirmation code 3471232#, or by dialing +1 718 354 1112 using the confirmation code 3471232#. The replay will be available for seven days. Thank you and goodbye. You may now disconnect.

Nov. 16. 2006 / 9:00AM, TKP - Q3 2006 Technip Earnings Conference Call

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