Technip

PRESS RELEASE

Paris, July 28, 2016

Technip's Second Quarter 2016 Results: strong operating performance; cost reduction delivery ahead of schedule; 2016 objectives upgraded

SECOND QUARTER 2016: STRONG OPERATING PERFORMANCE

- **Adjusted revenue** at €2.8 billion: stable versus 1Q 16; balanced between both business segments
- **Adjusted Operating Income From Recurring Activities**[1] at €260 million
- **Order intake** at €1.5 billion
- **Balance sheet** strengthened with record €2.2 billion adjusted net cash
- **Diluted EPS**[2] up to €1.03; **Net Income** of €123 million

COST REDUCTION DELIVERY AHEAD OF SCHEDULE

- Cost reduction plan ahead of schedule with €900 million savings to be delivered by 2016 (previously €700 million) out of the total planned of €1 billion

FULL YEAR 2016 OBJECTIVES UPGRADED

- Adjusted Subsea revenue between €4.7 and €5.0 billion, adjusted Operating Income From Recurring Activities[1] around €680 million
- Adjusted Onshore/Offshore revenue between €5.7 and €6.0 billion, adjusted Operating Income From Recurring Activities[1] around €280 million

[1] Adjusted operating income from recurring activities after income/(loss) of equity affiliates.
[2] As per IFRS, diluted earnings per share are calculated by dividing income/(loss) attributable to the parent company's shareholders, restated for financial interest related to dilutive potential ordinary shares, by the weighted average number of outstanding shares during the period, plus the effect of dilutive potential ordinary shares related to the convertible bonds, dilutive stock options and performance shares calculated according to the "Share Purchase Method" (IFRS 2), less treasury shares. In conformity with this method, anti-dilutive stock options are ignored in calculating EPS. Dilutive options are taken into account if the subscription price of the stock options plus the future and still outstanding IFRS 2 charge is lower than the average market share price during the EPS reference period.

Note: *The second quarter 2016 results presented in this press release were prepared on the adjusted basis as described in Technip's fourth quarter 2015 press release. These results reflect the financial reporting framework used for management purposes.*

- *2Q 16 revenue at €2,096 million within IFRS framework and €2,813 million within adjusted framework*
- *2Q 16 net income at €123 million within both IFRS and adjusted frameworks*

On July 26, 2016, Technip's Board of Directors approved the second quarter 2016 adjusted consolidated financial statements.

€ million (except Diluted Earnings per Share)	2Q 15	2Q 16	Change	1H 15	1H 16	Change
Adjusted Revenue	**3,098.4**	**2,812.9**	**(9.2)%**	**5,981.7**	**5,575.0**	**(6.8)%**
Subsea	1,553.8	1,369.3	(11.9)%	2,841.4	2,751.6	(3.2)%
Onshore/Offshore	1,544.6	1,443.6	(6.5)%	3,140.3	2,823.4	(10.1)%
Adjusted Underlying EBITDA[1]	**353.0**	**324.4**	**(8.1)%**	**596.7**	**629.1**	**5.4%**
Adjusted EBITDA Margin	*11.4%*	*11.5%*	*14bp*	*10.0%*	*11.3%*	*131bp*
Adjusted Underlying OIFRA[2]	**281.5**	**259.7**	**(7.7)%**	**453.2**	**496.3**	**9.5%**
Subsea	250.3	200.1	(20.1)%	415.5	381.5	(8.2)%
Onshore/Offshore	53.2	73.5	38.2%	76.7	143.2	86.7%
Adjusted Operating Margin[3]	*9.1%*	*9.2%*	*15bp*	*7.6%*	*8.9%*	*133bp*
One-off Charge	(570.4)	(57.0)	nm	(570.4)	(89.5)	nm
Underlying Net Income[4]	**183.0**	**175.3**	**(4.2)%**	**291.0**	**320.7**	**10.2%**
Net Income of the Parent Company	**(306.9)**	**123.3**	**nm**	**(220.8)**	**237.7**	**nm**
Diluted Earnings per Share[5] (€)	(2.71)	1.03	nm	(1.95)	1.97	nm
Order Intake	1,510	1,482		3,011	2,412	
Backlog	18,824	13,533		18,824	13,533	

[1] Adjusted operating income from recurring activities after income/(loss) of equity affiliates excluding exceptional items, depreciation and amortization. No exceptional items in 1H16.
[2] Adjusted operating income from recurring activities after income/(loss) of equity affiliates excluding exceptional items. No exceptional items in 1H16.
[3] Adjusted operating income from recurring activities after income/(loss) of equity affiliates excluding exceptional items, divided by adjusted revenue. No exceptional items in 1H16.
[4] Net income of the parent company excluding exceptional items. See annex V.
[5] As per IFRS, diluted earnings per share are calculated by dividing income/(loss) attributable to the parent company's shareholders, restated for financial interest related to dilutive potential ordinary shares, by the weighted average number of outstanding shares during the period, plus the effect of dilutive potential ordinary shares related to the convertible bonds, dilutive stock options and performance shares calculated according to the "Share Purchase Method" (IFRS 2), less treasury shares. In conformity with this method, anti-dilutive stock options are ignored in calculating EPS. Dilutive options are taken into account if the subscription price of the stock options plus the future and still outstanding IFRS 2 charge is lower than the average market share price during the EPS reference period.

Thierry Pilenko, Chairman and CEO, commented: "Operationally, the second quarter performance highlighted our teams' continued drive to win new business, execute our clients' current projects, reduce our cost base and maintain our balance sheet strength. The result was a solid quarter of profit and cash generation. Strategically, the agreement to merge with FMC Technologies shows our determination to drive change in our industry, as it evolves in response to a lower oil price; the merger process is progressing well, with significant milestones completed.

Quarterly performance highlights

Regarding second quarter performance, the key elements include:

- Strong Subsea activity across our regions, delivering an OIFRA at €200 million and margin at 14.6% on revenues down 12%;
- A resilient Onshore/Offshore performance, with OIFRA at €74 million and margin at 5.1% on revenues down 7%;
- Our cost reduction program is ahead of schedule and expected to deliver €900 million already by 2016, demonstrating our ability to build a leaner business faster
- Strong cash conversion: cash flow of €205 million drove record net cash to €2.2 billion end of June;
- Order intake of €1.5 billion, in line with 2Q15 and well ahead of 1Q16, with projects providing visibility and additional workload for both our people and assets.

Within Subsea, our vessels were active on North Sea projects such as Kraken and Edradour, and notably in West Africa on GirRI (Angola), TEN (Ghana) and Moho Nord (Congo). In Brazil, we renewed the charters of both our Brazilian-flagged pipelay vessels, the Skandi Niteroi and Skandi Vitoria.

In Onshore/Offshore, we inaugurated the largest ethylene cracker project in the Americas – Etileno XXI for Braskem (Mexico). In Malaysia, our first Tension Leg Platform (TLP) sailed away on Malikai for Shell and Petronas FLNG Satu has been moored. The Yamal project continued its solid progress through the quarter, with 48 modules having departed their fabrication yards since the beginning of 2016. Order intake included a mix of early stage, reimbursable and technology-related work, as well as additional scopes on larger projects such as Yamal.

Accordingly, in light of the strong performance in the first half, we have upgraded our 2016 objectives:

- Adjusted Subsea revenue between €4.7 and €5.0 billion, adjusted OIFRA around €680 million (previously between €640 and €680 million);
- Adjusted Onshore/Offshore revenue between €5.7 and €6.0 billion, adjusted OIFRA around €280 million (previously between €240 and €280 million).

Market environment and outlook

The recent rise in the oil price coupled with evident deflation across the supply chain in oil and gas gives all market participants more confidence to plan for the long term. We are therefore seeing continued focus from clients seeking to get upstream projects to work – notably fast track projects like tie-backs and brownfield, but also larger, strategic investments. This should not create undue optimism. We continue to expect for some time yet a slow rate of new orders and continued competitive pressure across the industry, notably for offshore developments: the prolonged and harsh downturn has not ended.

By contrast, we continue to see good interest among our clients in investing in downstream facilities in the current environment.

Technip continues to position itself at an early stage for work across our portfolio of activities, particularly for large or complex projects that require integrated skills and experience across different market segments, or where technology expertise is critical. Our order intake over recent quarters, as in the second quarter, reflects these strengths in both offshore/subsea and onshore/downstream.

Technip and FMC Technologies combination

On May 19th, we announced our intention to combine with FMC Technologies. The transaction brings together two market leaders and their talented employees, building on the proven success of their existing alliance and joint venture, Forsys Subsea, uniting innovative technologies, common cultures and values, enabling rapid integration. The combined company will harness a new generation of comprehensive solutions in Subsea, Surface and Onshore/Offshore to reduce the cost of producing and transforming hydrocarbons. The merger process is on track. In June we reached two significant milestones ahead of schedule:

- We signed the official merger agreement mid-June, following the conclusion of the works council consultation process in Europe;
- We received a successful early conclusion of the U.S. antitrust review from U.S. regulators.

Internally, the planning for the two companies' integration is gathering momentum. In June, we announced the senior leadership team and the principles and organization of the merger integration. We expect further milestones over the coming months and will continue to communicate in tandem with FMC Technologies on our progress.

Conclusion

Our second quarter results again show Technip's focus – in our day-to-day operations and our strategy – on meeting our clients' needs for solid execution and early engagement to drive their project costs down. Project execution and cost reduction supported our profitability and cash flow and we maintained a strong balance sheet. With FMC Technologies, we will be an even broader oil and gas services company: providing technology, equipment and project management expertise. Together, we will drive change by redefining the production and transformation of oil and gas – to win projects, gain new markets, and continue to build talents – and creating long-term value for all our stakeholders."

I. ORDER INTAKE AND BACKLOG

1. Second Quarter 2016 Order Intake

During second quarter 2016, Technip's **order intake** was €1.5 billion. The breakdown by business segment was as follows:

Order Intake[1] (€ million)	**2Q 2015**	**2Q 2016**
Subsea	892	754
Onshore/Offshore	618	728
Total	**1,510**	**1,482**

Subsea order intake included a major contract for the development of the Bahr Essalam natural gas field, located in the Central Mediterranean Sea, approximately 110 kilometers off the Libyan coast. The project covers the overall design, detailed engineering and project management, as well as procurement, installation, tie-ins, pre-commissioning and commissioning. The scope of work also includes modifications to the Sabratha platform regarding the topsides. A range of vessels from the Group's fleet will be involved in the project.

In Norway, Technip was awarded a contract to supply umbilicals to the Oseberg Vestflanken 2 field covering project management, engineering and manufacturing of over 9 kilometers of static steel tube umbilical, which will be fabricated in Technip Umbilicals' facility in Newcastle, UK. Additionally, Technip signed work orders on a new frame agreement to provide diving support and IRM services in the North Sea.

In Brazil, the charter contracts for the Skandi Vitoria and the Skandi Niteroi were both renewed.

Onshore/Offshore order intake included a contract to provide basic engineering and proprietary equipment for a grassroots ethylene cracking furnace at the Saudi Kayan petrochemical complex in Jubail, Saudi Arabia. The furnace will be based on Technip's proprietary USC® furnace technology and this award shows once again the potential of our technology, equipment and consulting activities.

In Russia, Technip awarded a service contract in joint-venture with Rostec for the existing GazpromNeft Refinery covering the engineering, procurement and construction management services for the construction of a new Crude Distillation Unit - Vacuum Distillation Unit complex.

Additionally, order intake included conversion into backlog of contracted work (non-backlog elements) on various projects, as well as some Front-End Engineering Designs (FEEDs) and other early stage studies.

Listed in annex IV are the main contracts announced since April 2016 and their approximate value if publicly disclosed.

2. Backlog

At the end of second quarter 2016, Technip's **backlog** was €13.5 billion, compared with €14.9 billion at the end of first quarter 2016 and €18.8 billion at the end of second quarter 2015.

Estimated Backlog[2] **Scheduling as of June 30, 2016** (€ million)	**Subsea**	**Onshore/Offshore**	**Group**
2016 (6 months)	2,187	2,594	4,781
2017	2,199	3,272	5,471
2018 and beyond	1,492	1,789	3,281
Total	**5,878**	**7,655**	**13,533**

[1] Order intake includes all projects for which revenues are consolidated in our adjusted financial statements.
[2] Backlog includes all projects for which revenues are consolidated in our adjusted financial statements.

II. SECOND QUARTER 2016 OPERATIONAL & FINANCIAL HIGHLIGHTS – ADJUSTED BASIS

1. Subsea

Subsea main operations for the quarter were as follows:

- **In the Americas:**
  - **In the US Gulf of Mexico**, the Deep Blue vessel completed its class renewal dry-dock, while engineering and procurement phases continued for the Blind Faith, Thunderhorse South, South Santa Cruz and Barataria developments. Meanwhile, at our Mobile spoolbase, pipe welding was completed for Stones DC2.
  - **In Brazil**, at our manufacturing plants in Vitória and Açu, flexible pipe production continued for the pre-salt fields of Lula Alto, Iracema Norte, Iracema Sul and Libra Extended Well Test. Meanwhile, charters of Skandi Vitoria and Skandi Niteroi were renewed after the former's return from Africa and the latter's dry-dock.

- **In the North Sea**, offshore operations restarted in Scotland with the North Sea Atlantic on Quad 204 and the Deep Energy on Kraken. In Norway, the Apache started working on Gullfaks Rimfaksdallen and the Deep Arctic completed its campaign on Alvheim. Finally, the Skandi Africa and Deep Energy vessels were mobilized on Edradour and began the installation of pipelines and manifold at the end of the quarter.

- **In Asia Pacific,** the Deep Orient vessel performed its first installation campaign of flexible pipes for Jangkrik in Indonesia and was also mobilized on Prelude in Australia on offshore operations related to the jumper metrology.

- **In West Africa**, the G1200 vessel continued its offshore campaign on Moho Nord in Congo, while the Skandi Africa completed its first installation phase on the same project. In Ghana, offshore works continued on T.E.N. with the Deep Pioneer vessel. In Angola, the remaining umbilical installation campaign for phase 2 of the GirRI project was successfully completed by the Skandi Vitoria and on Kaombo engineering and procurement progressed and umbilicals fabrication continued in our manufacturing plants.

Overall, the Group **vessel utilization rate** for the second quarter of 2016 was 77%, below the 89% in the second quarter of 2015 and the 82% in the first quarter of 2016, mainly explained by planned dry-docks of Deep Blue and Skandi Niteroi, as mentioned above.

Subsea **financial performance** is set out in the following table:

€ million	2Q 2015	2Q 2016	Change
Subsea			
Adjusted Revenue	1,553.8	1,369.3	(11.9)%
Adjusted EBITDA	311.6	255.7	(17.9)%
Adjusted EBITDA Margin	*20.1%*	*18.7%*	*(138)bp*
Adjusted OIFRA after Income/(Loss) of Equity Affiliates*	250.3	200.1	(20.1)%
Adjusted Operating Margin	*16.1%*	*14.6%*	*(150)bp*

* No one-off charge accounted in Subsea adjusted operating income from recurring activities.

2. Onshore/Offshore

Onshore/Offshore main operations for the quarter were as follows:

- **In the Middle East,** the installation progressed on the FMB platforms offshore Qatar with the completion of the G1201 campaign. In Abu Dhabi, fabrication continued for the Umm Lulu complex and neared completion for Upper Zakum 750 field.
- **In Asia Pacific,** the Malikai tension leg platform (TLP) sailed away offshore Malaysia, while the Petronas FLNG Satu reached the Kanowit gas field and completed the mooring chains connection. Meanwhile, still in Malaysia, the Block SK316 project received its Ready For Start Up certificate. In South Korea, integration activities continued on the Prelude FLNG hull with the furnace commissioning. In Brunei, construction progressed after execution of a third shutdown for the Maharaja Lela & Jamalulalam Sud project.
- **In Europe and Russia,** the shipment of modules continued for the Yamal LNG project, with 48 modules having departed their fabrication sites since the beginning of 2016. Also in Russia, performance tests started running for a grassroots furnace in Kazan. In Slovakia, site activities started on the Duslo ammonia plant, while in the Czech Republic, piling activities began on the Litvinov polyethylene plant.
- **In Africa,** early works continued for the MIDOR refinery modernization and expansion project in Egypt.
- **In the Americas,** construction activities continued on the CPChem polyethylene plant in Texas and on Sasol's world-scale ethane cracker and derivative complex near Lake Charles, Louisiana. At the same time, construction also progressed for the Juniper platform in Trinidad and Tobago. In Mexico, the Etileno XXI petrochemical project was inaugurated.

Onshore/Offshore **financial performance** is set out in the following table:

€ million	2Q 2015	2Q 2016	Change
Onshore/Offshore			
Adjusted Revenue	1,544.6	1,443.6	(6.5)%
Adjusted Underlying OIFRA after Income/(Loss) of Equity Affiliates	53.2	73.5	38.2%
Adjusted Underlying Operating Margin	*3.4%*	*5.1%*	*165bp*
Adjusted OIFRA after Income/(Loss) of Equity Affiliates	(131.2)	73.5	nm
Adjusted Operating Margin	*(8.5)%*	*5.1%*	*nm*

3. Group

The Group's **adjusted operating income from recurring activities after income/(loss) of equity affiliates** is set out in the table below. Corporate charges fell to €14 million from €22 million in the second quarter 2015.

€ million	2Q 2015	2Q 2016	Change
Group			
Adjusted Revenue	3,098.4	2,812.9	(9.2)%
Adjusted Underlying OIFRA after Income/(Loss) of Equity Affiliates	281.5	259.7	(7.7)%
Adjusted Underlying Operating Margin	*9.1%*	*9.2%*	*15bp*
Adjusted OIFRA after Income/(Loss) of Equity Affiliates	97.1	259.7	167.5%
Adjusted Operating Margin	*3.1%*	*9.2%*	*610bp*

In the second quarter of 2016, compared to a year ago, the estimated translation impact from **foreign exchange** was negative €166 million on adjusted revenue and negative €9 million on adjusted operating income from recurring activities after income/(loss) of equity affiliates.

4. Adjusted Non-Current Items and Group Net Income

Adjusted non-current operating items of €(57) million were booked in the quarter related to restructuring plan. We now expect to deliver €900 million of cost savings in 2016 out of the total target of €1 billion. In addition, we booked €(15) million of costs related to the combination with FMC Technologies.

Adjusted financial result in the second quarter of 2016 included €17 million of interest expenses on long-term debt and a €13 million negative impact from changes in foreign exchange rates and the fair market value of hedging instruments.

€ million (except Diluted Earnings per Share and Diluted Number of Shares)	2Q 2015	2Q 2016	Change
Adjusted OIFRA after Income/(Loss) of Equity Affiliates	97.1	259.7	167.5%
Adjusted Underlying OIFRA after Income/(Loss) of Equity Affiliates	281.5	259.7	(7.7)%
Adjusted Non-Current Operating Result	(397.8)	(71.8)	nm
Adjusted Financial Result	(28.4)	(24.2)	(14.8)%
Adjusted Income Tax Expense	24.2	(40.6)	nm
Adjusted Effective Tax Rate	*nm*	*24.8%*	*nm*
Adjusted Non-Controlling Interests	(2.0)	0.2	nm
Net Income of the Parent Company	**(306.9)**	**123.3**	**nm**
Underlying Net Income	**183.0**	**175.3**	**(4.2)%**
Diluted Number of Shares	113,121,323	125,154,724	10.6%
Diluted Earnings per Share (€)	**(2.71)**	**1.03**	**nm**

5. Adjusted Cash Flow and Statement of Consolidated Financial Position

As of June 30, 2016, the **cash and cash equivalents** were as follows (€ million):

Adjusted Cash[1] as of March 31, 2016	**4,319.4**
Adjusted Cash Generated from/(used in) Operating Activities	441.1
Adjusted Cash Generated from/(used in) Investing Activities	(110.0)
Adjusted Cash Generated from/(used in) Financing Activities*	(116.6)
Adjusted FX Impacts	(39.0)
Adjusted Cash[1] as of June 30, 2016	**4,494.9**

*out of which dividends paid for €101 million

As of June 30, 2016, the **adjusted net cash position** was €2,192 million, up €205 million compared with €1,987 million as of March 31, 2016.

Adjusted capital expenditures for the second quarter of 2016 were €39 million, compared with €87 million one year ago.

The Group's balance sheet remained robust and liquid. **Adjusted shareholders' equity of the parent company** as of June 30, 2016 was €4,716 million, compared with €4,536 million as of December 31, 2015.

[1] Adjusted cash and cash equivalents, less bank overdraft.

III. FULL YEAR 2016 OBJECTIVES UPGRADED

- **Adjusted Subsea revenue between €4.7 and €5.0 billion, adjusted Operating Income From Recurring Activities[1] around €680 million (previously between €640 and €680 million)**
- **Adjusted Onshore/Offshore revenue between €5.7 and €6.0 billion, adjusted Operating Income From Recurring Activities[1] around €280 million (previously between €240 and €280 million)**

[1] Adjusted operating income from recurring activities after income/(loss) of equity affiliates.

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The information package on Second Quarter 2016 results includes this press release and the annexes which follow, as well as the presentation published on Technip's website: www.technip.com

NOTICE

Today, Thursday, July 28, 2016, Chairman and CEO Thierry Pilenko, along with Group CFO Julian Waldron, will comment on Technip's results and answer questions from the financial community during a conference call in English starting at 9:30 a.m. Paris time.

To participate in the conference call, you may call any of the following telephone numbers approximately 5 - 10 minutes prior to the scheduled start time:

France / Continental Europe:	+33 (0) 1 70 77 09 47
UK:	+44 (0) 203 367 9462
USA:	+1 855 402 7764

The conference call will also be available via a simultaneous, listen-only audio-cast on Technip's website.

A replay of this conference call will be available approximately two hours following the conference call for three months on Technip's website and at the following telephone numbers:

	Telephone Numbers	*Confirmation Code*
France / Continental Europe:	+33 (0) 1 72 00 15 00	302204#
UK:	+44 (0) 203 367 9460	302204#
USA:	+1 877 642 3018	302204#

Cautionary note regarding forward-looking statements

This press release contains both historical and forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events, and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "likely", "should", "planned", "may", "estimates", "potential" or other similar words. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Risks that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: our ability to successfully continue to originate and execute large services contracts, and construction and project risks generally; the level of production-related capital expenditure in the oil and gas industry as well as other industries; currency fluctuations; interest rate fluctuations; raw material (especially steel) as well as maritime freight price fluctuations; the timing of development of energy resources; armed conflict or political instability in the Arabian-Persian Gulf, Africa or other regions; the strength of competition; control of costs and expenses; the reduced availability of government-sponsored export financing; losses in one or more of our large contracts; U.S. legislation relating to investments in Iran or elsewhere where we seek to do business; changes in tax legislation, rules, regulation or enforcement; intensified price pressure by our competitors; severe weather conditions; our ability to successfully keep pace with technology changes; our ability to attract and retain qualified personnel; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements as of January 1, 2005; political and social stability in developing countries; competition; supply chain bottlenecks; the ability of our subcontractors to attract skilled labor; the fact that our operations may cause the discharge of hazardous substances, leading to significant environmental remediation costs; our ability to manage and mitigate logistical challenges due to underdeveloped infrastructure in some countries where we are performing projects.

Some of these risk factors are set forth and discussed in more detail in our Annual Report. Should one of these known or unknown risks materialize, or should our underlying assumptions prove incorrect, our future results could be adversely affected, causing these results to differ materially from those expressed in our forward-looking statements. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this release are made only as of the date of this release. We cannot assure you that projected results or events will be achieved. We do not intend, and do not assume any obligation to update any industry information or forward-looking information set forth in this release to reflect subsequent events or circumstances.

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Technip is a world leader in project management, engineering and construction for the energy industry.

From the deepest Subsea oil & gas developments to the largest and most complex Offshore and Onshore infrastructures, close to 32,500 people are constantly offering the best solutions and most innovative technologies to meet the world's energy challenges.

Present in 45 countries, Technip has state-of-the-art industrial assets on all continents and operates a fleet of specialized vessels for pipeline installation and subsea construction.

Technip shares are listed on the Euronext Paris exchange, and its ADR is traded in the US on the OTCQX marketplace as an American Depositary Receipt (OTCQX: TKPPY).

TEC LISTED EURONEXT

ISIN: FR0000131708

OTCQX

OTC ADR ISIN: US8785462099

OTCQX: TKPPY

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ANNEX I (a) [1]
ADJUSTED CONSOLIDATED STATEMENT OF INCOME

€ million (except Diluted Earnings per Share and Diluted Number of Shares)	Second Quarter Not audited			First Half Not audited		
	2015	**2016**	**Change**	**2015**	**2016**	**Change**
Revenue	**3,098.4**	**2,812.9**	**(9.2)%**	**5,981.7**	**5,575.0**	**(6.8)%**
Gross Margin	266.6	414.5	55.5%	602.6	803.3	33.3%
Research & Development Expenses	(23.7)	(22.6)	(4.6)%	(41.6)	(41.1)	(1.2)%
SG&A and Other	(157.5)	(135.6)	(13.9)%	(308.9)	(272.1)	(11.9)%
Share of Income/(Loss) of Equity Affiliates	11.7	3.4	(70.9)%	16.7	6.2	(62.9)%
OIFRA after Income/(Loss) of Equity Affiliates	**97.1**	**259.7**	**167.5%**	**268.8**	**496.3**	**84.6%**
Non-Current Operating Result	(397.8)	(71.8)	nm	(403.8)	(104.3)	nm
Operating Income	**(300.7)**	**187.9**	**nm**	**(135.0)**	**392.0**	**nm**
Financial Result	(28.4)	(24.2)	(14.8)%	(67.3)	(67.3)	0.0%
Income/(Loss) before Tax	**(329.1)**	**163.7**	**nm**	**(202.3)**	**324.7**	**nm**
Income Tax Expense	24.2	(40.6)	nm	(13.9)	(87.3)	nm
Non-Controlling Interests	(2.0)	0.2	nm	(4.6)	0.3	nm
Net Income/(Loss) of the Parent Company	**(306.9)**	**123.3**	**nm**	**(220.8)**	**237.7**	**nm**
Diluted Number of Shares	113,121,323	125,154,724	10.6%	113,353,706	124,498,527	9.8%
Diluted Earnings per Share (€)	**(2.71)**	**1.03**	**nm**	**(1.95)**	**1.97**	**nm**

[1] Note that statements disclosed in annexes I(a) and I(c) do not report underlying results. Please refer to annex V for the underlying net income reconciliation.

ANNEX I (b)
FOREIGN CURRENCY CONVERSION RATES

	Closing Rate as of		Average Rate of			
	Dec. 31, 2015	**Jun. 30, 2016**	**2Q 2015**	**2Q 2016**	**1H 2015**	**1H 2016**
USD for 1 EUR	1.09	1.11	1.11	1.13	1.12	1.12
GBP for 1 EUR	0.73	0.83	0.72	0.79	0.73	0.78
BRL for 1 EUR	4.31	3.59	3.39	3.96	3.31	4.13
NOK for 1 EUR	9.60	9.30	8.56	9.32	8.64	9.42

ANNEX I (c) [1]
ADJUSTED ADDITIONAL INFORMATION BY BUSINESS SEGMENT

€ million	Second Quarter Not audited 2015	Second Quarter Not audited 2016	Change	First Half Not audited 2015	First Half Not audited 2016	Change
SUBSEA						
Revenue	1,553.8	1,369.3	(11.9)%	2,841.4	2,751.6	(3.2)%
Gross Margin	314.0	263.0	(16.2)%	540.3	509.2	(5.8)%
OIFRA after Income/(Loss) of Equity Affiliates	250.3	200.1	(20.1)%	415.5	381.5	(8.2)%
Operating Margin	*16.1%*	*14.6%*	*(150)bp*	*14.6%*	*13.9%*	*(76)bp*
Depreciation and Amortization	(61.3)	(55.6)	(9.3)%	(123.7)	(115.4)	(6.7)%
EBITDA	311.6	255.7	(17.9)%	539.2	496.9	(7.8)%
EBITDA Margin	*20.1%*	*18.7%*	*(138)bp*	*19.0%*	*18.1%*	*(92)bp*
ONSHORE/OFFSHORE						
Revenue	1,544.6	1,443.6	(6.5)%	3,140.3	2,823.4	(10.1)%
Gross Margin	(47.4)	151.5	nm	62.3	294.1	nm
OIFRA after Income/(Loss) of Equity Affiliates	(131.2)	73.5	nm	(107.7)	143.2	nm
Operating Margin	*(8.5)%*	*5.1%*	*nm*	*(3.4)%*	*5.1%*	*nm*
Depreciation and Amortization	(10.2)	(9.1)	(10.8)%	(19.8)	(17.4)	(12.1)%
CORPORATE						
OIFRA after Income/(Loss) of Equity Affiliates	(22.0)	(13.9)	(36.8)%	(39.0)	(28.4)	(27.2)%
Depreciation and Amortization	-	-	-	-	-	-

[1] Note that statements disclosed in annexes I(a) and I(c) do not report underlying results. Please refer to annex V for the underlying net income reconciliation.

ANNEX I (d)
ADJUSTED REVENUE BY GEOGRAPHICAL AREA

€ million	Second Quarter Not audited 2015	Second Quarter Not audited 2016	Change	First Half Not audited 2015	First Half Not audited 2016	Change
Europe, Russia, Central Asia	1,154.5	1,358.2	17.6%	2,182.7	2,378.7	9.0%
Africa	524.7	398.2	(24.1)%	943.7	895.0	(5.2)%
Middle East	220.5	159.5	(27.7)%	505.2	380.3	(24.7)%
Asia Pacific	482.8	314.8	(34.8)%	958.9	728.1	(24.1)%
Americas	715.9	582.2	(18.7)%	1,391.2	1,192.9	(14.3)%
TOTAL	**3,098.4**	**2,812.9**	**(9.2)%**	**5,981.7**	**5,575.0**	**(6.8)%**

ANNEX II
ADJUSTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	Dec. 31, 2015 Audited	Jun. 30, 2016 Not audited
Fixed Assets	6,507.9	6,363.8
Deferred Tax Assets	481.8	508.4
Non-Current Assets	**6,989.7**	**6,872.2**
Construction Contracts – Amounts in Assets	652.0	647.8
Inventories, Trade Receivables and Other	3,366.5	3,618.3
Cash & Cash Equivalents	4,501.4	4,495.0
Current Assets	**8,519.9**	**8,761.1**
Assets Classified as Held for Sale	**26.4**	**0.7**
Total Assets	**15,536.0**	**15,634.0**

Shareholders' Equity (Parent Company)	4,536.4	4,715.5
Non-Controlling Interests	8.5	8.3
Shareholders' Equity	**4,544.9**	**4,723.8**
Non-Current Financial Debts	1,626.0	1,555.5
Non-Current Provisions	243.0	217.2
Deferred Tax Liabilities and Other Non-Current Liabilities	215.0	204.8
Non-Current Liabilities	**2,084.0**	**1,977.5**
Current Financial Debts	937.1	748.0
Current Provisions	435.7	523.9
Construction Contracts – Amounts in Liabilities	2,308.2	2,036.0
Trade Payables & Other	5,226.1	5,624.8
Current Liabilities	**8,907.1**	**8,932.7**
Total Shareholders' Equity & Liabilities	**15,536.0**	**15,634.0**

Net Cash Position	**1,938.3**	**2,191.5**

Adjusted Statement of Changes in Shareholders' Equity (Parent Company) Not audited (€ million)**:**	
Shareholders' Equity as of December 31, 2015	**4,536.4**
Net Income	237.7
Other Comprehensive Income	29.3
Capital Increase	136.6
Treasury Shares	2.6
Dividends Paid	(236.6)
Other	9.5
Shareholders' Equity as of June 30, 2016	**4,715.5**

ANNEX III (a)
ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	First Half Not audited 2015		2016	
Net Income/(Loss) of the Parent Company	(220.8)		237.7	
Depreciation & Amortization of Fixed Assets	186.1		132.8	
Stock Options and Performance Share Charges	15.2		8.4	
Non-Current Provisions (including Employee Benefits)	137.6		5.0	
Deferred Income Tax	(100.6)		(86.2)	
Net (Gains)/Losses on Disposal of Assets and Investments	(26.7)		13.0	
Non-Controlling Interests and Other	7.7		15.7	
Cash Generated from/(used in) Operations	**(1.5)**		**326.4**	
Change in Working Capital Requirements	**370.9**		**197.1**	
Net Cash Generated from/(used in) Operating Activities		**369.4**		**523.5**
Capital Expenditures	(144.6)		(62.1)	
Proceeds from Non-Current Asset Disposals	2.0		(71.0)	
Acquisitions of Financial Assets	(2.5)		-	
Acquisition Costs of Consolidated Companies, Net of Cash Acquired	(32.4)		-	
Net Cash Generated from/(used in) Investing Activities		**(177.5)**		**(133.1)**
Net Increase/(Decrease) in Borrowings	(107.5)		(261.8)	
Capital Increase	21.3		0.7	
Dividends Paid	(88.9)		(100.8)	
Share Buy-Back and Other	-		-	
Net Cash Generated from/(used in) Financing Activities		**(175.1)**		**(361.9)**
Net Effects of Foreign Exchange Rate Changes		**222.0**		**(34.9)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**238.8**		**(6.4)**
Bank Overdrafts at Period Beginning	(0.9)		(0.1)	
Cash and Cash Equivalents at Period Beginning	3,738.3		4,501.4	
Bank Overdrafts at Period End	(0.3)		(0.1)	
Cash and Cash Equivalents at Period End	3,976.5		4,495.0	
		238.8		**(6.4)**

ANNEX III (b)
ADJUSTED CASH & FINANCIAL DEBTS

€ million	Dec. 31, 2015 Audited	Jun. 30, 2016 Not audited
Cash Equivalents	2,555.7	2,392.1
Cash	1,945.7	2,102.9
Cash & Cash Equivalents (A)	**4,501.4**	**4,495.0**
Current Financial Debts	937.1	748.0
Non-Current Financial Debts	1,626.0	1,555.5
Gross Debt (B)	**2,563.1**	**2,303.5**
Net Cash Position (A – B)	**1,938.3**	**2,191.5**

ANNEX IV
CONTRACT AWARDS
Not audited

The main contracts **we announced during second quarter 2016** were the following:

Subsea Segment:

- A four-year extension of a five-year initial contract signed in January 2011 for the Flexible Pipes Logistic Base in Vitória (BAVIT). The scope covers storage, handling, inspection, testing, load-out, internal cleaning and maintenance of flexibles pipes. The base has a 300t handling capacity, storage capacity for 220 reels and serves as the main load-out point for all pre-salt flexible pipes: *Petrobras S.A., Vitória, Brazil,*

- An engineering services contract to provide multi-disciplinary engineering services as part of an engineering panel. This contract covers all client operated onshore, offshore and subsea producing assets. Under the agreement, Technip and Genesis may provide a comprehensive suite of engineering services, including concept select and feasibility studies, front-end engineering and design (FEED), detailed engineering, production engineering support, engineering assessment and review, as well as Genesis' specialist technical services: *Woodside, Australia,*

- A contract to supply the umbilical to the Oseberg Vestflanken 2 field offshore Norway. The contract covers project management, engineering and manufacturing of over 9 kilometers of static steel tube umbilical. The umbilical includes a large bore integrated service line and multiple power cables. Technip Umbilicals' facility in Newcastle, UK, will manufacture the project: *Statoil ASA, Norway,*

- A major contract to develop the Bahr Essalam, Phase II development in the Central Mediterranean Sea. This natural gas field development will be tied back to the Sabratha platform in a water depth of approximately 190 meters. The overall scope of work covers the overall design, detailed engineering and project management, as well as procurement, installation, tie-ins, pre-commissioning and commissioning. A range of vessels from the Group's fleet will be involved in the project: *Mellitah Oil & Gas B.V. Libyan Branch, a consortium between National Oil Corporation and ENI North Africa, Libya.*

Onshore/Offshore Segment:

- A contract to provide proprietary equipment for the world's first commercial High Severity Fluid Catalytic Cracking (HS-FCC™) unit. The HS-FCC cracks heavy hydrocarbons into lighter olefins such as propylene and lighter fuels such as gasoline. It will be constructed as part of the expansion of the existing residue conversion facilities at the S-Oil refinery: *Daelim Industrial Company, Onsan, South Korea,*

- A contract to provide basic engineering and proprietary equipment for a grassroots ethylene cracking furnace at the Saudi Kayan petrochemical complex. The furnace will be based on Technip's proprietary USC® furnace technology. Technip's operating center in Milton Keynes, UK, will execute this project: *CTCI, Jubail, Saudi Arabia.*

Since June 30, 2016, Technip has also announced the award of the following contracts, which were **included in the backlog** as of June 30, 2016:

Subsea Segment:

- A frame agreement to provide Inspection, Repair and Maintenance (IRM) services for 2016 with possible extension to include 2017 and 2018 on the client's North Sea subsea infrastructure. The frame agreement covers provision of equipment, including diving equipment, underwater intervention and engineering services, Onshore management and engineering support, provision of ancillary personnel and equipment to support execution of the work, diver inspection, ROV inspection, maintenance, repair, construction and decommissioning. *Repsol Sinopec Resources UK Limited, UK.*

Onshore/Offshore Segment:

- A significant service contract awarded to RusTechnip for the existing GazpromNeft Refinery covering the engineering, procurement and construction management services (EPsCm) for the construction of a new Crude Distillation Unit - Vacuum Distillation Unit complex. *PJSC GAZPROM NEFT, Omsk, Russia.*

Since June 30, 2016, Technip has also announced the award of the following contracts, which were **not included in the backlog** as of June 30, 2016:

Subsea Segment:

- A large subsea contract for the development of the Greater Enfield Project, covering project management, design, engineering, procurement, installation and pre-commissioning (EPIC) of carbon steel production flowline, carbon steel water injection flowline, flexible risers and flowlines, umbilicals, subsea structures and valves and multi-phase pump system. The flexible pipes will be manufactured in Asiaflex, located in Malaysia, the umbilicals will be supplied by Technip Umbilicals' facility located in Newcastle, UK and the offshore installation at a water depth of between 340 and 850 meters will use several vessels from Technip's fleet. The operation is scheduled for completion in 2018. *Woodside, North West Shelf, Australia.*

Onshore/Offshore Segment:

- A Master Services Agreement (MSA) for a 12 mtpa Liquefied Natural Gas (LNG) export terminal. The MSA will be utilized to execute engineering services necessary to develop the project including the Front End Engineering Design (FEED) and supporting the Federal Energy Regulatory Commission (FERC) process. *SCT&E LNG Inc, Monkey Island, Louisiana, USA.*

ANNEX V
UNDERLYING NET INCOME RECONCILIATION
Not audited

€ million	Second Quarter 2016	First Half 2016
Net Income of the Parent Company	**123.3**	**237.7**
One-off charges in OIFRA	-	-
Charges from Non-Current Activities	57.0	89.5
Other	14.8	14.8
Taxes & Financial Result	(19.8)	(21.3)
Underlying Net Income	**175.3**	**320.7**

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The annex VI presents the first half IFRS consolidated financial statements and a reconciliation to the adjusted basis.

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ANNEX VI (a)
CONSOLIDATED STATEMENT OF INCOME
Not audited

€ million (except Diluted Earnings per Share, and Diluted Number of Shares)	First Half **2015 IFRS**	 **2016 IFRS**	 **Change**		 ***Adjustments***	 ***2016 Adjusted***
Revenue	**5,336.4**	**4,287.4**	(19.7)%		***1,287.6***	***5,575.0***
Gross Margin	597.5	758.1	26.9%		*45.2*	*803.3*
Research & Development Expenses	(41.6)	(41.1)	(1.2)%		-	*(41.1)*
SG&A and Other	(308.7)	(262.8)	(14.9)%		*(9.3)*	*(272.1)*
Share of Income/(Loss) of Equity Affiliates	17.5	13.2	(24.6)%		*(7.0)*	*6.2*
OIFRA after Income/(Loss) of Equity Affiliates	**264.7**	**467.4**	**76.6%**		***28.9***	***496.3***
Non-Current Operating Result	(403.8)	(104.3)	nm		-	*(104.3)*
Operating Income	**(139.1)**	**363.1**	**nm**		***28.9***	***392.0***
Financial Result	(66.2)	(63.4)	(4.2)%		*(3.9)*	*(67.3)*
Income/(Loss) before Tax	**(205.3)**	**299.7**	**nm**		***25.0***	***324.7***
Income Tax Expense	(10.9)	(62.3)	nm		*(25.0)*	*(87.3)*
Non-Controlling Interests	(4.6)	0.3	nm		-	*0.3*
Net Income/(Loss) of the Parent Company	**(220.8)**	**237.7**	**nm**		**-**	***237.7***

Diluted Number of Shares	113,353,706	124,498,527	9.8%
Diluted Earnings per Share (€)	**(1.95)**	**1.97**	**nm**

ANNEX VI (b)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	**Dec. 31, 2015 IFRS (audited)**	**Jun. 30, 2016 IFRS (not audited)**	***Adjustments***	***Jun. 30, 2016 Adjusted* (not audited)**
Fixed Assets	6,539.0	6,406.2	*(42.4)*	*6,363.8*
Deferred Tax Assets	430.4	455.0	*53.4*	*508.4*
Non-Current Assets	**6,969.4**	**6,861.2**	***11.0***	***6,872.2***
Construction Contracts – Amounts in Assets	637.6	647.8	-	*647.8*
Inventories, Trade Receivables and Other	3,116.5	3,503.0	*115.3*	*3,618.3*
Cash & Cash Equivalents	2,919.1	2,808.3	*1,686.7*	*4,495.0*
Current Assets	**6,673.2**	**6,959.1**	***1,802.0***	***8,761.1***
Assets Classified as Held for Sale	**26.4**	**0.7**	**-**	***0.7***
Total Assets	**13,669.0**	**13,821.0**	***1,813.0***	***15,634.0***

Shareholders' Equity (Parent Company)	4,536.4	4,715.5	-	*4,715.5*
Non-Controlling Interests	8.5	8.3	-	*8.3*
Shareholders' Equity	**4,544.9**	**4,723.8**	**-**	***4,723.8***
Non-Current Financial Debts	1,626.0	1,555.5	-	*1,555.5*
Non-Current Provisions	242.0	216.2	*1.0*	*217.2*
Deferred Tax Liabilities and Other Non-Current Liabilities	207.6	189.1	*15.7*	*204.8*
Non-Current Liabilities	**2,075.6**	**1,960.8**	***16.7***	***1,977.5***
Current Financial Debts	937.1	748.0	-	*748.0*
Current Provisions	433.7	521.9	*2.0*	*523.9*
Construction Contracts – Amounts in Liabilities	908.4	815.9	*1,220.1*	*2,036.0*
Trade Payables & Other	4,769.3	5,050.6	*574.2*	*5,624.8*
Current Liabilities	**7,048.5**	**7,136.4**	***1,796.3***	***8,932.7***
Total Shareholders' Equity & Liabilities	**13,669.0**	**13,821.0**	***1,813.0***	***15,634.0***

Statement of Changes in Shareholders' Equity (Parent Company) **IFRS, Not audited** (€ million)**:**	
Shareholders' Equity as of December 31, 2015	**4,536.4**
Net Income	237.7
Other Comprehensive Income	29.3
Capital Increase	136.6
Treasury Shares	2.6
Dividends Paid	(236.6)
Other	9.5
Shareholders' Equity as of June 30, 2016	**4,715.5**

ANNEX VI (c)
CONSOLIDATED STATEMENT OF CASH FLOW
Not audited

€ million	First Half							
	2015 IFRS		2016 IFRS		*Adjustments*		*2016 Adjusted*	
Net Income/(Loss) of the Parent Company	(220.8)		237.7		-		*237.7*	
Depreciation & Amortization of Fixed Assets	186.1		132.6		*0.2*		*132.8*	
Stock Options and Performance Share Charges	15.2		8.4		-		*8.4*	
Non-Current Provisions (including Employee Benefits)	137.6		5.0		-		*5.0*	
Deferred Income Tax	(96.8)		(79.5)		*(6.7)*		*(86.2)*	
Net (Gains)/Losses on Disposal of Assets and Investments	(26.7)		13.0		-		*13.0*	
Non-Controlling Interests and Other	6.9		48.2		*(32.5)*		*15.7*	
Cash Generated from/(used in) Operations	**1.5**		**365.4**		***(39.0)***		***326.4***	
Change in Working Capital Requirements	**56.2**		**17.1**		***180.0***		***197.1***	
Net Cash Generated from/(used in) Operating Activities		**57.7**		**382.5**		***141.0***		***523.5***
Capital Expenditures	(144.4)		(61.8)		*(0.3)*		*(62.1)*	
Proceeds from Non-Current Asset Disposals	2.0		(71.2)		*0.2*		*(71.0)*	
Acquisitions of Financial Assets	(2.5)		-		-		-	
Acquisition Costs of Consolidated Companies, Net of Cash acquired	(32.4)		-		-		-	
Net Cash Generated from/(used in) Investing Activities		**(177.3)**		**(133.0)**		***(0.1)***		***(133.1)***
Net Increase/(Decrease) in Borrowings	(107.6)		(261.8)		-		*(261.8)*	
Capital Increase	21.3		0.7		-		*0.7*	
Dividends Paid	(88.9)		(100.8)		-		*(100.8)*	
Share Buy-Back and Other	-		-		-		-	
Net Cash Generated from/(used in) Financing Activities		**(175.2)**		**(361.9)**		**-**		***(361.9)***
Net Effects of Foreign Exchange Rate Changes		**109.5**		**1.6**		***(36.5)***		***(34.9)***
Net Increase/(Decrease) in Cash and Cash Equivalents		**(185.3)**		**(110.8)**		***104.4***		***(6.4)***
Bank Overdrafts at Period Beginning	(0.9)		(0.1)		-		*(0.1)*	
Cash and Cash Equivalents at Period Beginning	2,685.6		2,919.1		*1,582.3*		*4,501.4*	
Bank Overdrafts at Period End	(0.3)		(0.1)		-		*(0.1)*	
Cash and Cash Equivalents at Period End	2,499.7		2,808.3		*1,686.7*		*4,495.0*	
		(185.3)		**(110.8)**		***104.4***		***(6.4)***