

Annual and Sustainable Development Report 2005



Technip

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Daniel Valot,
Chairman and Chief Executive Officer

Message from the Chairman

Technip attained several of its strategic objectives in 2005. We became a first-tier player on two key markets: LNG and ethylene. We also consolidated our leadership position on the deep offshore, refining and hydrogen markets. In non-conventional hydrocarbons, the Group gained a foothold in the high-growth Canadian tar sands market.

For the first time in our history, Technip's backlog surpassed the €10 billion mark at year-end. Our activities should continue to grow, thanks to the robust health of our markets and our strategic positioning. The Group is steadfastly working to meet the challenges of this growth by continuing to strengthen our workforce and naval and industrial assets while adapting our organization and operating methods to handle the increase in activity and contract size.

Income from operations and fully diluted EPS were very close to their 2004 levels. Net income was down €18.5 million mainly due to the non-cash impact of new accounting standards relating to convertible bonds.

On February 23, 2006 the Group announced it would exercise the early redemption option on its convertible bonds. This decision, which took effect on March 23, 2006, will create shareholder value through the elimination of related financial charges, which amounted to €38 million in 2005.

Given the size of our backlog, we have every reason to believe that earnings growth, which was interrupted in 2005, will resume in 2006 if market conditions remain favorable.

Hand in hand with the Group's growth, we will continue to reinforce our sustainable development policy in all of its dimensions: safeguarding the environment, quality of social and community relations and workplace safety.

I would like to thank the entire Technip workforce for their commitment, our clients for their trust and our shareholders for their support.

A handwritten signature in black ink, appearing to read 'D. Valot', written in a cursive style.

Vision and Values

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

Our Vision

We want to be known for:

- delivering quality, safety and reliability in meeting our clients' needs,
- valuing honesty and transparency in our people,
- achieving the highest standards of corporate governance,
- encouraging and promoting human rights,
- fostering environmental protection and sustainable development.

We want to deliver:

- value to projects through cost and planning optimization and effective risk management,
- high returns to our shareholders for the long run,
- development opportunities to all members of our teams,
- technological innovation and cutting-edge technologies,
- value to all of our stakeholders.

Our Values

Technip's professional activities are governed by a set of Values, which have been approved by its Board of Directors.

These revolve around 5 main areas:

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

Profile

A world leader in engineering, technologies and project management for the oil and gas, petrochemical and other industries.

5.4 billion euros

2005 revenues

21,000

employees

Technip ranks among the five major groups worldwide in its domain and is one of the most fully-integrated groups in the sector.

The Group's expertise is drawn from nearly 50 years experience in the design and construction of major industrial installations. Mastering a wide range of technologies and with operational centers on five continents, Technip is able to provide turnkey solutions covering all aspects of a

major industrial project from basic engineering to delivery, in the domain of oil and gas, petrochemicals and other industries.

Technip totals 21,000 employees worldwide and had 2005 revenues of 5.4 billion euros.

Technip is listed on the Paris and New York stock exchanges.



Offshore SURF (Subsea, Umbilicals, Risers & Flowlines)

Within the domain of subsea hydrocarbon field development, Technip's subsea construction activities cover the design, manufacture and installation of rigid and flexible subsea pipelines and umbilicals.



Offshore Facilities

This business segment consolidates the engineering, development and construction of platforms for oil and gas production at sea, whether in shallow water (fixed platforms) or deepwater (floating platforms).



Onshore Downstream

Within this business segment, Technip covers the range of onshore facilities for the oil and gas chain (refining, hydrogen, sulfur, gas treatment and liquefaction, onshore pipelines) as well as petrochemicals (ethylene, aromatics, olefins, polymers).



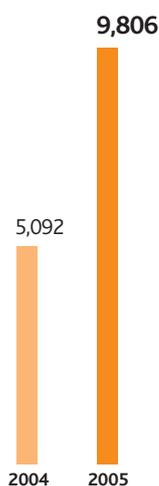
Industries

The Group is also present in non-oil activities: the engineering and construction of manufacturing units in the sectors of fertilizers, chemistry, pyrotechnics, life science, metals, cement, buildings and infrastructures.

Key Figures

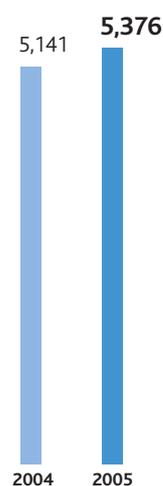
During 2005, Technip posted a 65% increase in its backlog, which stood at more than €11 billion at year end. At the same time, the Group continued to strengthen its financial situation, ending the year with net cash of more than €660 million.

Order Intake (€ in millions)



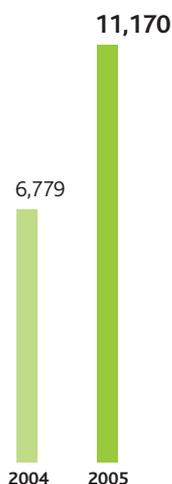
In line with the upward trend that began in the 4th quarter of 2004, orders booked by Technip during 2005 set a new record of €9.8 billion, up by 93% on the order intake for 2004. The Onshore Downstream (LNG plants and high-capacity steam crackers) and SURF segments posted improvements of 129% and 79%, respectively.

Revenues (€ in millions)



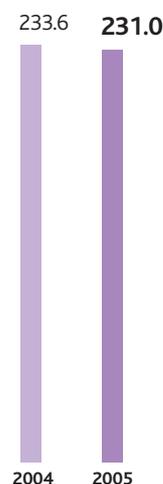
The strong upward trend in new orders in 2005 enabled the Group to continue to boost revenues, which were up 4.6% on the previous year. The SURF segment posted strong growth of 26% while the Group's three other business segments remained relatively stable as expected.

Backlog (€ in millions)



At the end of 2005, Technip's backlog stood at an exceptionally high level. The main sectors involve gas treatment and liquefaction units, deep offshore, refining and petrochemicals.

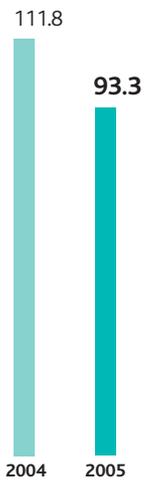
Operating Income (€ in millions)



The Group's operating income remained fairly stable compared to 2004, largely because of the difficulties encountered during the execution of a subsea project, which reduced the operating profit for the 4th quarter of 2005.

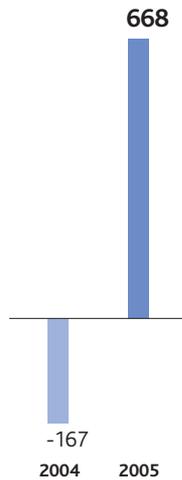
The key figures for 2004 were stated according to IFRS norms. Following the closure of the accounts for 2005, certain elements of the IFRS accounts for 2004 as published in April 2005 were restated to enable more relevant comparison with the accounts for 2005.

Net Income (Group share) (€ in millions)



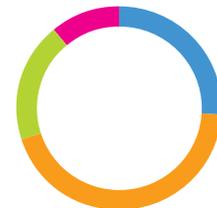
Application of IAS 32 and 39 to financial instruments beginning January 1, 2005 resulted in an additional non-cash charge (€16.6 million) associated with convertible bonds. This is the main reason for the decrease in consolidated net income for 2005.

Net Cash Position (€ in millions)



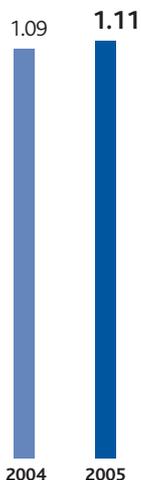
The improvement in operating cash flow and the strong improvement of the working capital allowed the Group to regain a positive net cash position, which stood at €668 million at the end of 2005.

2005 Revenues Breakdown by Geographical Zone



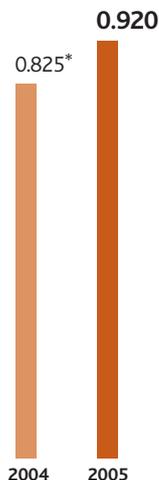
Europe, Russia, Central Asia 26%
Africa, Middle East 44%
Americas 19%
Asia-Pacific 11%

Earnings Per Share (in €)



Earnings per share (EPS) at December 31, 2005 (calculated on a fully diluted basis) was up by 2.4%.

Dividend Per Share For 2005 (in €)



Given the Group's solid financial situation and the positive business outlook for the industry, the Board of Directors decided to propose an 11.5% increase in the dividend per share, raising it to €0.92.

* After the 4-way split

2005 Revenues Breakdown by Business Segment



Offshore SURF 33%
Offshore Facilities 19%
Onshore Downstream 43%
Industries 5%

Corporate Governance

Technip's Board of Directors constantly improves its corporate governance practices in order to comply with applicable French and American regulations as well as the recommendations on corporate governance of listed companies contained in the report published by France's Afep-Medef in October 2003. As part of this ongoing improvement, the Board of Directors has drawn up a charter defining the rights and duties of board members, as well as a set of internal rules and regulations.

Reminder of 2005 Objectives

- Diffusion and promotion of the Group's new charters (Social, Environment, Health & Safety).
- Implementation throughout the Group of new internal auditing rules and procedures in compliance with the US Sarbanes-Oxley Act.

All Technip's activities are governed by the rules set out in the statement of the Technip's Values and in the four charters that explain them in more detail, particularly the Ethics Charter. A specific charter setting out the rules governing the behaviour of Technip directors was put in place in April 2003.

The Board of Directors, at February 22, 2006

Daniel Valot (Chairman and CEO)

Olivier Appert

Roger Cairns*

Miguel Caparros*

Jacques Deyirmendjian

Jean-Pierre Lamoure*

Daniel Lebègue*

Roger Milgrim*

Rolf-Erik Rolfsen*

Pierre Vaillaud*

Bruno Weymuller*

*Independent directors according to the criteria set out in the Afep-Medef Report in October 2003.

The Board of Directors, which determines the Company's strategic directions and monitors their implementation, met seven times during 2005. In making decisions, the Board takes into account the recommendations of its three specialized committees.

At a meeting held on February 22, 2006, the Board discussed about its operating practices and concluded that it operates in a very satisfactory manner and that important matters are prepared and debated in an expedient manner.

In accordance with its internal rules, the Board must evaluate its operating policies at intervals of no more than 3 years.

Board of Directors - Specialized Committees

Audit Committee

The Committee comprises four members: Daniel Lebègue (Chairman), Miguel Caparros, Roger Milgrim and Pierre Vaillaud, all of whom are "independent directors." The Committee met six times during 2005. The role of this committee is to enable the Board to ensure the quality of internal controls as well as the integrity of the information disclosed to shareholders and financial markets.

Nominations and Compensation Committee

The Committee is made up of Bruno Weymuller (Chairman), Jean-Pierre Lamoure and Rolf-Erik Rolfsen, all of whom are "independent directors." The purpose of this committee is to make recommendations to the Board on the appointment of directors and to examine the policy regarding compensation of Executive Committee members and top management within the Group. The Committee met three times during 2005.

Ethics Charter

Integrity is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding Rules of good conduct.

Our Objectives

- To offer opportunities for success to all our suppliers, partners and subcontractors in a spirit of fair competition and mutually rewarding collaboration.
- To conduct our business everywhere in the world with the highest standards of honesty, integrity and fairness, in accordance with the Global Compact principles.
- To put our staff as at the heart of our strategic development, and create conditions for the individual men and women of Technip to reach their full potential.

- To disclose relevant information openly and transparently with our shareholders and the financial community.

Our Rules of Good Conduct

In carrying out their professional activities, the women and men of Technip strive to achieve our referred Group Objectives, throughout the world, by complying with the following rules of good conduct:

- Not granting, directly or indirectly, any kind of benefit to any public official for the purposes of obtaining a contract.
- Not using for their personal profit or disclosing to a third party any insider information to which they may have access through their professional activities, and in particular, not buying or selling, or having bought or sold by a third party,

any security of Technip until such information has been made public by Technip.

- Avoiding any conflict of interest between their roles in the Group's business and their private interests, particularly in their relations with clients, competitors and suppliers. In this regard, Technip staff must refrain from offering or accepting gifts or invitations which would not be consistent with acceptable practices or applicable laws. They must also refrain from investing or acquiring interests in clients, competitors or suppliers without the prior written consent of management.
- Protecting the confidentiality of the information to which they have access through their professional activities.
- Informing the Ethics Committee of the Group about any behaviour which is not compliant with the rules set forth in this Charter.

Strategic Committee

Members of the Committee are: Jacques Deyirmendjian (Chairman), Olivier Appert, Roger Cairns and Pierre Vaillaud. The main role of this committee is to examine Technip's overall strategy (strategic orientations, plans and budgets, investments, acquisitions and disposal of assets) as proposed by the Company's Chairman and CEO. The Committee met three times during 2005.

Titular Auditors

- Cabinet Barbier Frinault & Autres – Ernst & Young network
- PriceWaterhouseCoopers Audit

Alternate Auditors

- Mr Christian Chochon
- Mr Yves Nicolas

Auditors are appointed for a period of six years. The current term is due to expire at the end of the Annual General Meeting of Shareholders convened to approve the accounts for the 2009 financial year.

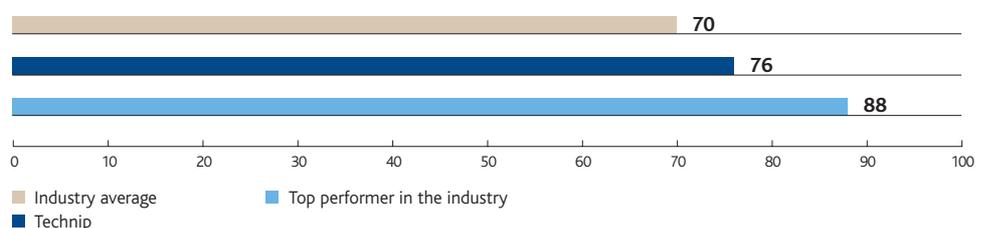
Internal Control – Sarbanes-Oxley Act

Like the other foreign public issuers listed on the New York Stock Exchange, Technip has been granted a one-year extension by the Securities and Exchange Commission (SEC) before the Group is required to comply with section 404 of the Sarbanes-Oxley Act relating to Management Assessment of Internal Controls.

This means that by the end of 2006, Technip must reach a triple objective:

- identify and document all risks and controls tools currently used to manage them,
- carry out tests to evaluate the effectiveness of these controls tools, and identify areas for improvement,
- consolidate all relevant information with a view to preparing a response to the Sarbanes-Oxley requirements, to be presented to the Board of Directors' Audit Committee.

➤ **Corporate Governance Performance (Source DJSI 2005)**





To achieve these objectives, a number of actions were taken during 2005 (with some continuing in 2006) by the dedicated Sarbanes-Oxley project team set up at the end of 2004 within the Internal Audit Department. These actions included:

- identification and formalization of the key operational processes and transactions flows having an impact on the Group's financial statements,
- definition of the scope through the selection of the Group entities which represent decision-making centers and/or are representative of Group activities and resources,
- setting up a standardized documentation structure suitable for risk narrative reports, matrices of risks and controls and segregation of duties,
- drafting of appropriate documentation (ongoing),
- selection of specialized software for managing Sarbanes-Oxley documentation,
- selection of two external services providers to perform (beginning in the second quarter of 2006) the tests of the effectiveness of internal controls in all selected entities,
- finally, given that information systems are an important part of the Sarbanes-Oxley assessment, Technip has selected an external services provider to perform the general controls on IT processes as well as the application controls on each business process. This work will be overseen by the Group IT Division.

In 2006, Technip will focus on finalizing the documentation in coordination with all the entities within the project scope, on assessing the effectiveness of internal controls and identifying areas of improvement.

Technip is mobilized in the implementation of the Sarbanes-Oxley assessment and will file a report on its internal control system, as required under the law, in 2007.

Organization

“ Having completed the integration of the activities acquired over the past years, Technip rationalized and simplified its corporate structure, in September 2005, in order to respond more effectively to its clients’ needs.”

To operate in its business activities, the Group draws on the resources of the Divisions detailed below:

The **Oil and Gas Division** handles the negotiation and management of contracts related to oil and gas facilities (both offshore and onshore-downstream).

The **Industries Division** handles the negotiation and management of contracts for all other facilities (chemical plants, life sciences units, metal and mining facilities, etc.).

The **Oil and Gas Division** and the **Industries Division** manage Group Business Units, which include geographical units (Regional Business Units), sectorial units (Sectorial Business Units) and product line units (Product Business Units). These units have been created to offer the best technical and commercial responses to the needs of our clients.

The **Operations Division** takes care of the management of the project execution resources: operations and engineering centers and offshore asset centers (vessels, yards, factories, etc.).

The **Group’s functional divisions** – Finance and Control, Human Resources and Communications, Legal, Corporate Secretary – support the operational divisions and centers.

The Executive and Management Committees

The Chairman and CEO is responsible for the general management of the Group and is assisted by the Executive Committee (EXCOM) and the Management Committee (MANCOM).

The Executive Committee includes:

Daniel Valot,

Chairman and Chief Executive Officer

Daniel Burlin,

President, Operations

Anne Decressac,

President, Human Resources and Communications

Olivier Dubois,

President, Chief Financial Officer

Bernard di Tullio,

President, Oil and Gas

The Executive Committee prepares decisions for submission to Technip’s Board of Directors, concerning, in particular, the approval of the accounts, the definition of the objectives and budgets, the strategic orientations and the acquisitions or sales of assets and companies. It is also consulted on plans and recommendations for internal auditing, IT and telecommunications, human resources and asset management issues.

Three other specialized Committees report directly to General Management:

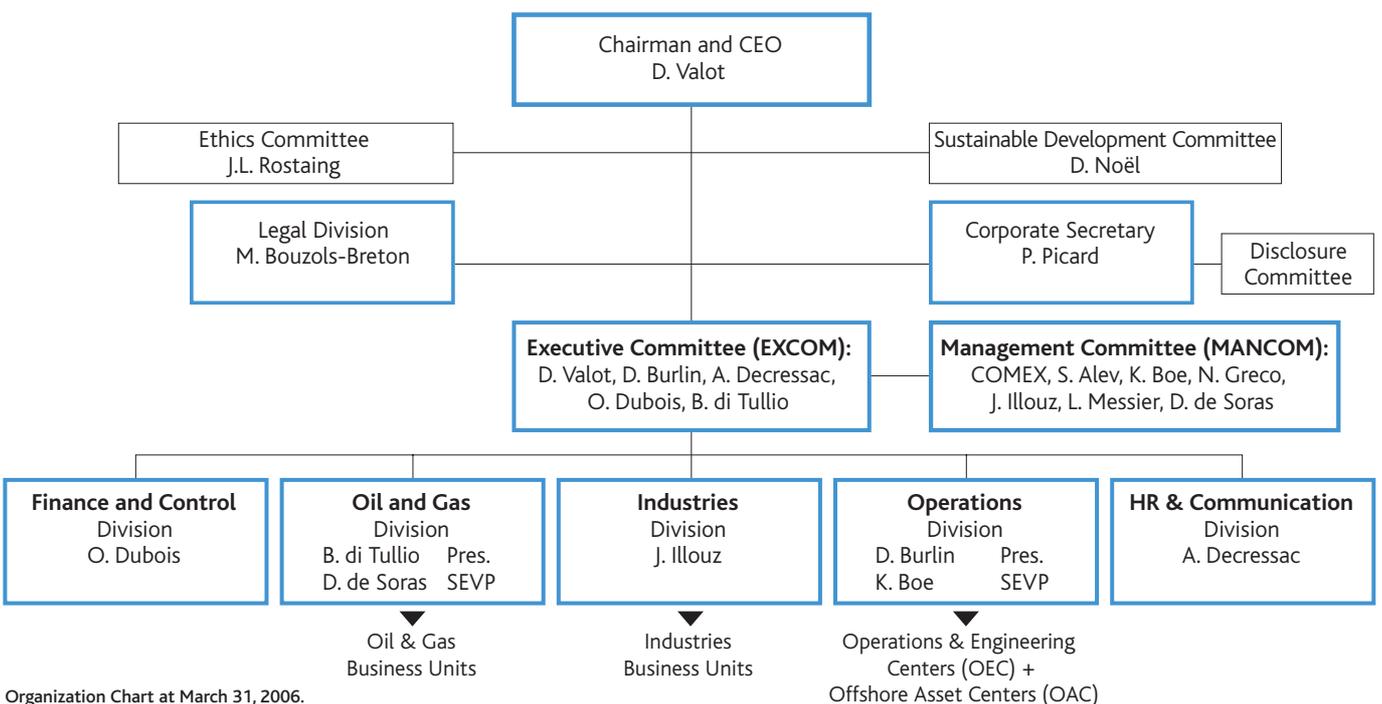
- **The Ethics Committee** ensures the application of the Group's Ethics Charter,
- **The Sustainable Development Committee** encourages and tracks the Group's progress in its Sustainable Development Strategy,
- **The Disclosure Committee** assists the Chairman and the Chief Financial Officer in their responsibility to ensure that the legislation relating to accounting disclosure methods of listed companies is respected.

The Management Committee

In addition to the EXCOM members, the MANCOM includes:

- Samson Alev,** Chairman, Paris Operations and Engineering Center
- Knut Boe,** Senior Executive Vice President, Operations
- Nicola Greco,** Managing Director, Rome Operations and Engineering Center
- Jérôme Illouz,** Executive Vice President, Industries
- Luc Messier,** Managing Director, Houston Operations and Engineering Center
- Dominique de Soras,** Senior Executive Vice President, Oil and Gas

The Management Committee monitors business development, progress on projects, and financial performance. It also analyzes the Group's performances in terms of HSE, quality and client satisfaction, and makes recommendations on key issues such as strategic orientations, technological options, human resources policy, and decisions on partnerships.



Organization Chart at March 31, 2006.

The Oil and Gas Division handles negotiation and management of Technip's contracts in the Offshore SURF, Offshore Facilities and Onshore Downstream segments, ensuring client satisfaction in terms of safety, security and performance standards.

Oil and Gas Activities

➤ 2005 revenues

€ 5,129
million

➤ Breakdown of sales
by business segment



Offshore SURF 35%
Offshore Facilities 20%
Onshore Downstream 45%





SURF

The award of the Kikeh contract to provide a subsea flowline system for the deepest offshore field ever developed in Asia, and the strengthening of the Group's deepwater presence in Africa with the Agbami contract, are further illustrations of Technip's leading position in the SURF segment.

Floating Platforms

Technip was awarded a contract to construct the first Spar production platform ever to be used outside the Gulf of Mexico. A contract to build another Spar platform for Chevron in the Gulf of Mexico and a contract in consortium with Hyundai to build an FPSO for Total in Nigeria confirm the Group's recognized abilities in this field.

Gas Treatment

After a first mega contract, in late 2004, to build a giant gas liquefaction complex in a joint venture with Chiyoda, Technip confirmed its growing role in this business segment with a contract to build two new LNG trains in Qatar, as well as a contract, signed in association with two partners, for Yemen's first liquefaction plant. In addition, Technip – currently building a liquefied natural gas (LNG) receiving terminal in Texas – won a contract to design another terminal in the United States.

Refining

In 2005, Technip, as lead partner of a joint venture, won the contract to build Vietnam's first oil refinery. The Group was also awarded two contracts to process the extra-heavy crude produced on a very large Canadian tar-sand field. These contracts underline the Group's strong position in this fast-growing business segment.

Petrochemicals

The award of three contracts for very large capacity ethylene projects in the Middle East confirmed Technip's position as a leading world player in this segment.

All in all, 2005 was a year of strong growth for Technip in order intake in the segments of gas treatment, refining, petrochemicals, offshore facilities and deepwater developments. Geographically speaking, these new contracts also underlined the steady expansion of the Group's presence in North America, Asia and Africa.

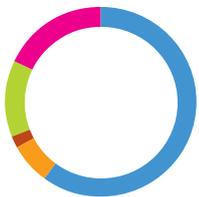
Technip is moving to strengthen its position in industries such as chemicals, pyrotechnics, fertilizers, life sciences, metallurgy, cement, building construction and infrastructure.

Industries Activities

2005 revenues

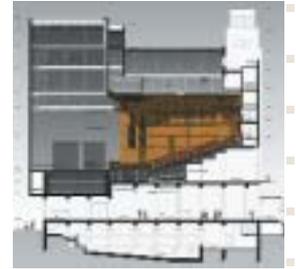
€ 247
million

Breakdown of sales by region



Europe, Russia, Central Asia	60%
Africa	7%
Middle East	2%
Americas	13%
Asia-Pacific	18%





Biofuels and Innovative Processes

In the chemicals sector, Technip won two new contracts in 2005 to build plants in Sète and Compiègne (both in France) for Diester Industrie for the manufacture of biodiesel from vegetable oils. Technip had already been awarded a contract for a similar plant in Rouen for the same company in 1996.

Thanks to Technip's expertise in process engineering and its know-how, which permit it to come up with innovative solutions to meet client requirements, the Group won a turnkey-delivery contract from Total Petrochemicals in Belgium to build a new modular pilot plant designed to produce olefins from methanol. This will be the first semi-industrial application of a promising new process.

Life Sciences

2005 also saw Technip bolster its position in life sciences, winning a number of contracts in the fine chemicals, biotechnology and active ingredient markets. Clients here include Sanofi Pasteur in China and France, as well as Leo, Guerbet and Janssen in Belgium. The year also saw the coming into force of a contract with L'Oréal to build a cosmetics production complex in China. After completing a project for Oril at the company's Baclair (France) site, Technip won another Oril project management and engineering services contract for an active ingredient plant at Bolbec in Normandy.

Strategic Project in New Caledonia

Technip and its joint-venture partner Hatch were awarded the engineering and project management contract for the new €2 billion-plus Koniambo nickel plant in the north of New Caledonia, confirming the Group's reputation and experience as an industrial contractor in the mining and metallurgy sector. The new plant, expected to come on stream in early 2010, will have an annual production capacity of 60,000 metric tons of nickel.

Diverse Industrial Projects

After making a significant contribution to the design and construction of the Airbus 380 assembly building in Toulouse (France), Technip was awarded a contract for the feasibility study for the new Airbus 350 assembly facilities. The Group was also awarded project management and engineering services contracts for a number of other major industrial projects, including new mail sorting/distribution centers in the Loire Valley for the French Post Office, and a new National Theatre complex on the outskirts of Lyon in association with the architectural firm Fabre & Speller.

Whichever particular business segment is involved in a project, Technip has only one core activity: the design and construction of industrial facilities. The Operations Division, set up in 2005, is responsible for all operations and engineering centers as well as naval and industrial asset management.

Operations

29 operations
and engineering centers

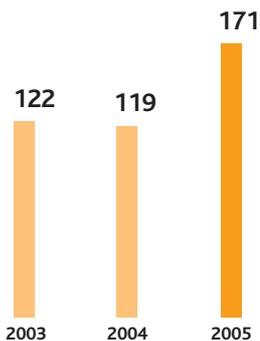
13 vessels

6 production plants

5 spool bases

3 yards

› **Investments from 2003 to 2005**
(in € millions)





Gearing up for further business growth

The Operations Division is responsible for 29 operations and engineering centers in all parts of the world. These centers are the base for the engineers and technicians who handle the engineering and project management tasks.

The Operations Division also manages all the Group's offshore asset centers: 13 diving support and subsea construction vessels, 6 plants producing flexible pipes and umbilicals, 3 yards (including Pori in Finland specializing in the construction of Spar platforms), and 5 assembly bases.

Thanks to the Group's dedicated IT and telecom infrastructures, all these centers are networked, enhancing Technip's ability to handle variations in workload and making the Group more competitive. Furthermore, the Operations Division develops and standardizes the procedures, tools and methods used by Technip, enhancing the quality, safety and cost-effectiveness of the services offered to clients. The different departments responsible for Quality, Purchasing, Information Systems and Health-Safety-Environment work closely together to achieve the very highest standards in all these areas.

The strong growth in the backlog (up 65% in 2005) and the increased projected investment by the world's 12 largest oil and gas groups, have led Technip to expand its production capability.

Strengthening production capacity

The present focus here is on two plants which manufacture flexible pipes. The facility at Le Trait (France) produces flexibles for deep and very deepwater projects in West Africa, deepwater developments in Asia-Pacific and conventional offshore projects in the North Sea. This plant's capacity is currently being increased by 20%. The other plant, at Vitoria (Brazil), originally produced flexibles only for deep and very deepwater projects in that country, but the unit's capacity is now being boosted by 50%, enabling it to strengthen its position in the local market while also helping Le Trait meet demand elsewhere. This enhanced flexible pipe production capacity will help Technip consolidate its leading position in the offshore construction market.

Expanding the fleet

Technip has also ordered a new diving support and subsea construction vessel, a decision that was motivated by the award of two 5-year subsea service contracts for projects in the Norwegian North Sea, beginning in 2007. The vessel, due to be delivered in 2008, is the latest addition to a fleet of 13 vessels, including 9 dedicated to subsea construction.

Strengthened tools and procedures

This strengthening has resulted in ISO 14001 certification for most of the Group's production facilities, comprising 80% of Group employees in 2005.

Technip Worldwide





The Group's Fleet

Alliance 

Apache 

Constructor 

Deep Blue 

Deep Pioneer 

Normand Pioneer* 

Orelia 

Seamec 1 

Seamec 2 

Seamec 3 

Sunrise 2000 

Venturer 

Wellservicer 

* Owned by Solstad
(under long-term charter to Technip)

2005 in Review

January

■ Technip is awarded the Ticonderoga subsea flowline installation contract by Kerr-McGee Oil & Gas Corp., a wholly-owned affiliate of Kerr-McGee Corp.

The Ticonderoga production will be tied back to the Constitution Spar.

■ Technip, leader in a joint venture with Zachry Construction Corporation and Saipem, is awarded by Freeport LNG Development an engineering, procurement and construction (EPC) contract for a new Liquefied Natural Gas receiving terminal to be located in Quintana Island near Freeport, Texas (USA).

February

■ Technip is awarded an engineering, procurement, installation and commissioning (EPCI) contract by Caledonia E.U. Limited for the development of the Johnston field in the Southern part of the North Sea. The contract, valued at around

£7 million (€10 million) requires the J4 production well to be tied back to the existing Johnston subsea manifold, which is located 400km South East of Aberdeen.

■ Technip is awarded a contract by Murphy Oil Corporation, for the engineering, construction and installation of a Spar floating production platform complete with topsides facilities, hull, mooring system and riser/wellhead systems for the Kikeh Area Development located in 1,330m water depth offshore Sabah, Malaysia. Kikeh will be the first deepwater development in Malaysia.

■ Technip is awarded by Canadian Natural Resources Limited (Canadian Natural) two contracts worth approximately CAD 1,070 million (€700 million) for upgrading facilities and a hydrogen unit for the Horizon Oil Sands Project located 75km northwest of Fort McMurray, in Northern Alberta, Canada.

March

■ Technip is awarded by NAFTEC, Algeria's National Oil Refining Company, an engineering consultancy contract worth approximately €14 million for the revamping and expansion of their refinery in Arzew (Algeria). Refinery modernization covers the overall instrumentation and electrical systems. The expansion aims at improving fuel specification in line with 2009 European regulations.

■ Technip, in association with Subsea 7, is awarded by Petroleo Brasileiro SA (Petrobras) an engineering, procurement, installation and construction contract worth around US \$500 million (Technip share: approximately US \$350 million). The contract is for the deepwater Roncador subsea field development offshore Brazil.

■ Saudi Aramco awards a contract to the consortium of Technip and Bechtel for a grassroots gas plant as part of the Khursaniyah, Fadhli and Abu Hadiyah hydrocarbon field development program located in Saudi Arabia.

■ Technip is awarded, by Hovensa, a lump sum turnkey contract for a new hydrotreating unit to be located at its refinery in St. Croix, US Virgin Islands.

April

■ Technip is awarded by Norsk Hydro two engineering, procurement, installation and commissioning (EPIC) contracts worth around €147 million (NOK 1.2 billion) combined, for tie-ins from Fram East field to Troll C and from Vilje to Alvheim, on the Norwegian Continental Shelf. The contracts include engineering, fabrication, installation and pre-commissioning of subsea umbilicals, risers and flowlines, tie-ins, manifold installation and subsea equipment protection work.



May

■ Technip signs a Letter of Intent with Qatar Petroleum, ChevronPhillips Chemical Company LLC, Qatar Petrochemical Company and Total Petrochemicals for an engineering, procurement and construction (EPC) contract worth above US \$800 million for the realization of an ethylene cracker located at Ras Laffan in Qatar.

■ Technip is awarded, by Gulf LNG Energy LLC, a design-phase contract for a new liquefied natural gas (LNG) import terminal. The contract covers the front end engineering (FEED) of the terminal, which is to be located in Pascagoula, Mississippi, USA.

■ Technip is awarded three contracts worth approximately £66 million (€92 million) for subsea developments on the UK and Republic of Ireland Continental Shelves. The developments concerned are Corrib, Tweedsmuir and Gryphon, operated by Shell, Talisman and Kerr-McGee respectively.

■ Technip as leader, in consortium with Hyundai Heavy Industries, is awarded, by Total Upstream Nigeria Limited, a lump sum turnkey contract worth approximately US \$1.08 billion (Technip share: roughly 50%), for the engineering, procurement, supply, construction and offshore commissioning of the Floating Production Storage and Offloading unit (FPSO) of the Akpo field development, offshore Nigeria.

■ Technip signs a Letter of Intent – effective May 11, 2005 – with Saudi Basic Industries Corporation (SABIC) for the construction of a large-scale ethylene and propylene production plant at the Yansab complex in Yanbu Industrial City, on the Red Sea coast of Saudi Arabia.

■ Technip, leader in a consortium with JGC and Tecnicas Reunidas, is awarded by Vietnam Oil & Gas Corporation (Petrovietnam) a lump sum turnkey contract for the engineering, procurement and construction of Vietnam's first crude oil refinery, to be located in Dung Quat, south of Da Nang in central Vietnam.

June

■ Technip Oceania Pty Ltd with J P Kenny Pty Ltd (Perth), in a 50/50 joint venture, is selected as the front end engineering and design (FEED) and engineering, procurement, construction management (EPCM) contractor with respect to the upstream facilities for the Greater Gorgon development. The development is located approximately 70 -140km offshore Western Australia at the North West Shelf in 220 -1,300m water depth and includes both the Gorgon and Jansz fields.

■ Technip is awarded by Chevron an engineering, procurement, installation and commissioning (EPIC) contract for the development of the Captain 'C' oil project in the UK North Sea. The contract, valued at around £15.5 million (€23 million), requires the Captain 'C' facilities (two production wells) to be tied back to existing Captain field infrastructure.



July

■ Technip is awarded a contract by Murphy Sabah Oil Company Ltd for the engineering, design, supply and installation of the Kikeh Area Development subsea pipeline and riser system. Located in 1,330m water depth offshore Sabah, Kikeh will be the first deepwater development in Malaysia and will include the deepest installation of a subsea production system in Asia to date.

■ Technip signs a Memorandum of Understanding, effective as of June 17, 2005, with The Kuwait Olefins Company (TKOC), a joint venture between The Dow Chemical Company (Dow), Petrochemical Industries Company, Kuwait (PIC) and Kuwaiti private companies, for the construction of an ethylene plant at their new Olefins-2 Petrochemical Complex in Shuaiba, Kuwait.

■ Technip is awarded two contracts by Statoil for subsea services in the Norwegian part of the North Sea.

- The first contract includes diving, pipeline repair, contingency and modification services in Norway. Its total value is estimated to be €515 million (NOK 4 billion) including options. The actual value will depend upon the client's subsea requirements.

- The second contract, valued at around €52 million (NOK 400 million), options included, comprises maintenance and preparation of equipment utilized for pipeline repair services.

■ Star Deep Water Petroleum Limited (an affiliate of Chevron Corporation) awards Technip an engineering, procurement, construction and installation (EPCI) contract of approximately US \$800 million, for the Agbami field development, located offshore Nigeria in approximately 1,550m water depth.

■ Technip is awarded an ethylene capacity expansion project by Kazanorgsintez in Kazan in the Russian Federation. The project involves the modernization

and capacity expansion of three existing ethylene plants at Kazan. The combined capacity of the three plants will be increased from the present 400,000 to 605,000 metric tons per year by debottlenecking, modernization and the installation in one of the plants of a new double-cell ethane cracking furnace.

September

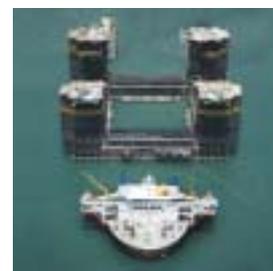
■ YEMGAS, a joint venture shared equally between Technip, JGC (Japan) and KBR (USA) – signs a major lump sum turnkey contract with Yemen LNG Company Ltd (YLNG) for the country's first LNG (Liquefied Natural Gas) plant. The value of the contract is over US \$2 billion.

■ Technip is awarded by Innovene Manufacturing France SAS an engineering, procurement, construction management (EPCM) services contract to implement the Clean Fuels Project in the Innovene Refinery located in Lavéra (France). The project scope includes

a new jet fuel sweetening unit, the revamping of two existing hydro-desulfurization units (HDS) and some associated utilities and offsites.

■ Technip and Subsea 7 announce they have signed a Memorandum of Understanding whereby their respective affiliates Technip Oceania Pty Ltd and Subsea 7 Singapore Pte Ltd express their intention to form a jointly operated company for subsea offshore activities in the Asia Pacific region (excluding India and Middle-East).

■ Technip is awarded an important engineering, procurement and construction contract by Chevron for delivery of the Spar hull and mooring systems for the deepwater Tahiti Field Development Project. Chevron has also awarded Technip a contract for the fabrication of the topsides modules.



October

■ Having completed the integration of the activities acquired over the past years, Technip decides to rationalize and simplify its Corporate structure in order to further improve its efficiency in meeting its customers' needs

■ Technip signs with the Ras Laffan Liquefied Natural Gas Company Limited (3) ("RasGas (3)") a contract for engineering, procurement and construction (EPC) of the RasGas Onshore Expansion Project Trains 6 & 7 for two of the world's largest LNG trains. This contract will be executed by a joint venture of Technip and Chiyoda. Each train is designed to produce 7.8 million tons per annum of LNG, with Train 6 scheduled for start up in late 2008, and Train 7 approximately a year later. The value of the contract is in the range of typical values for such large projects, i.e. approximately US \$4 billion.

■ Technip is awarded by Petroleo Brasileiro S.A. (Petrobras) an EPCI contract valued around US \$210 million for a subsea pipeline and a free standing hybrid riser for deepwater oil export in the Campos Basin, offshore Rio de Janeiro.

December

■ Technip, in association with Innovene as licensor, is awarded by Petrochina International a contract for two lines of polypropylene for Petrochina Dushanzi Petrochemical Company's new complex in the Xinjiang Province, China.

■ Technip is awarded by BP Norge AS a contract worth around €23 million (NOK 178 million) for the installation of the Tambar Production Pipeline Phase 2, including tie-ins of both ends to the Tambar and Ula platforms on the Norwegian Continental Shelf.

■ Technip signs a contract for the construction of an ethylene plant at The Kuwait Olefins

Company's (TKOC) new Olefins-2 Petrochemical Complex in Shuaiba, Kuwait. This contract covers the detail engineering, procurement and supply of equipment and materials, construction and pre-commissioning and follows the signing in June 2005 of a Memorandum of Understanding between Technip and TKOC, a joint venture between The Dow Chemical Company (Dow), Petrochemical Industries Company, Kuwait (PIC) and Kuwaiti private companies.

■ Technip signs a contract with Saudi Basic Industries Corporation (SABIC) for the construction of a large-scale ethylene and propylene production plant at the Yansab Complex in Yanbu Industrial City, on the Red Sea coast of Saudi Arabia. This contract, effective as of May 11, 2005, the execution date of the relevant Letter of Intent, covers basic and detail engineering, procurement and supply of materials, construction, pre-commissioning, commissioning and training of the owner's personnel.

■ Technip sells to Gulf Island Fabrication, Inc. (NASDAQ: GIF) the facilities, machinery and equipment of Gulf Marine Fabricators, a Technip affiliate located near Corpus Christi, Texas. The parties have also entered into a cooperation agreement to work together on mutually agreed-upon EPC (engineering, procurement and construction) projects. The cooperation agreement will allow Technip to continue to have access to the services of this fabrication facility.

■ Technip signs with Qatar Liquefied Gas Company Limited (3) (Qatargas 3) and the sponsors of the Qatargas 4 Project (Qatargas 4) a contract for two of the world's largest liquefied natural gas (LNG) trains. This contract will be executed by a joint venture created by Technip and Chiyoda. The value of the contract is around US \$4 billion.

Stock Exchange Listing

Eurolist by Euronext™ The new indexes

Technip was selected in 2004 as member of CAC NEXT20 index, made of the twenty most representative stocks after the CAC40, measured by free-float market capitalization and liquidity. As of December 31, 2005, Technip ranked third within the index in term of weighting (6.36%).

» Stock Price Evolution

Paris (Eurolist by Euronext™ - A compartment)
Evolution of Technip Share Price compared to the CAC 40 Index
(from 01/03/2005 to 12/31/2005)



Technip's share outperformed the CAC40 index, ending 2005 at almost its highest price, increasing 49% year on year, which represents more than twice the CAC40 performance along the year.

New York (NYSE)
Evolution of Technip ADS Price compared to the Dow Jones Industrial Index
(from 01/03/2005 to 12/31/2005)



While the Dow Jones reference index remain relatively stable throughout the year and ended at breakeven, Technip ADS listed on the NYSE, grew significantly starting in May to close the year on a 34% increase.

Shareholding structure at December 31, 2005



Individual shareholders	■	8.0%
Oppenheimer Funds Inc.	■	5.9%
Lehman Brothers International	■	4.7%
ADS Holders	■	5.0%
Institut Français du Pétrole	■	3.1%
Employees	■	2.0%
Treasury Shares	■	1.6%
Other Shareholders	■	69.7%

2006 Financial Timetable

(Provisional calendar subject to change)

- April 19: Annual General Meeting (1st notice)
- April 28: Annual General Meeting (2nd notice)
- May 18: 2006 First Quarter Results
- July 27: 2006 First Half Results
- November 16: 2006 Nine-Month Results

Shareholder and Investor Contacts

Individual shareholders, institutional investors and financial analysts can contact the Technip Investor Relations team who can answer their questions.

Technip Investor Relations

Tour Technip
92973 Paris La Defense Cedex
France
Tel : + 33 (0)1 47 78 66 75
Fax : + 33 (0)1 47 78 67 58
e-mail : investor-relations@technip.com

Stock Market Data and Share Price Performance as of December 31, 2005

TEC FP ⁽¹⁾	2005	2004
Highest Price (€)	51.90	34.28
Lowest Price (€)	30.45	20.11
Last Price of the Year (€)	50.80	34.00
Yearly Average Price (€)	39.72	28.67
Annual Variation	49%	57%
Average number of shares traded daily	636,663	628,359
Outstanding shares (in millions)	97.3	95.1
Market capitalization in millions of euros	4,943	3,233
Fully diluted earning per share (€) ⁽²⁾	1.11	1.09
Dividend per share (€)	0.920*	0.825
Pay out ratio	82.9%	62.7%
Net yield ⁽³⁾	2.32%	2.88%

TKP US	2005	2004
Highest Price (\$)	61.93	46.73
Lowest Price (\$)	39.60	25.94
Last price of the year (\$)	60.78	46.68
Annual Variation	34%	71%

⁽¹⁾ Value after the 4-for-1 share split dated May 13, 2005.

⁽²⁾ Assuming that the convertible bonds are fully converted into new shares, that all of the stock options are exercised, and excluding treasury stock. Earning per share 2005 and 2004 are calculated as per IFRS.

⁽³⁾ Based on 2005 average share price.

* Subject to the vote by shareholders at the Combined Annual General Meeting.

Share split

As per the 2005 shareholder general meeting votes, Technip's share nominal value was divided by 4 and the number of outstanding shares multiplied by 4, after closing of Paris Stock Market on May 13, 2005. This split was to enlarge the individual shareholding base, increase liquidity of the share and equal the Paris Technip share and the NYSE Technip ADS.

Registered Shareholder

Every shareholder has the possibility to be listed as a registered shareholder. To do so contact:

BNP Paribas Securities Services
GCT Emetteurs
Actionnariat Technip
Immeuble Tolbiac 75450 Paris Cedex 09 - France
Tel : + 33 (0) 826 109 119

DJSI

(Dow Jones Sustainability Indexes)

Sustainable development concerns are integrated into the Group's approach to executing its projects and defining its own values. Thanks to its realizations in sustainable development Technip has been reselected in 2006 as a member of the Dow Jones Sustainability STOXX (member since 2003) and World (member since 2004) Indexes in recognition of the Group's longstanding commitment to sustainable development.



Human Resources

In 2005, the Group continued to strengthen its workforce in order to deal with the growth of its activities. The Group is multicultural, with employees from more than 60 nationalities working in more than 50 countries worldwide.

Breakdown of Workforce by Region



France	20%
United Kingdom	14%
Italy	6%
Finland	3%
Other European Countries	6%
Asia-Pacific	18%
South America	11%
North America	9%
Middle East	6%
Russia & Central Asia	6%
Africa	1%



Total Workforce
(at December 31, 2005)

20,898

employees

+ 9.5% in one year



89%

of employees
have permanent
contracts

More than

46,000

job applications

An Expanding Workforce

During 2005, the overall number of Group employees grew from 19,086 (at end-December 2004) to 20,898 (at end-December 2005). Technip's workforce increased in all regions where the Group is present with the highest recruitment levels in the Asia-Pacific, the Middle East and Europe.

In 2005, Technip increased the number of recruitments, mainly through permanent contracts under which 3,420 people were hired.

During the year, the Group received some 46,000 unsolicited job applications, a significant increase over the previous year. Technip's strong attraction in the employment market enabled the Group to overcome the skills shortage in the industry and recruit the additional qualified personnel needed to deal with its business growth. This market pressure could increase in the coming months due to the growing activity in the oil and gas industry.

Social Charter

Social responsibility is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding guidelines.

Our Objectives

- To have employment relationships guided by the Group's values.
- To implement this Charter to all entities of the Technip Group which will adapt this Charter to local legislations, cultural differences and local specificities of the countries in which they operate.

Our Guidelines

In order to reach the above mentioned objectives in terms of social responsibility, Technip:

- Will not, as a principle, practice any discrimination among its employees or applicants on the basis of sex, age, race, religion, political or trade union affiliations, nationality or disability.
- Is committed to providing the necessary training for the Group's skill base and its advancement, as well as for the professional development of its employees.
- Promotes and facilitates mobility within the Group.
- Will not employ children under the minimum working age for completing compulsory schooling in the countries where we do business, and in any event, not under the age of 15 years old.
- Is committed to not using forced or compulsory labor.
- Will continue to maintain a positive work environment in which employees and management work together to strengthen its business.
- Respects the freedom of association, which includes the right of each employee to join or refuse to join a trade union in accordance with the applicable legislation in the relevant country.
- Endeavors to develop an open dialogue with its employees and their representatives, if any, concerning significant decisions that will directly affect them.
- Encourages its suppliers and sub-contractors to implement the values set forth in the present Charter in their own business policies.
- Endeavors to distribute this Charter to all employees within the Technip Group through our local entities.

Mobility

1,004

Group employees from **25** different countries, work as expatriates

An Active International Mobility Policy

More than 1,000 Group employees are on international assignments in 20 countries.

Technip runs an active international mobility policy, adapted to the needs of projects under way. In addition, this mobility is an excellent vector for sharing best practices and fostering a strong Group culture based on its values. Technip's scope of activities means that employees may be assigned either to project sites or the Group's local subsidiaries.

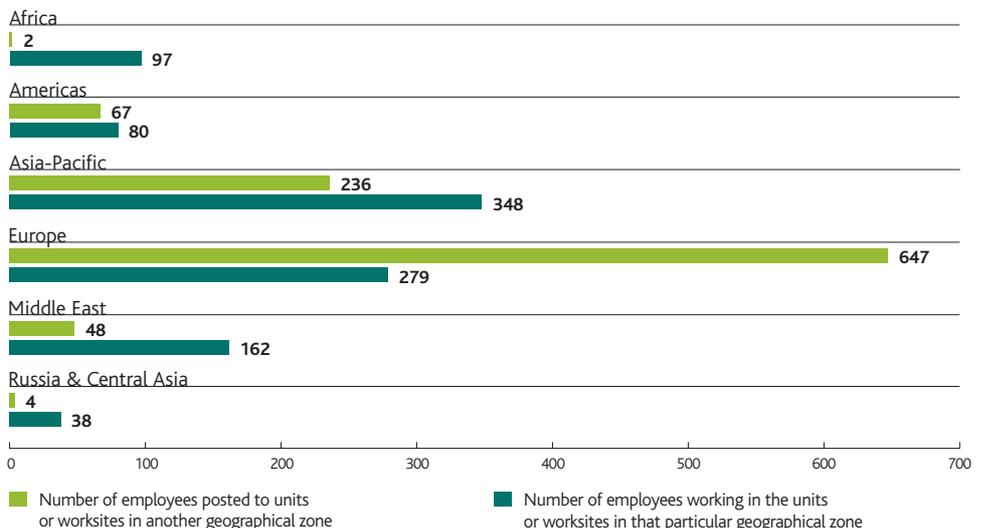
Conditions for overseas assignments are governed by a Group policy that is adapted to the particular project or country.

Technip's internal mobility policy is guided by six basic principles:

- wherever possible, favor internal recruitment,
- expand the possibilities for internal promotion,
- encourage geographical and professional mobility,
- foster development of a strong Group culture based on shared values,
- promote the career development of individual employees,
- encourage the sharing of best practices.

The Intranet site "Technip Mobility", which is dedicated to internal employment offers, is designed to keep Group employees informed of the opportunities for local and international mobility.

▶ **Number of expatriates/impatriates in 2005**





Employee Innovation and Creativity

Jacques Franquelin Award

This award was introduced by the Group in 2000 in memory of Jacques Franquelin, who died unexpectedly in May of that year and who was widely respected for his professional values and the number of successful innovations he introduced during his career.

The prize is a vector for rewarding and encouraging those who, like Jacques Franquelin, use their creativity to contribute to Technip's dynamism and development.

The prize is open to any Group employee and may be awarded for individual or team achievements. Innovations in any area of business – technical, commercial or administrative – will be considered. In 2005, 106 projects were submitted for prizes; 17 projects were selected and 47 employees were awarded prizes.

These prizes are awarded in four different categories:

› Taking initiatives

In this category, initiatives are rewarded when they have resulted directly in: improvement in the quality, reliability and safety of the services and work provided by the Group, its entities or by its suppliers and subcontractors; simplification of our procedures and methods, reduction in costs and schedules, and, more generally, improvement in our productivity and competitiveness.

› Technological innovations

In this category, awards are made for the creation or development of any innovative system, device or process that allows Technip to make technological advances in terms of reliability, reduction in investment costs and operating costs, safety and environmental protection.

› Cooperation within the Group

In this category, initiatives are rewarded when they have resulted in the development of the synergies within the Group, the harmonization of work methods, the concretization of achieving common goals and, more generally, the development of Group spirit.

› Sustainable development

This last category will be included for the first time in 2006. In this category, initiatives are rewarded concerning sustainable development, whether in social, civic or environmental matters. Suggested areas may include: new technologies, offering improved safety for people and increasing the preservation of the planet's resources; new actions in term of social responsibility;



actions supporting local communities, especially at project sites.

Chéreau-Lavet Prize

Backed by the French Academy of Technologies and the Arts & Métiers Foundation, this prize was created five years ago by the Chéreau-Lavet Association. It is awarded each year to a French engineer for the best invention leading to industrial implementation. An engineer who has been with Technip for over twenty years was among the five finalists in 2005.

OTC Distinguished Achievement Award

This prestigious prize, which is presented each year at the world Offshore Technology Conference (OTC) in Houston, USA, was awarded in 2005 to the Technip/Kerr-McGee partnership for its development of three successive generations of Spar platforms for deep-offshore developments.

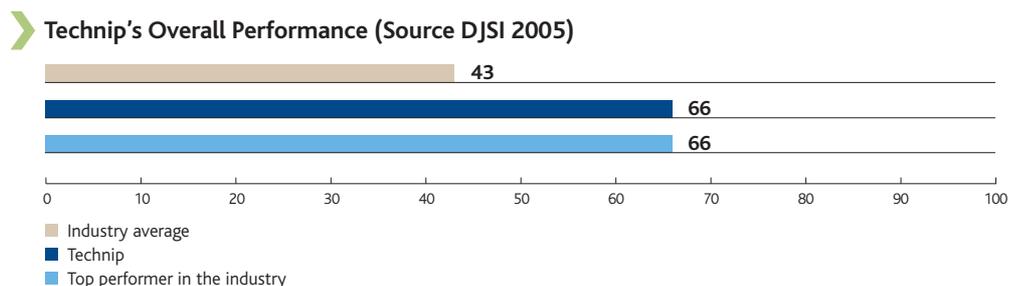
Technip, a pioneer of this new concept, has built 10 of the 13 Spar platforms in use today and is currently building another, all for use in the Gulf of Mexico. A new stage in the deployment of this technology was reached when Technip won a further contract to build a Spar platform in Malaysia.

This will be the first Spar facility to be set up outside the Gulf of Mexico.



Sustainable Development

Technip has been following a formal policy on sustainable development for three years now and strives to communicate regularly on its commitments and achievements. Most of the targets set for 2005 were reached during the year and the reporting on initiatives undertaken in the various Group units was more meaningful and precise than in previous years. New targets were also set for 2006, and new indicators are being established to help monitor future progress.



Challenges and Approach

To meet the challenges of Technip's business activities and implement effectively its approach to sustainable development, the Group set up a dedicated Sustainable Development Committee in late 2004. During 2005, this steering committee supervised all sustainable development initiatives and reporting and strengthened its network of correspondents throughout the Group. Numerous indicators have now been established to help Technip monitor the progress of its initiatives vis-à-vis all stakeholders.

Reminder of Objectives

- **Global Compact**
Communicate on action taken, via the Global Compact Internet site.
- **Reporting**
Improve the system used for collecting the data needed to establish performance indicators for all three dimensions of sustainable development (social, environmental and economic).



Technip, a Partner in the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence
2. Make sure that they are not complicit in human rights abuses

Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. The elimination of all forms of forced and compulsory labor
5. The effective abolition of child labor
6. The elimination of discrimination in respect of employment and occupation

Environment

7. Businesses should support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.



The Context

Technip is an engineering and construction company that provides full services to clients carrying out capital investment projects. The Group is involved in projects in many parts of the world, building industrial facilities that are usually complex and often quite large. A large part of Technip's business involves fossil-fuel development, i.e. the oil and gas industry, an area where sustainable development is of vital concern to all of humanity. Furthermore, current world economic growth, encouraged by particularly low interest rates, is generating a relatively strong increase in world consumption of oil and gas, which in turn has resulted in strong investment in hydrocarbon production projects.

The major decisions regarding the projects on which Technip is likely to be asked to work (i.e. decisions on the size of the investment, project location and the resources required to carry out the project) are all taken by the Group's clients.

But as the company asked to take charge of executing the client's project, Technip strives to assume its responsibilities to all stakeholders.

These responsibilities may cover ethics and accountability, commitments related to corporate governance, workplace health and safety, environmental protection, the quality of industrial relations, long-term value creation and support for local development.

An Approach Driven by Ambition

As explained in the section on "Vision and Values," Technip has set itself ambitious goals: to become the best and most highly regarded engineering and construction services company in the industry by implementing the values that underpin its Corporate culture.

Just as the Group had already done in the areas of quality control and workplace health and safety management, Technip launched very early on a drive to obtain ISO 14001 certification for the environment management systems of the main Group subsidiaries, as well as publishing its corporate values and setting up its Ethics Committee in 2001.

Since then, Technip has steadily bolstered its initiatives in all these areas. In 2003, the Group became a member of the UN Global Compact, whose ten principles reflect most aspects of Technip's corporate values. The Group also enshrined its commitments in four corporate charters: the Ethics Charter, the Social Charter, the Environment Charter and the Health & Safety Charter.

Technip is also the only European engineering and construction services company to be included in the Dow Jones Sustainability Index World.



“ The Sustainable Development Committee acts on information provided by 98 correspondents based in the countries throughout the world where Technip does business. ”

A Dedicated Sustainable Development Committee

In 2004, Technip set up its Sustainable Development Committee to supervise all the Group’s sustainable development initiatives, particularly the gathering of data from the various Group units and setting of concrete and measurable performance targets.

The committee comprises nine members drawn from the Group’s various divisions. During 2005, the committee met eight times. In addition to drafting the Sustainable Development Report, the committee finalized details of the proposed overhaul of the architecture of the source documents in this field, a proposal submitted to the Board of Directors in December 2004. This overhaul was approved by the Board on 18 May 2005 and details were circulated to all Group units in June 2005. The proposed changes are based on the rules set out in Technip’s Statement of Corporate Values and the Group’s four charters covering ethics, environment, health & safety and social issues.

Objectives and Reporting

The committee has taken a number of initiatives to enhance its efficiency. In line with the statement of objectives for 2005, it has improved the system used for gathering the data needed to establish performance indicators, and it has enlarged its network of correspondents. Two of these correspondents have now been appointed for each Group entity, one handling HSE issues and the other responsible for social and civic matters.

In addition, the reporting system itself has been streamlined by redrafting the questionnaires that are sent to the various Group units. A study was also set in motion to select a software tool for gathering and processing social and employment data. Lastly, as on previous occasions, Technip was represented at the 3rd World Sustainable Development Forum, which was held in Paris on December 1-3, 2005.

Construction project sites used to establish performance indicators



Drafting the Report

The Sustainable Development Committee has decided to base Group reporting on the standards laid down by the Global Reporting Initiative (GRI), launched in 1997, which sets out a framework for corporate sustainable development reports. GRI standards, which are widely accepted internationally, enable companies to assess their sustainable development performance using numerous indicators that are defined very precisely so as to allow meaningful international comparisons. Furthermore, GRI standards are in line with French legislation – in particular article 116 of the New Economic Regulation Act (15 May 2001) – which obliges French companies listed on a regulated stock exchange to provide in their annual report details of the social and environmental management initiatives accompanying their business activities.

Environmental Reporting: Scope and Method

Evaluation of environmental impacts is based on the indicators fixed in 2005 for consumption of water and energy, generation of greenhouse gas emissions as well as production and treatment of waste. The reference perimeter includes 80% of the Group’s engineering centers, 95% of manufacturing facilities, 100% of naval assets and 45% of construction project sites (accounting for 20 major projects). Performance ratios combine the figures applying to the defined perimeter together with the number of manhours worked, thus putting the impacts into a Group-wide perspective while also enabling year-on-year performance comparisons.

Social Reporting: Scope and Method

The Group’s social reporting takes into account two sets of data. The first is the monthly figures on Technip’s workforce worldwide: overall staffing numbers, new recruitment and resignations/dismissals, and breakdown by gender and country. The second is distilled from an in-depth study and includes indicators analyzed annually. In 2005, reporting included new indicators involving training and diversity. In line with the objectives set for 2005, reporting software has now been selected and will go into use during 2006. A measurement and reporting protocol has been drawn up so as to obtain homogenous and exhaustive responses. This protocol sets out the procedures for gathering and analyzing social/employment data on the Group as well as definitions and a methodology for the calculation and input of indicators. The system also includes links to the website of the units/worksites boasting the best sustainable development practices, thus enabling the various subsidiaries to rectify any non-compliance in the most appropriate way.

Sustainable Development Progress Chart

COMMITMENTS

Corporate Governance

Global Compact

Indicators and Reporting / Methodology

Economic Performance

Environmental Protection

Health & Safety

2005 OBJECTIVES

- Diffusion and promotion of the Group's new charters (Social, Ethics, Environment, Health & Safety).
- Deployment within the Group of new internal control procedures in compliance with the US Sarbanes-Oxley Act.

- Communication regarding initiatives undertaken, via the Global Compact website.

- Improve the system used for gathering data necessary for determining performance indicators in the three areas of sustainable development (environmental, social, economic).

- Sales up 5% to €5,400 million.
- Improved operating margin.
- Return to zero net debt.

- Obtain ISO 14001 certification for 8 new Group units in addition to the 13 already certified.
- Raise from 60% to 80% the proportion of units reporting the following environmental indicators: water consumption, energy consumption, waste production/treatment.
- Set performance targets for the main Group subsidiaries based on available 2004 data.
- Zero major environmental incidents.

- Targets for Technip employees + personnel of partners and sub-contractors:
- Lost-Time Injury Rate (LTIR) =/ \leq 0.056*
 - Total Recordable Injury Rate (TRIR) =/ \leq 0.30*
 - Severity Rate (SR) =/ \leq 1.17*
 - Improve reporting of risk situations on Group projects.

* All rates calculated on a basis of 200,000 manhours

One of the prime objectives and one of the first initiatives of the Committee was to put in place a progress chart showing how well the Group's policy on sustainable development was being applied. For the second year in a row, this chart sets out the achievements of the previous year and specifies the next stages in the program.

MAIN ACHIEVEMENTS IN 2005

- The four charters were distributed in four languages (French, English, Portuguese and Italian) to Group employees along with a message from the Chairman, and also posted on the Group's website www.technip.com and the Technip Intranet.
- Identification and standardized documentation of risks and internal control procedures in the Group.
- Determination of the scope of evaluation.
- Selection of dedicated software.
- Selection of external partners to carry out testing.
- General and applicative verification of the information systems currently in use.

- In compliance with Global Compact requirements, Technip forwarded its Report on Progress to the UN website staff, uploading the Group's 2004 Sustainable Development Report on 30 June 2005.

- Improvement of the questionnaires sent to the various Group units.
- Enlargement of the network of sustainable development correspondents.
- Launch of a study to select an appropriate IT tool for collecting and processing social data.

- Consolidated sales: €5,400 million.
- Operating margin ratio 4.3%.
- Net positive cash flow of €668 million.

- 7 new subsidiaries obtained ISO 14001 certification: Technip Benelux BV, TPIEL, Technip USA Houston, Technip Thailand, Technip Indonesia, Technip Finland, Technip Offshore UK OOS. This brought the number of certified Group subsidiaries to 20, involving 80% of Technip's workforce.
- 80% of Group units reported on the various environmental indicators.
- Data collected in 2004 was analyzed, enabling identification of the main areas for improvement.
- Zero major environmental incidents.

- No fatal accidents (3 in 2004).
- No cases of major material damage.
- Lost-Time Injury Rate (LTIR) = 0.06
- Total Recordable Injury Rate (TRIR) = 0.30
- Severity Rate (SR) = 1.39
- More than 220 million manhours worked.
- 3 new subsidiaries certified OHSAS 18001 or equivalent.
- More than 140,000 dangerous situations reported, analyzed and rectified, compared to only 26,000 in 2004.

NEXT STAGES

- Continue diffusing and promoting the four charters within the Group and at project sites.
- Ensure effective application by Group employees of the principles set out in the Environment and Health & Safety Charters.
- Pursue the implementation in all Group units of the the Sarbanes-Oxley Act provisions regarding internal control.
- Publication during 2007 of a report on the quality of Group procedures.

- Recurring action.
- Request details from Technip's main suppliers on their observance of the 10 principles of the Global Compact.

- Coordinate the network of Sustainable Development correspondents.
- Validate the IT tool for social data.
- Extend use of the tool to other data (environment, health, safety).

- Continue to boost sales.
- Improve the operating margin.

- Extend ISO 14001 certification to further Group units.
- Raise to 100% within 3 years the proportion of Group units reporting on the various environmental indicators.
- Improve Technip's performance as regards recycling of waste on construction sites.
- Enlarge the scope of reporting so as to set more relevant performance targets.

- Continue to improve performance, aiming for a reduction of 10% per year in Total Recordable Injury Rate.

- Improve reporting of risk situations by 10% per year.

- Increase the number of Group units certified OHSAS 18001 or equivalent.

COMMITMENTS

Security

Skills Development

Corporate Citizenship

Dialogue and Consultation

Clients, Partners and Sub-contractors

2005 OBJECTIVES

- Travel abroad: set up a database to enable all employees overseas to be reached at any time; prepare information booklets on the local characteristics of the main countries where Technip employees are sent; set up a security intranet site where information and procedures can be consulted on an ad hoc basis.
- Raise employee awareness of security on board ships.

- Set up a network of security correspondents and a group-level 24/7 hotline.

- Ongoing reflection on the Group's core professional disciplines in order to identify and prepare for future developments.

- Implement the 135 measures identified by Technip Think Tanks during 2005.

- Launch new solidarity initiatives.
- Expand the Group's existing community-action programs.

- Finalize and improve on existing information and dialogue processes via the European Works Council (EWC).

- Work together with clients, partners and sub-contractors on each project to devise a common health & safety management system and a common approach to environmental protection.
- Encourage suppliers and sub-contractors to integrate the principles of Technip's Social Charter into their own social policy.



MAIN ACHIEVEMENTS IN 2005

- To enhance employee protection, implementation of a travel-security database enabling all employees to be contacted during business travel.
- Publication of a booklet on International Ship and Port Security (ISPS) to raise employee awareness of security on board ships.
- Development of a training module designed to raise employee awareness of the need to protect the Group's property and know-how.
- Establishment of a group-level 24/7 hotline.

- A study of the various professional disciplines involved in Group projects.
- Drafting of a "professional discipline" referential applicable to all Group units.
- In April 2005 a plan was drawn up for each of the 135 initiatives, designating a project manager and fixing a timetable.
- A first report was made in July detailing progress in implementing each initiative.
- Promotions to the Technip College of Experts in 2005 included 1 general expert engineer, 9 principal expert engineers and 39 expert engineers, bringing total membership of the college (factoring in departures) to 352.

- SA 8000 certification for Technip Italy.
- Sponsorship of initiatives focusing on improving health and education and combating social exclusion in a number of countries. These include the Play Bus project for orphans in Azerbaijan and a \$155,000 donation by Group units to the American Red Cross following the devastation wrought by Hurricane Katrina in Louisiana and Mississippi.
- Specific programs designed to foster local development: in Nigeria, training and employment of 1,500 young people from the Bonny and Finima communities near the NLNG project site; in France, a partnership agreement with a number of employment organizations, enabling enabling 800 job-seekers to find employment on a major petroleum project.

- Appointment of the officers of the EWC in April 2005.
- First ordinary meeting of the EWC in Paris in May 2005.
- Second ordinary meeting of the EWC in Rome in December 2005.

- Setting up, on a number of Technip projects, of HSE programs designed in conjunction with partners and sub-contractors. Designation of integrated HSE teams to implement and monitor HSE programs.
- Each Group subsidiary now includes in its general procurement conditions a new article setting out Technip's core values and stating its membership in the UN Global Compact, designed to encourage suppliers to observe the same guidelines.
- Development, for all Group activities, of a common process for assessing the level of satisfaction of Technip clients.

NEXT STAGES

- Expand the database to cover the whole Group.
- Launch training sessions using the new module .

- Similar studies focusing on the professional disciplines involved in the other main Group functions.
- Deployment of the "professional discipline" referential in all Group units.
- Finalization of the initiatives yet to be implemented.
- Publication of a second progress report during the 2nd quarter of 2006.
- Appoint at least 12 new members to the College of Experts each year.

- Census of Group practices and deployment of a standard procedure for analyzing social, economic and environmental impacts prior to beginning work on major projects.
- Launch awareness and prevention programs on infectious and tropical diseases (AIDS, malaria, dengue fever, Marburg fever) in relevant countries where Technip operates (Angola, Nigeria, South Africa).
- Launch new community-support programs in the zones around project sites in countries where Technip has recently begun to operate (Vietnam, Yemen, Guinea, New Caledonia).

- Dialogue with the EWC on setting in place a non-smoking policy in all the Group's facilities in Europe.
- Organization of inter-cultural training for members of the EWC.
- Setting up of a EWC intranet site.
- Ongoing dialogue with Group employees and official employee organizations on ways to foster greater gender diversity.

- Extend this partnership to even more projects.

- Request Technip's main suppliers to provide details on how these values are taken into account.
- Implementation of this process on forthcoming projects.

Environmental Protection

Environmental protection is one of Technip's top priorities, and indeed a large majority of the Group's units have now obtained ISO 14001 certification. During 2005, Technip fine-tuned its actions in this area, establishing relevant performance indicators to form the basis of its program to reduce consumption of water and energy and to sort and recycle waste.

ISO 14001

certification
20 operational units
in 2005 comprising 80%
of the Group's workforce

Reminder of 2005 Objectives

- Obtain ISO 14001 certification for the following subsidiaries: Technip Abu Dhabi, Technip Benelux, Technip Finland, Technip Indonesia, Technip Norway, Technip Thailand, Genesis and Duco.
- Increase from 60% to 80% the proportion of units reporting on the following environmental indicators: water consumption, energy consumption, production/treatment of waste.
- Set performance objectives for the main Group subsidiaries.



Technip sites with ISO 14001 certification, 2000-2005



Technip's Approach to Environmental Protection

The Group's approach to environmental protection is underpinned by certified management systems as well as the continuous improvement of all processes, products and services. ISO 14001 certification

of Technip subsidiaries moved ahead during 2005 with the certification of seven new units. A total of 20 units are now certified, comprising 80% of the Group's workforce. This figure is expected to pass the 90% mark in 2006 with the certification of three new centers.

ISO 14001 Certification for Technip's Fleet

Since June 2005, all of the fleet operating out of Aberdeen, has been certified ISO 14001. These nine vessels also comply with the environmental specifications laid down by the International Convention on the Prevention of Pollution from Ships (MARPOL Convention).

In a spirit of ongoing improvement, Technip has set specific environmental objectives for 2006, including lower fuel consumption, increased training for seagoing personnel and the award of DNV CLEAN CLASS classification for the Group's future support ship.

Environmental Charter

Environmental responsibility is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding Environmental Guidelines.

Our Objectives

- To strive to minimize the impact of our activities on the environment and risks to nature and others.
- To strive persistently and with determination to avoid any environmental incidents. Management's commitment is a critical success factor in achieving these goals.

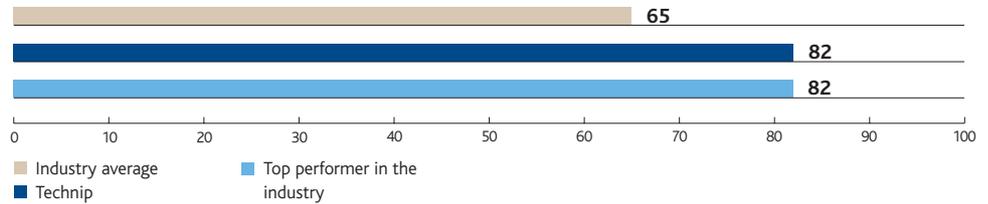
Our Guidelines

In order to achieve our Objectives, we have established the following guidelines:

- To comply with applicable environmental legislation and our own standards.
- To set clear and meaningful objectives for environmental performance, placing an emphasis on key indicators.
- To measure our performance and communicate our progress, regularly and openly.

- To hold managers, supervisors and employees accountable for compliance with our environmental management systems.
- To implement environmental management systems which comply with ISO 14001 requirements.
- To use and develop our engineering knowledge to reduce the environmental impact of the facilities we design, build or operate together with our clients.
- To combine our engineering and technology know-how with sound assessment principles in order to minimize environmental impacts and mitigate, as much as is reasonably practicable, residual consequences that may arise.
- To promote employees awareness so that they may integrate environmental considerations into their daily activity.
- To work with our clients, partners and subcontractors to build a common environmental management system on each project.
- To strive to continually improve our environmental performance.

▶ Environmental management performance (Source DJSI 2005)



Environmental Achievements

During 2005, water consumption for the perimeter described above stood at 1.83 million cubic meters. This figure includes both drinking water consumed by project personnel and water used for general services in construction work. Most project sites are equipped with special units for treating domestic waste water and the treated water is then used in construction work (preparing concrete, dust management...).

Total waste produced during 2005 came to 50,810 metric tons, of which less than 5% was hazardous waste. This waste, from offices, project sites, manufacturing facilities and vessels, is sorted and treated in compliance with Group guidelines and with regulations in force in the countries concerned. Waste is always recycled according to the availability of the local disposal facilities.

Environmental indicators in 2005 per manhour:

- Energy: 5.61 kW
- Water: 15.03 liters
- Waste: 0.42 Kg
- CO₂ : 1.87 Kg

Energy consumption

Energy consumption	Unit	Offices	Fabrication units	Construction project sites	Fleet	Total 2005
Natural Gas	MWh	11,657	13,026	0	0	24,683
Electric energy from public network	MWh	36,379	21,688	1,554	0	59,621
Fuel oil	MWh	0	82,318	130,198	385,566	598,082
Ratio per manhour	kWh/h	1.90	18.52	1.58	56.12	5.61

Water consumption

Water consumption	Unit	Offices	Fabrication units	Construction project sites	Fleet	Total 2005
Water consumption	m ³	179,329	102,597	1,455,609	91,513	1,829,048
Ratio per manhour	liters/h	7.08	16.24	17.50	13.32	15.03

Recycling rate:

- 85% of office waste in Europe
- 56% of construction project sites, fabrication units and ship waste

Quantity of waste produced

Quantity of waste	Unit	Offices	Fabrication units	Construction project sites	Fleet	Total 2005
Non-hazardous waste	metric ton	3,110	12,900	29,628	2,925	48,562
Hazardous waste	metric ton	4	1,277	466	500	2,248
Ratio per manhour	kg/h	0.12	2.24	0.36	0.50	0.42

Greenhouse gas (GHG) emissions

	Unit	Offices	Fabrication units	Construction project sites	Fleet	Total 2005
Direct GHG emissions (oil & gas combustion)	t eq CO ₂	2,392	30,826	44,528	131,864	209,609
Indirect GHG emissions (purchased electricity)	t eq CO ₂	11,372	5,714	709	0	17,795
Total emissions	t eq CO ₂	13,764	36,540	45,236	131,864	227,404
Ratio per manhour	kg eq CO ₂ /h	0.54	5.78	0.54	19.19	1.87

In 2005, 56% of paper, packaging, scrap iron, cable and construction waste was recycled, along with 85% of waste from offices in Europe.

Projects certified "High Environmental Quality and Sustainable Development" seal

Via its French subsidiary Technip TPS, the Group has carried out a number of building projects that were subject, either partly or wholly, to France's High Environmental Quality

(HQE) referential, including the university campuses at Bobigny and Poitiers, the Zenith entertainment center in Limoges, the new Nice City Hall, the Airbus Delivery Center in Toulouse, regional offices in Haute-Savoie, the new tram system in Grenoble and the National Agricultural Institute in Lyon. The HQE certification is awarded to building projects by the HQE Association, on recommendation of the project owner, and is based on a referential established by France's Building Industry Scientific and Technical Center.

Waste management at Le Trait manufacturing plant (France)

The activities of the Group's Le Trait manufacturing facility generate waste of several types: production scrap (metal, plastic, stainless steel);

special waste (hydraulic fluids, chemicals, sludge; packaging waste (drums, wood, papers), and others. Waste management efforts at the plant are

focused on reducing waste at source, reducing consumption of oil by adjusting machinery, improving overall waste traceability and valorizing waste via re-use, recycling or energy production.

A number of initiatives were launched here, including a deposit-and-return system for the packaging used for some raw materials and the recycling of oils and plastic residues. Studies are now under way concerning a machine to chop up steel cables so that they can be more easily transported and monetized.





Koniambo, a showcase project

Technip and a partner have been selected to construct a \$2.2 billion mining and processing project in the north of New Caledonia. The presence in the zone of an exceptional coral reef as well as very rich endemic vegetation including mangroves and the famous "Coeur de Voh", within a few kilometers of the site, mean that exemplary environmental management is required on the project. A large number of studies were carried out in order to understand the ecosystems in the area, and more than 420 consultations have been organized since the project was launched so as to inform all stakeholders in the territory. The dossiers prepared by Technip HSE teams for submission to the relevant new Caledonian authorities, the international experts appointed by the lenders financing the project and the public hearings have been approved by all stakeholders. Environmental studies are continuing during 2006 and will be reviewed by a panel of third party experts before the recommendations contained in them are implemented during construction work.

Technip TPS is also applying for "Sustainable Development in the Building Industry" certification and will be submitting a dossier to the first sitting of the certification commission in April 2006. Certification is awarded for an engineering company's ability to integrate sustainable development criteria into project execution.

Technip and Biodiversity

The Group's environmental footprint varies, depending on the nature of the activities being carried out at manufacturing plants, project sites or on board ship. It also depends on the sensitivity of the local milieu. A large majority of Technip's production assets are concentrated in industrial zones, but project sites can be located in parts of the world that are often more sensitive, particularly as regards biodiversity.

DURING THE DESIGN PHASE, the Group's experience and know-how enable Technip to offer clients the best technologies currently available. It is at this stage in a project that the most effective solutions can be chosen to reduce the environmental impact of the future industrial facility. The choices made here impact the environmental performance of the future facilities, whose operation (emissions/discharge and consumption) will be the responsibility of Technip's client company.

DURING THE CONSTRUCTION PHASE, Technip's activities are carried out at sites chosen not by the Group but by its clients. Technip may be involved in numerous activities that are likely to interact with the environment. Factors that come into play here are: sensitive natural milieus close to the project site, the expected duration of project activity, the number of people necessary on site and how they will be accommodated; the choice of route for site-access roads and the need for measures to prevent erosion that could wash sediment into local watercourses; management of any dangerous substances used on site; measures to protect and monitor the surrounding marine milieu and response procedures in case of emergency situations. These environmental aspects – the potential impact and the measures needed to manage them – are systematically identified at the start of each project, and on-site audits are carried out by Technip's HSE teams to ensure that environmental measures have been identified, are being implemented and are effective.



The East Area Project

One of Technip's projects in Nigeria has involved setting up a new platform on the East Area field. One of the platform's main functions was recompression and re-injection into the reservoir of associated gas, instead of flaring it, resulting in a significant reduction in CO₂ emissions on the field. Furthermore, the 18,000 metric ton platform was set up in a one-off operation called Unideck®, developed and implemented by Technip, a method that reduces the amount of work necessary at sea and thus lowers the risk of accidents.

Long-standing involvement in biofuels

- › **1980** – First biofuel project in Brazil
- › **1987** – Start-up, near New Orleans (USA) of what was one of the world's largest biofuel plants, using alcohol derived from maize.
- › **1990** – Growth in the use of biofuels thanks to the transesterification of vegetable oils, mainly derived from rape-seed.
- › **1996** – Technip is prime contractor for construction of a 250,000 t/y biodiesel plant in Rouen (France).
- › **2004** – Technip is prime contractor for construction of a 200,000 t/y biodiesel plant in Sète (France).
- › **2005** – Technip wins a turnkey contract to build a new 100,000 t/y biodiesel plant in Compiègne (France).

Innovations to Enhance Environmental Protection

Another of the ways Technip is fostering sustainable development is by orienting a number of research projects towards the production of natural gas, the reduction of greenhouse gas emissions and the development of new energies.

Proprietary Processes and Technologies

In a bid to help meet growing world demand for natural gas, an hydrocarbon energy source cleaner than oil, Technip has developed the capability to build gas liquefaction plants using processes that consume less energy per ton of LNG produced. Use of patented processes such as Cryomax® MRE (Multi Reflux Ethane Recovery) and Cryomax® DCP (Dual Column Propane Recovery) allows enhanced extraction of ethane, propane and the heavier constituents.

Carbon Sequestration

One of the main ways in which modern society can manage greenhouse emissions and thereby control climate change is to store CO₂ instead of releasing it into the atmosphere.

Given Technip's close involvement with the oil and gas industry, the Group has naturally developed the skills necessary to cope with this major preoccupation. A working group has now been set up to develop and evaluate technological solutions for the geological storage of CO₂, to develop processes that are more energy-efficient and therefore generate less CO₂ emissions, to include "decarburation"

processes in petrochemical processes and to promote the use of hydrogen (for which Technip has developed its own production technology) as a "clean" combustible.

Technip and Biofuels

Technip has been a player in biofuels for 25 years now, exploring the possibilities of both methanol and methyl esters derived from vegetable oils (biodiesel). So far, the Group has built some ten biofuel plants using processes based on the whole range of agricultural and biomass substrates.

Indeed, one of the particularities of biofuels is that they are produced using plant-based raw materials. All plants absorb carbon dioxide during their growth. One of the particularities of biofuels is that the CO₂ produced during their combustion in an engine is naturally reabsorbed by plants. Furthermore, when biofuels are blended into gasoline and diesel motor fuel they raise its oxygen content, thus enhancing the efficiency of the engine and reducing pollutant emissions.

Social Responsibility

In terms of sustainable development, Technip's social commitment is essential. The Group strives to integrate fully all employees, provide appropriate training, offer them attractive skills-development and career prospects and foster management-employee dialogue and consultation. During 2005, Technip increased its actions in favor of employee health, safety and security.

Yearly performance assessments

72%

of employees interviewed

Training
(worldwide)

283,158

hours,

of which **18%**
devoted to HSE

10,757

employees received training





Reminder of 2005 Objectives

Skills development

- Ongoing reflection on the Group's core professional disciplines in order to map resources and prepare for future developments.
- Implement the 135 measures identified by the "2005 Technip Think Tanks".

Welcoming and integrating

Technip has set up specific processes to ensure that new employees gain a full working knowledge of their company and to guide them in mapping their career path. Immediately after joining Technip, they attend information sessions in the form of meetings or seminars, depending on the size of the entity. Furthermore, engineers and technicians joining Technip France have been able to take advantage of a tutorship scheme during the first few years of their career. This system has now been adopted by a number of other Group subsidiaries, including Flexi France and Technip Abu Dhabi, and the gradual introduction of the system throughout the Group is planned.

Other units, particularly in the United Kingdom, have introduced a two-year program called the GETS Scheme designed to enable graduate recruits to gain experience of all the Group's main professional disciplines.

Training

Technip employees have access to a number of major training programs that meet several important needs:

- training in the techniques and tools used on most Technip projects; this involves structured training schemes within the Group's various operational units,
- management courses; these are intended for employees with high potential. Every year about 30 people are invited to attend the Technip Leading Edge Program (TLEP). In 2005, a new module on multi-

cultural team management was added to the TELP, which was launched in 2003,

- maintenance and development of skills and expertise via specialized courses organized at both subsidiary and Group level. Five different modules of the "Technip Education" course are now available to employees:
 - two modules providing an introduction to subsea and floatover technologies,
 - two modules providing in-depth coverage of the technologies used in flexible and rigid pipes, and
 - a module on the manufacturing of flexible pipes.

The program is expected to be further expanded during 2006.

Skills development

- The "2005 Technip Think Tanks" set up at the end of 2004 were asked to make concrete proposals to the Executive Committee on seven transversal development themes. During 2005, the working groups made 150 proposals, of which 135 were selected to form the basis for a Group-wide action plan. Among the focuses of the plan are: to make better use of the Group's international engineering network, to promote Technip's technological image and to foster a stronger Group culture among employees, which is an essential vector for taking fully advantage from Technip's skills capital.
- Studies of the Group's main professional disciplines were launched so as to optimize management of future human resources requirements.

Reminder of 2005 Objectives

▪ Dialogue and consultation

Supplement and enhance the information and consultation process by setting up a European Works Council.

The first study, carried out in 2005, focused on project management, which is one of the Group's core disciplines. The program will be continued in 2006 with a study of the professional disciplines involved in construction.

Encouraging career development

It is Group policy to foster personnel mobility and internal promotion. There are a number of schemes to enable employees to develop their career by valorizing the various competencies they acquire during training or on the job. There are two main, but not exclusive, avenues for career advancement:

- the first is by developing expertise in a particular technical field, which is then recognized by nomination to the Network of Experts, which currently includes 352 engineers throughout the Group,
- the second is by broadening the range of Group disciplines in which skills have been acquired, thus opening the way to a position as project management or to the Group's senior management.

This broadening of experience implies mobility, either functional (i.e. between disciplines) or geographical.

Mobility is essentially managed at the level of the local entity, but the Group HR team is responsible for ensuring that policies are coherent and also for monitoring the progress of certain categories of personnel. Career development and mobility of the Group's senior executives are managed by the Executive Committee on the basis of a staffing

replacement plan, updated every year.

Strengthening dialogue and consultation within the Group

Technip strives to maintain effective two-way communication between management and employees. In addition to the dialogue processes set up at subsidiary level, processes aimed at information and dialogue have also been put in place at national and European level and throughout the Group as a whole.

At Group level:

In all, 46 different agreements have been signed with labor representatives covering remuneration (43%), working conditions (24%) diversity and equal opportunities, the Works Council, training and health benefits. Copies of the various documents relating to the Group's Values and their application have been circulated to all Technip employees and are now included in every new employment contract.

For 85% of Group subsidiaries, such information is diffused via the Intranet and e-mail. Otherwise, it is done via workplace notice boards and meetings organized by supervisors.

At European level:

Selection of employee representatives from each country to sit on the European Works Council (EWC) was completed in March 2005 and the primary representatives were appointed in April 2005. Under the terms of the initial agreement setting up the Council, its



15 members were asked to elect three of their number, of different nationalities, as members of the executive board. Visits to worksites were organized for members of the EWC to give them a better knowledge of overall Group activities.

In France:

The Works Council is made up of representatives of the personnel of all Group companies registered in France. It is kept informed of the operations, the financial situation, present employment and future prospects, as well as the economic outlook for the Group as a whole as well as for its individual companies. Under the terms of the agreement signed on 1 July 2005, eight new representatives were elected to the Council during the year. Under article 8 of that agreement, all members receive a copy of Technip's Sustainable Development Report.

Working hours

- The length of the standard working week varies by country and by socio-professional category. Some 53% of subsidiaries have signed agreements covering the number of hours worked. Two-thirds of those subsidiaries apply variable working hours to all employees and one-third applies this regime to only some employees.
- 89% of employees work normal hours and 11% work shifts (employees in manufacturing plants and those working on board ship).
- 98% of Group personnel have full-time contracts.

- 94% of part-time employees work in European countries.

Diversity and equal opportunities

Technip is a multicultural group employing people of more than 60 different nationalities. About a third of Group companies have signed diversity and equal-opportunity agreements or else pursue such a policy and include the appropriate details in their "employee guides", employment contracts or company rules.

Technip is also committed to promoting gender equality, particularly as regards recruiting, despite the difficulties related to the small number of women graduating from schools specializing in the Group's main professional disciplines. Currently, women account for 33% of Group employees less than 29 years old (this age-group includes 23% of Technip's workforce) and they account for 24% of all Group employees regardless of age.

Health and Safety

Reminder of 2005 Objectives

For all Technip employees and personnel of partner companies

- Lost Time Injury Rate (LTIR) for 200,000 hours equal to or less than 0.056.
- Total Recordable Injury Rate (TRIR) for 200,000 hours equal to or less than 0.30.
- Severity Rate (SR*) equal to or less than 1.17.

* Number of days lost to injury x 200,000 hours / number of hours worked

In order to achieve health and safety targets, the Group allots a specific budget to each entity and each project. These budgets cover the cost of dedicated health/safety personnel and equipment and also awareness initiatives, training courses, communication and motivation programs. In addition, a budget of €5 million is allocated to the implementation and promotion of Group-level initiatives decided by the HSE Steering Committee.

Health and safety in the workplace

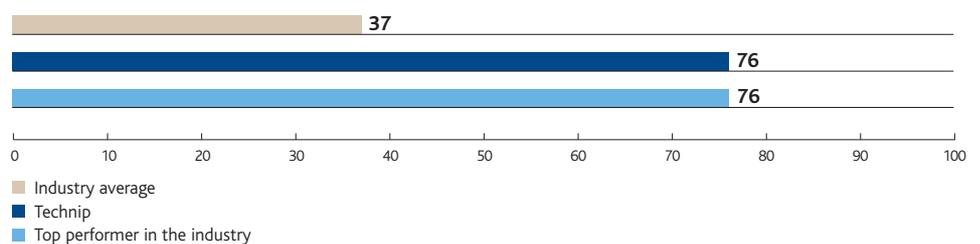
More than 300 HSE specialists working in Group project teams, worksites, manufacturing plants and aboard Technip ships are responsible for implementing the overall HSE system. The protocol currently in use provides for monthly reporting of indicators relating to all accidents and incidents by type and by activity. A study is currently under way on ways of integrating this process with the Group's Intranet and implementing a Group-wide reporting+analysis system similar to the one already in use for offshore activities.

During 2005, three further subsidiaries – Technip Benelux, Technip Abu Dhabi and TIPIEL – obtained international OHSAS 18001 or equivalent (VCA, BS 8800, AS 4801) certification for their workplace HSE Management Systems. This brings to 17 the number of Group units certified (comprising 83% of Technip employees).

HSE training

Training is regarded as one of the key factors in maintaining HSE performance, and for several years now Technip has been devoting a constant effort to training via programs developed either in-house or in conjunction with Du Pont Safety Resources (HSE Footprint). These programs cover all situations: offices, manufacturing plants, project sites and ships. During 2005, Technip employees underwent a total of more than 50,000 hours of HSE training, which accounted to almost 20% of all training programs. On actual worksites, more than 6 million hours were devoted to HSE training and sensitization programs for Technip employees as well as the personnel of partners and contractor companies

Workplace Health & Safety Performance (Source DJSI 2005)





Health & Safety training

51,248 hours
or more than **18%**
of all training time

8,497
people received training

working on site, accounting for 3% of the total manhours worked.

Continued strong performance

Despite the growth in its business activity, with a record 220 million manhours worked in 2005, the Group recorded no fatal accidents and no cases of tropical or infectious diseases among employees. As for recordable accidents, performance was similar to the rate posted in the previous year. In order to ensure ongoing improvement, Technip has decided to set in place a comprehensive HSE awareness and

training program to be implemented in all its units and on all new projects in 2006.

The Group also significantly stepped up reporting of dangerous situations and acts by all its operating units. As a result, more than 140,000 reports were received and analyzed, and then followed up by corrective and/or preventive action.

More elaborate protocols were also put in place for evaluating risks and managing emergency situations, so as to provide better control over incidents and thus reduce potential accident situations.

Health and Safety Charter

Health and Safety of persons and property are among the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding Health & Safety Guidelines.

Our Objectives

- To insist upon and protect the Health and Safety of persons and property, when in conflict with other strategic goals.
- To strive persistently and with determination to avoid incidents and losses in the workplace and elsewhere. Management's commitment is a critical success factor in achieving our Health & Safety goals.

Our Guidelines

- In order to achieve our Health and Safety Objectives, Technip set up the following guidelines:
- To comply with applicable Health & Safety legislation and Technip's own standards.
 - To set clear and meaningful objectives for Health & Safety performance, placing an emphasis on key indicators.
 - To measure our performance and communicate our progress regularly and openly.
 - Hold managers, supervisors and employees accountable for compliance with our Health & Safety management systems.
 - To implement Health & Safety

management systems which comply with internationally recognized industry standards.

- To combine our engineering and technology know-how with sound assessment principles in order to minimize risks and mitigate, as much as is reasonably practicable, any residual consequences.
- To ensure all relevant personnel receive appropriate training and advice to allow them to undertake their work safely and without any detriment to their health.
- To work with our clients, partners and subcontractors to build a common Health & Safety management system on each project.
- To strive to continually improve our Health & Safety performance.



In **2005**
220 million manhours
 worked

0 fatal accidents
 TRIR* **0.30**

* Total Recordable Injury Rate:
 number of recordable injuries
 x 200,000 hours / number
 of actual hours worked

17 units certified
 OHSAS 18 001,
 VCA, BS 8800, or AS 4801

Preventive health programs

During 2005, Technip stepped up its arrangements for monitoring the health of all expatriate personnel. For example, the malaria and HIV/AIDS risk-prevention programs were both improved. Technip was also able to respond effectively to the spread of Marburg fever in Angola and also set up contingency measures to manage the impact on its worldwide operations of any pandemic of avian flu.

In France, the Health, Safety and Working Conditions Committee, the local Works Committee and the Medical Department of Technip France were all consulted regarding plans to introduce a "no smoking" rule in all Technip offices in Paris, Lyon and Vaulx en Velin from 1 January 2006. Since November 2005, advice and assistance have been available to anyone wishing to stop smoking. Similar

initiatives were taken in other units of the Group. The objective for 2006 is to ban smoking in all Group units in Europe.

Travel security

2005 also saw new initiatives designed to enhance employee security. For example, a special database was set up to enable all employees to be reached at any time while traveling. This arrangement, first launched by subsidiaries in Europe, will be gradually extended to cover Group units worldwide.

The publication of about 20 booklets, together with training programs, has heightened our collaborators' awareness of the specific characteristics and dangers of countries where they are traveling. "Security Managers", responsible for the ongoing application of security measures and procedures, have also

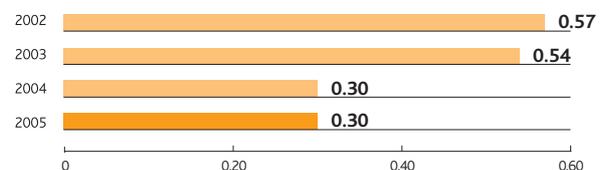
Improving HSE organization

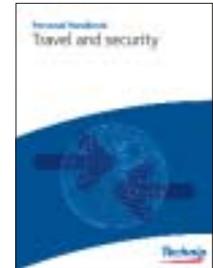
With the introduction of Technip's new HSE organization at Group level, HSE systems and procedures were completely overhauled, largely based on the conclusions of a seminar bringing together the HSE managers from the Group's main subsidiaries. One of the aims of this seminar was

to define the basic focus, tools and procedures that were to make up the Group's HSE program,

itself designed to achieve the objectives defined in the Environment and Health & Safety Charters.

Total Recordable Injury Rate / 200,000 h.





been posted to a number of project sites. The extent of the protection and prevention measures required are determined by the Group-level Security Department, which is also responsible for ensuring follow-up. Security awareness of seagoing personnel has been enhanced by publication and distribution of a booklet on International Ship and Port Security (ISPS). Information sessions were organized by a team of specialists responsible for following up the measures and procedures related to ISPS in conjunction with the project teams using vessels from Technip's fleet.

Risk prevention and management

Three dedicated structures within the Group form the core of Technip's risk management system: the Crisis Emergency Committee (CEC), the Emergency Response Team (ERT) and the Duty Cell.

The role of the CEC is to handle all crisis situations that could affect the Group's activities: armed conflict, terrorism, disease epidemics and pandemics, industrial disputes and natural disasters. During 2005, the CEC met several times to deal with the outbreak of Marburg fever in Angola, conflicts in West Africa and the risk of a pandemic of avian flu.

The role of the ERT is to deal with any major incidents likely to impact the Group's operations at sea. The ERT coordinates the actions of several different teams. The first, based in Aberdeen, is responsible for providing technical support for Technip ships. The others,

ERT cells stationed at the operational bases for various projects, handle emergency response in conjunction with a number of different players such as Group General Management, the local authorities, operational support teams, as well as logistics and communications outside Technip. ERT cells can be called in from operational centers in Aberdeen, Houston, Paris, Oslo, Perth and Rio de Janeiro. These squads regularly undergo refresher training and take part in exercises designed to improve their efficiency. The role of the Contact Unit is to stay abreast of all types of emergency situations that could arise and to respond to requests for assistance, either directly, or indirectly by mobilizing the CEC or the ERT where necessary. During 2005, the main interventions of the Contact Unit involved support for the Group's specialist contractor in the rare cases requiring emergency medical evacuation.

Protecting know-how and data

The need to protect Group property and technological know-how has led Technip to set up appropriate procedures and equipment and to provide specialized awareness training for several hundred employees and interns in Technip subsidiaries and project teams. The latest technologies are now used to bolster protection of Group worksites and equipment. Sharing worksite security experience between projects teams, particularly those working as part of a joint venture, has also been very beneficial here.

Civic Responsibility

Observance of the Group's four charters is now becoming more formalized and numerous subsidiaries are complementing their standing commitment with new initiatives. Many of these actions, whether collective or individual, oriented towards community development or charity-based, are already bearing fruit.

Reminder of 2005 Objectives

Corporate Citizenship

- Launch new solidarity initiatives.
- Expand the Group's local community-aid programs.

Distinctions

- In Indonesia, Technip received an award from the Ministry of Labor in January 2005.
- In Nigeria, Neptune Maritime Nigeria was singled out by the Rumuolumeni Student Union for its contribution to education and community development.





Technip's Charters in Action

Since June 2005, Technip subsidiaries have been encouraged to give a concrete dimension to the Group's corporate values and the four Technip charters in their everyday activities and in their dealings with suppliers and contractors.

A number of initiatives have already been launched at the local level in response to this directive. Technip's operations in Italy have been certified SA 8000, thereby confirming the subsidiary's commitment to all stakeholders as well as its full compliance with international conventions, the Universal Declaration of Human Rights and the declarations of the Rights of the Child. In Brazil, the local Technip subsidiary has set up a social responsibility committee in view to qualifying for SA 8000 certification.

Technip's Social Charter is already being widely implemented. Some 35% of Group companies have now formalized their non-discrimination policy, with all relevant protocols or procedures in place. And half of these companies have already set up a procedure for receiving complaints and grievances.

Fostering Employment and Training

As part of Technip's commitment to civic responsibility, the Group has launched a number of specific local-development programs, focusing on training and job creation for local populations via the award of supply and service contracts to local businesses.

In many cases, so-called "local content" can account for a significant proportion of the overall contract, including engineering services, supply

of equipment and construction of facilities. One good example of this is South Africa, where a "Black Economic Empowerment Policy" was included as part of the Sasol PP2 contract at Secunda, stipulating that business should go to local companies where at least 25% of the senior managers and shareholders come from the underprivileged segments of society.

In Nigeria, some 1,500 young people from the communities around Bonny and Finima have been trained and given employment on the NLNG project worksite. To ensure that this training has a long-term effect, a technical school has been built at Bonny as well as offices and a lecture hall for the Bonny Kingdom Development Committee. In addition, young Nigerian engineers have been integrated into the engineering team working on the Akpo FPSO project, for which the helicopter pad, the flare and several modules are to be produced in Nigeria.

Within France, Technip has given a particularly strong boost to employment in Normandy, where the Group is carrying out a major oil project involving numerous sub-contractors in a wide variety of trades and professions. Technip has signed a partnership agreement with a number of employment organizations leading to the recruitment (under interim, fixed-term and open-ended contracts) of some 800 job seekers.

Health Initiatives

33% of Group companies have made donations, purchased or provided medical equipment, or sponsored local hospitals. For example, Technip made a series of donations to a neonatal hospital



An SOS Play Bus in Azerbaijan

While carrying out a project in Azerbaijan, Technip has also been giving a helping hand to a local association called SOS Children Village.

The Group's support is focused on an initiative called Play Bus, which provides leisure activities and vocational training for orphans being cared for by the association. Technip is continuing its support throughout 2006.

run by the MS Society in Australia.

In other cases, donations were made by Technip to provide medical care for orphans and other underprivileged children in Indonesia and to purchase an ambulance for a hospital in Angola that had no means to transport its patients.

Other Group action is focused on prevention rather than cure.

In parallel with its work on Nigeria's NLNG+ project, Technip is involved in a number of community aid initiatives alongside the Bonny Kingdom Development Committee, including an AIDS awareness program, a personal hygiene drive and an anti-drug campaign in primary schools. In addition, Flexi France played an active role in collecting funds for the Telethon and participated in a hiking day.

Combating Social Exclusion

22% of Group companies have contributed to social integration efforts in some way, helping to combat all forms of exclusion: educational, professional and cultural. Technip has for some time provided support for the "Second Chance Foundation", which operates under the aegis of the Fondation de France. The Foundation, which has just gained official recognition as a state-approved association, was set up to help people 18 to 60 years old experiencing difficulties at school, university or in the workplace, by providing them with the human, technical or financial support they need to overcome their difficulties. In Sri Lanka, Technip Abu Dhabi has helped rebuild a village that was destroyed by the recent tsunami. In India, Technip has been

helping to promote awareness of Tamil music and also helping youngsters hone their skills at the national sport of cricket. In the United Kingdom, Technip has now teamed up with a local charity, Aberdeen Foyer that helps youngsters acquire skills and find employment. The company also works with another local charity organization called Cornerstone Community Care, which specializes in helping young people secure apprenticeships.

Technip is also working to counter the exclusion experienced by people with disabilities. About 1% of all Group employees have disabilities. Going beyond its policy of non-discrimination concerning recruitment, Technip makes every effort to employ these people in suitable jobs: subcontracting, answering job applications or ordering office supplies.

In France, Technip employees also took part in a relay race as part of the Handicapped Olympics organized by OTIS, as a way of providing support for the mentally handicapped.

Humanitarian Action, Focusing on Education

40% of Group companies, including Technip subsidiaries in Venezuela, Indonesia, Thailand, Norway, Angola and Brazil, have either donated funds or launched their own initiatives to provide equipment and materials for schools or to provide the local children with leisure/sports equipment. More specific humanitarian action was undertaken in the United States in the wake of Hurricane Katrina, which devastated Louisiana and Mississippi. In this



Technip Employees Join Forces with the Red Cross

On 13 October 2005, a check for \$232,590 was presented to the Red Cross Committee by representatives of the various Technip units in the United States.

A third of the total amount (\$77,530) was contributed by individual employees, with Technip matching that amount on a two-for-one basis, with a donation of \$155,060.

case, Technip committed to donating \$2 for every \$1 raised from Group employees. In Nigeria, Technip also helped to renovate a building for use by the local Women's Council on Community Development. The Group is also taking part in similar initiatives in India and Australia.

Employee Initiatives

Individual employees have also been personally involved in a number of community aid initiatives as well as often making private donations.

Technip employees in Brazil and the United States have donated significant amounts of money to ensure that certain underprivileged communities, and particularly children, can celebrate Christmas. Technip USA employees have set up a social committee with a special budget set aside for this type of social program. In 2005, the committee raised some \$300,000. A fund-raising campaign was also organized by Technip employees in the United Arab Emirates to collect donations for the victims of the recent earthquakes in India and Pakistan.

A Garden for Young and Old

While carrying out the SMPO project in Nanhai, China, Technip launched a number of community programs for the former inhabitants of the village of Bai Gang, involving intensive English courses, employment for 60 villagers, as well as health and safety training for more than 800 local people. But the most original element was to give the villagers back their "community garden." While consulting the villagers about their specific needs, Technip teams learned that the most striking change to their lifestyle had been the loss of the garden where the elders used to sit and talk and the village children gathered to play. So the Group offered to help recreate it. Technip set about designing



a new "community garden" incorporating some trees brought in from the former village site, together with a temple and a children's playground. The village council approved the plan

and the construction work was done by the villagers, under Technip supervision, with the exception of the temple, which was both designed and built by the village people themselves.

Responsibility to Partners

Technip's commitment to sustainable development integrates the ability to maintain its sound financial situation. During 2005, the Group posted numerous business successes, thus strengthening its ability to create long-term value for its various stakeholders.

Reminder of 2005 Objectives

- Work together with our clients, partners and sub-contractors to define common health & safety rules as well as an environmental management system for each project.
- Encourage our suppliers and sub-contractors to integrate into their operating guidelines the rules set out in Technip's Social Charter.





Order backlog
of € **11.2** billion,
up **65%**

Positive net cash
of € **668** billion,
at 31 December 2005

Net ROCE
after tax,
of **10.5%**

An Economic Responsibility to All Stakeholders

At the end of 2005, Technip had a record order backlog worth €11.2 billion. All in all, the year was very fruitful in business opportunities, with very strong order intake in all Technip's core markets – deep offshore, gas liquefaction and treatment plants, high-capacity steam crackers and refining/conversion units for heavy crudes – accounting for 91% of orders booked. The Group's success in winning new business was largely due to a number of strategic initiatives that have bolstered Technip's specific competitive advantages in a very buoyant macro-economic and business sector environment.

Technip is currently pursuing a growth-oriented investment policy. In view of the strong prospects for the oil and gas industry, the Group has decided to increase its capital investments by nearly 50% for the next two years, meaning that expenditure should grow from €171 million in 2005 to €245 million in 2006.

Much of the investment increase is due to Technip's decision to expand capacity at its two flexible pipe manufacturing facilities, in France (Le Trait) and Brazil (Vitoria). The Group has also ordered a new diving support vessel following the award of a multi-year subsea service contract in the North Sea.

At the same time, Technip has been refocusing its activities by means of several transactions, such as the sale of an engineering subsidiary in Portugal and an offshore structure fabrication yard in the Gulf of Mexico. By reducing the

amount of capital employed, the Group has helped to enhance its return on capital employed (ROCE). Furthermore, the high order intake during 2005 was accompanied by improved payment conditions accepted by clients, which contributed to a marked decrease in the working capital required. Although the Group's adjusted net profit was up only 2.4% in 2005, net ROCE after tax improved from 6.5% in 2004 to 10.5% in 2005. Excluding goodwill, the Group's performance is even better, with net return standing at 13.4%.

Today, Technip finds itself in a better financial situation than ever before. With shareholders' equity of the parent company standing at slightly less than €2 billion and with its positive net cash position, Technip should have no trouble securing the bank finance and guarantees necessary for turnkey projects. 2005 saw very strong generation of cash flow amounting to nearly €835 million, so that by the end of the year it boasted a positive net cash position of €668 million, compared to negative net cash of €167 million a year earlier.

Responsibility to Our Shareholders

Given the Group's sound financial position and today's bright business outlook for the industry, the Board of Directors has decided to propose at the Shareholders' Annual General Meeting an increase of 11.5% in the dividend payment. Dividends have remained unchanged since 2001.

The decision, announced on February 23, 2006, to call convertible bonds will also lead to added



48,000
individual shareholders
owning 8% of the Group's shares

858 separate
meetings with investors
and financial analysts

23 road-shows
in Europe, the US, Canada,
Japan and the Middle East

18 conferences
for institutional investors

value for Technip shareholders. This is because it will eliminate, starting in the 2nd quarter of 2006, the heavy non-cash financial charge associated with these bonds (amounting to €38 million in 2005). Lastly, the Group has also decided to return to shareholders part of the surplus cash expected to be freed up over the coming months.

During 2005, the Group continued to step up its communication aimed at the financial community, organizing a number of meetings in France and in other countries, in addition to the regular conferences held to explain quarterly financial results. New modes of contact were also made available to Technip's individual shareholders, and they now have a dedicated contact officer. The Shareholders' Newsletter has also been revised (both content and format); it is now aimed at a wider audience and contains highlights of the Group's current activities and less technical explanations of financial matters. The newsletter is published each quarter to accompany the release of financial results.

Technip will take part in a number of one-off investor relations events such as the Salon Actionaria, held in Paris on 17-18 November 2006.

Finally, full shareholder information is also available on the Group's Internet site www.technip.com.

Responsibility to Our Clients

Technip has now modified its organization so as to put more emphasis on project execution. The Group has also bolstered its marketing tools by creating worldwide product lines as well as strengthening its management apparatus and expanding its human resources and manufacturing and construction assets.

The Group's new organization, which effectively integrates the activities acquired over the past few years, will allow Technip to be much more responsive to the expectations and needs of its clients. Indeed, processes for measuring client satisfaction have long been among the Group's management tools. Following the work of the 2005 Technip Think Tanks, the Group decided to standardize the procedures for collecting and processing data on client satisfaction used by all subsidiaries worldwide. As part of this move, a standard questionnaire has now been drawn up focusing on the Group's performance in nine specific areas: HSE, project execution, client relations, documentation, schedule, costs, resources, contracts management, and facilities performance. The questionnaire enables each business unit to determine an overall satisfaction rating at each key stage of a project. Ratings can also be consolidated by geographical zone, by business unit and by product line, and they can also be tracked against pre-set objectives.



“ Technip’s solid financial position gives it an undeniable competitive advantage which creates shareholder value. The commercial successes in 2005 bear witness to the pertinence of the Group’s financial policy regarding its clients, shareholders and suppliers. ”

This process will enable Technip to gain a better understanding of client expectations and to take remedial action during actual project execution.

Relations with Suppliers

Technip’s considerable order backlog translates into very bright prospects for the Group’s suppliers, not just in terms of new contracts but also in terms of opportunities to do business in new parts of the world thanks to Technip. This notion of partnership in new endeavors is a key aspect of the relationship

Technip seeks to maintain with its suppliers. In the same spirit, the Group is keen to share its values. Each Technip subsidiary has now included in its Terms & Conditions of Procurement an article concerning Group values, asking suppliers to read Technip’s statement of values (“Our Values”) as well as the four charters that explain those values in more detail (all these documents are available on [www.technip.com/profile/our commitments](http://www.technip.com/profile/our_commitments)). The same article informs suppliers that Technip is a member of the Global Compact.

Joint HSE Programs

When executing projects, Technip devises and implements HSE programs that combine regulatory requirements and practices with those of all project partners. All necessary HSE elements are brought together right from the tendering stage and are subsequently integrated as the project advances. This approach defines the role of each player and provides a single referential setting out common objectives and



the procedures to be used to achieve them. Programs are implemented by integrated HSE teams made up of engineers

and technicians from Technip, the project sub-contractors and, in many cases, the client company as well.

2006 Objectives

For several years now, Technip has been building and fine-tuning a model to form the basis of the Group's effort to manage and coordinate its commitment to sustainable development and to track performance. The Group strives to ensure that all the information published on its performance is as complete and as clear as possible and that it reflects its desire for continual improvement. In line with this approach, Technip has set the following objectives for 2006.

Corporate Governance

- Have Technip's four charters (Ethics, Environment, Social, Health & Safety) translated into the main languages used within the Group.
- Draft and diffuse an "HSE Business Practice Manual" to help all Group subsidiaries to apply the principles set out in the Environment and Health & Safety Charters.
- Regarding the American Sarbanes-Oxley Act:
 - finalize all relevant documentation,
 - assess internal control mechanisms,
 - identify areas for improvement.
- Set up a self-assessment process concerning the functioning of the Board of Directors and its committees.

Global Compact

- Request information from Technip's 5 main suppliers/sub-contractors on how they take the 10 principles of the Global Compact into account.

- Implement the "Communication for Progress" actions recommended by the Global Compact (make Technip's 2005 Sustainable Development Report available on the UN website).

Reporting

- Adapt to Technip parameters the software tool selected for collecting and processing social data.
- Carry out first testing of the software tool.
- Begin applying additional GRI indicators.
- Organize a seminar bringing together the sustainable development correspondents of the main Group subsidiaries.

Economic Performance

- Increase sales to €6,800 million (+25%).
- Improve the operating margin compared to 2005.
- Return part of surplus cash to shareholders.

Environmental Protection

- ISO 14001 certification for three more subsidiaries.
- No major environmental incidents.
- Boost to 95% the proportion of Group units reporting on the various environmental indicators.
- Improve the waste recycling rate at Technip construction project sites.
- Raise to 60% the scope of reporting by our construction project sites.

Health & Safety

Regarding Technip employees and personnel of partners and sub-contractors:

- Zero fatal accidents.
- Total Recordable Injury Rate (TRIR) no more than 0.27.
- OHSAS 18001 or equivalent certification for three additional subsidiaries.
- Non-smoking policy extended to all Group units.

Security

- Launch by Technip France of a training program on protection of Group property and technological know-how.
- Definition and diffusion within the Group of guidelines for selecting airlines for professional travel by Technip employees.

Skills Development

- Publication of a second progress report on implementation of the 135 actions proposed by the 2005 Technip Think Tanks.

- Carry out a study of the professional disciplines involved in construction.
- Appoint 12 new members to Technip's College of Experts.
- Launch a new 360° assessment operation.

Corporate Citizenship

- Add to the Jacques Franquelin Prize an additional award for a contribution to sustainable development.
- Expand the Group's initiatives to help local communities.
- Launch new social solidarity programs.

Dialogue and Consultation

- Involve the European Works Council in deciding arrangements for implementing a non-smoking policy and helping employees in European subsidiaries to stop smoking.
- Consult Group employees on ways to promote gender equality and discuss implementation of appropriate measures with employee organizations.

Clients, Partners and Sub-contractors

- Implement the Group's new client-satisfaction assessment process on projects.
- Request information from Technip's 5 main suppliers on how they take the Group's values into account.

The Women and Men of Technip

Breakdown of Employees by Geographical Area (World)

Europe	10,235
Americas	4,069
Asia-Pacific	3,816
Middle East	1,274
Russia & Central Asia	1,217
Africa	287
Total	20,898

Employee Arrivals and Departures (World)

Recruitment	5,172
Permanent Contracts	3,422
Fixed-term Contracts	1,750
Departures	3,405
Economic Lay-offs ⁽¹⁾	60
Renewal rate of permanent positions ⁽²⁾	1.64

(1) The sale of two companies (in Portugal and the US) involved no lay-offs by Technip

(2) Start/termination of permanent positions

Gender Breakdown of Salaried Employees by Classification (World)

Managerial Staff	2,935
Women	13%
Men	87%
Other Personnel	12,438
Women	27%
Men	73%
Total	15,373
Women	24%
Men	76%

Breakdown of Employees by Category (World)

Salaried Employees	15,373
Permanent contracts	13,721
Fixed-term contracts	1,652
Outside Employees	5,525
Total	20,898

Breakdown of Expatriates by Geographical of Origin (World)

Europe	647
Asia-Pacific	236
Americas	67
Middle East	48
Russia & Central Asia	4
Africa	2
Total	1,004

Gender Breakdown of Salaried Employees by Age Group (world)

Age	Women	Men
< 25	2%	4%
25 to 29	6%	11%
30 to 34	4%	12%
35 to 39	4%	12%
40 to 44	3%	9%
45 to 49	2%	8%
50 to 54	2%	8%
55 to 59	1%	8%
60 to 64	0%	3%
> 64	0%	1%

Working Hours (world)

Persons Working Normal Hours	13,682
Persons Working in Shifts	1,691
Full-time Work	15,073
Part-time Work	300
Overtime Hours (France only)	23,088

Training (World)

Hours of Training Provided	283,158
Number of Employees Trained	10,757
Women	2,674
Men	8,083
Hours of Health Training	13,498
Employees Given Health Training	3,470
Hours of Safety Training	37,750
Employees Given Safety Training	5,027
Amount Spent on Training (France only)	3.34% of the wage bill (est.)

Absenteeism

Rate of Absenteeism (France only)	3.49%
Absence Due to Illness	2.48%
Workplace/transport Accidents	0.09%
Other Reasons	0.92%
Days Lost Due to Strikes (World)	467

Performance Assessment (World)

Proportion of Employees Assessed During 2005	72%
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Remuneration (in € millions)

Amount Allocated to Performance Incentives (France, Spain, Italy)	6,100
Amount Allocated to Profit Sharing (France only)	10,532

Financial Information

Consolidated Statement of Income

Euros in millions

	2005	2004*
Revenues	5,376.1	5,140.9
Gross Margin	558.1	563.1
Research and Development Expenses	(29.4)	(30.2)
S, G & A and Other Costs	(297.7)	(299.3)
Income from operations	231.0	233.6
Financial Income (expenses)	(88.8)	(66.4)
Income of Equity Affiliates	1.3	1.2
Profit before tax	143.5	168.4
Income Tax	(43.5)	(54.2)
Discontinued Operations	(5.0)	-
Minority Interests	(1.7)	(2.4)
Net Profit (Group share)	93.3	111.8

(*) IFRS excluding IAS 32 and 39

Consolidated Balance Sheet

Euros in millions

	2005	2004*
Fixed Assets	3,244.5	3,232.5
Deferred Taxes (Assets)	90.0	105.2
Non-current Assets	3,334.5	3,337.7
Construction Contracts	585.0	400.6
Inventories, Customer and Other Receivables	1,146.8	1,245.3
Cash and Cash Equivalents	2,187.8	1,434.0
Current Assets	3,919.6	3,079.9
Assets held with a view to disposal	42.9	-
TOTAL ASSETS	7,297.0	6,417.6
Shareholders' Equity (Parent Company)	1,953.7	1,851.6
Minority Interests	13.9	9.8
Shareholders' Equity	1,967.6	1,861.4
Convertible Bonds	650.1	670.9
Other Long-term Debt	655.2	737.8
Long-term Provisions	106.3	115.3
Deferred Taxes (liabilities)	100.4	127.1
Non-current Liabilities	1,512.0	1,651.1
Short-term Debt	214.4	192.0
Short-term Provisions	133.4	121.5
Construction Contracts	1,672.4	948.7
Accounts Payable and Other Advances Received	1,797.2	1,642.9
Current Liabilities	3,817.4	2,905.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,297.0	6,417.6

(*) IFRS excluding IAS 32 and 39

Consolidated Statement of Cash Flows at December 31

Euros in millions

	2005	2004*
Net Profit	95.0	114.2
Depreciation of Property, Plant and Equipment	143.3	142.1
Provision for Redemption Premium on Convertible Bonds	13.3	11.4
Charge for Split Accounting of Convertible Bonds	16.6	-
Stock Option Charges	5.4	5.8
Long-term Provisions (Employee Benefits)	0.7	(4.8)
Deferred Income Tax	12.5	31.2
Minority Interests and Other	(11.0)	8.0
Operating Cash Flow	275.8	307.9
Change in Working Capital	618.1	89.9
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	893.9	397.8
Capital Expenditures	(171.4)	(123.8)
Proceeds from Asset Sales	26.8	(4.5)
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	(144.6)	(128.3)
Increase (Decrease) in Debt	(90.1)	431.0
Capital Increase	63.8	26.3
Dividend Payment	(32.0)	(129.8)
Treasury Shares	(20.1)	(22.7)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(78.4)	304.8
FOREIGN EXCHANGE TRANSLATION ADJUSTMENTS	82.9	(8.6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	753.8	565.7
Cash and Cash Equivalents at January 1	1,434.0	868.3
Cash and Equivalents at December 31	2,187.8	1,434.0

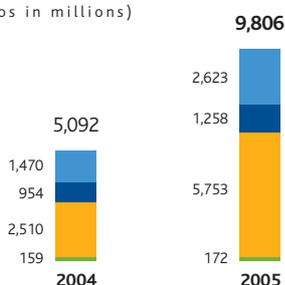
(*) IFRS excluding IAS 32 and 39

Following the closing of the accounts for 2005, certain elements of the IFRS accounts for 2004 as published in April 2005 were restated to enable more relevant comparison with the accounts for 2005. As

for the 2005 accounts, certain intangible elements on the balance sheet and statement of cash flows have been restated compared to the version published on February 23, 2006.

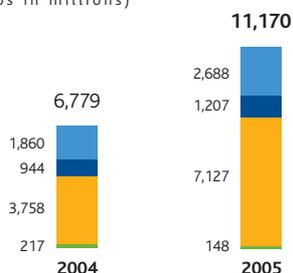
▶ Full Year Order Intake

(euros in millions)



▶ Backlog at Year End

(euros in millions)



- Offshore SURF
- Offshore Facilities
- Onshore Downstream
- Industries

▶ Backlog Scheduling at December 31, 2005

(euros in millions)

	Offshore SURF	Offshore Facilities	Onshore Downstream	Industries	Group
2006	1,797	871	3,000	121	5,789
2007	671	208	3,050	19	3,948
2008 and beyond	220	128	1,077	8	1,433
Total	2,688	1,207	7,127	148	11,170

▶ Regional Split

(euros in millions)

	Europe, Russia/Central Asia	Africa	Middle East	Asia-Pacific	Americas	Group
Order Intake 2005	1,258	1,492	3,853	1,120	2,083	9,806
Revenues 2005	1,383	1,258	1,108	583	1,044	5,376
Backlog at December 31, 2005	961	2,008	5,100	1,014	2,087	11,170

▶ Order Intake



- Europe, Russia, Central Asia ■ 12.9%
- Africa ■ 15.2%
- Middle East ■ 39.3%
- Americas ■ 21.2%
- Asia-Pacific ■ 11.4%

▶ Revenues



- Europe, Russia, Central Asia ■ 26%
- Africa ■ 23%
- Middle East ■ 21%
- Americas ■ 19%
- Asia-Pacific ■ 11%

▶ Backlog



- Europe, Russia, Central Asia ■ 8%
- Africa ■ 18%
- Middle East ■ 46%
- Americas ■ 19%
- Asia-Pacific ■ 9%

Global Compact and GRI Table of Correspondences

Technip – Member of the Global Compact

A certain number of the initiatives outlined in this report directly reflect the Group’s observance of the principles of the Global Compact. The corresponding page references are as follows:

Principles		Pages
1 and 2	Human Rights	33-55-56-57-61-62
3, 4, 5 and 6	Labor Standards	33-55-56-61-62
7, 8 and 9	Environment	33-41-43-45-57-61-62
10	Anti-corruption	33-61-62

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) specifies themes or reporting indicators in the economic, environment, social and civic fields.

The themes listed in this report have been selected for their pertinence to the company’s business segments and organization. Certain indicators involve precise data while others are more qualitative. Further information is available elsewhere in the Group’s Annual Report and Sustainable Development Report.

A certain number of subjects are not yet covered by a dedicated reporting process within the Group. These will be covered in the years to come and are marked by an asterisk (*) that indicates that action is underway here, in line with Technip’s policy of continuous improvement.

Themes not applicable to the Group’s activity are marked “NA”.

Global Reporting Initiative

Profile		pages
2.1	Name of Group	1
2.2	Major Products and Services	3
2.3	Operational Structure of the Group	10-11
2.4	Major Divisions and Subsidiaries	(1)
2.5	Countries in which the Group is Located	18-19
2.6	Nature of Ownership, Legal Form	(1)
2.7	Markets Served	3-(1)
2.8	Scope of Group Operations	3-(1)
2.9	List of Stakeholders	2
2.10	Contact People for the Report	*
2.11	Frequency of Updates	25-34
2.12	Date of Most Recent Published Report, if Any	34
2.13	Scope of the Report	35
2.14	Significant Changes in Size, Structure, Ownership	35
2.15	Basis for Reporting by Subsidiaries	35
2.16	Explanation of Any Restatements of Information Provided in Earlier Reports	NA
2.20	Data Verification Policy and Measures	*
2.21	Explanation for the Use of Any Independent Certification	*
Governance and Management Systems		
3.1	Governance Structure	6-8
3.2	Percentage of Independent Supervisory Board Members	6
3.3	Determination of Scope of Authority of the Board of Directors	6
3.4	Process of Risk Identification and Management	8-9-10-17-53
3.5	Policy of Financial and Sustainable Development Performance Incentives for Management	(1)
3.6	Organization Pertaining to Sustainable Development	34
3.7	Charters, Missions, Values and Codes	6-7
3.9	Identification of Major Stakeholders	25-33-46-54-58
3.10	Method and Schedule for Consulting Stakeholders	44-48-49-60-61
3.11	Type of Information Collected After Consultation	*
3.12	Use of Collected Information	*
3.13	Application of Precaution Principle	44
3.14	Membership in Independent Charters and Adherence to External Principles	33
3.15	Major Organizations and Associations of Which the Group is a Member	33
3.16	Operative Management Systems	10-11
3.17	Management of Indirect Impacts of Operations	42-43-44-54
3.18	Key Decisions Relating to Operations and Their Location	18-19
3.19	Sustainable Development Program and Procedures	32-39
3.20	Certification of Management Systems	41-50-55
Environmental Performance		
EN1	Total Consumption of Raw Materials in Metric Tons (Excluding Water and Energy)	*
EN2	Share of Raw Materials Resulting from Waste (Recycled or Otherwise) from Outside the Group	NA
EN3	Direct Consumption of Energy by Type	42
EN4	Indirect Consumption of Energy	42
EN5	Total Water Consumption	42
EN6	Location and Area of Land Owned, Leased or Developed in a Sensitive Environment	18-19-44
EN7	Description of Principal Impacts on Biodiversity	44
EN8	Direct and Indirect Emissions of Greenhouse Gases	43
EN9	Consumption and Emissions of Ozone-depleting Substance	NA
EN10	NOx, SOx and Other Significant Emissions	*

NA = not applicable
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Environmental Performance (cont.)		pages
EN11	Total Quantity of Waste by Type and Disposal Method	42
EN12	Significant Aqueous Discharges by Type	42
EN14	Significant Environmental Impacts of Major Products and Services	42-43-44
EN15	Percentage of Products Recovered after Use (Recycled or Reused)	42
EN16	Penalties for Non-compliance with International Declarations, Agreements and Treaties and with National, Regional and Local Regulations Pertaining to the Environment	37
EN17	Initiatives for Using Renewable Energy Sources and Improving Energy Efficiency	45
Social and Civic Performance		
LA1	Workforce by Status, Type of Job and Type of Employment Agreement	26-27-64
LA2	Net Job Creation and Average Turnover	64
LA3	Percentage of Employees Represented by an Independent Labor Organization	*
LA4	Policy and Procedures for Informing, Consulting and Negotiating with Employees in the Event of Changes in the Group (e.g. Restructuring)	48
LA5	Recording and Notification Practices for Work-related Accidents and Illnesses, and Relation to ILO Principles	50-52
LA6	Description of Health and Safety Committees (% of Workforce Covered)	52
LA7	Rates for Accident Severity, Accident Frequency and Lost Work Days, and Number of Mortal Accidents (Includes Contractors)	52
LA8	Description of AIDS-related Policies and Programs (at and outside the Workplace)	52
LA9	Average Number of Training Hours per Employee by Year and Category of Personnel	47-64
LA10	Equal Opportunity Policies and Programs	49-64
LA11	Composition of Executive Committees, including Number of Men/Women and Other Relevant Diversity Indicators (Cultural Context-Specific)	6-7-10-11
HR1	Existing Policies, Guidelines and Procedures on Human Rights	33
HR2	Factoring Human Rights into Investment and Contracting Decisions	61
HR3	Policies and Procedures to Monitor Respect for Human Rights throughout the Supply Chain	61
HR4	Policies and Procedures for Combating Discrimination	27-33
HR5	Policy and Procedures for Freedom of Association	27-33
HR6	Policy and Procedures for Combating Child Labor	27-33
HR7	Policy and Procedures for Combating Forced and Compulsory Labor	27-33
SO1	Management of Impacts on Local Communities	54-55-56-57
SO2	Policy and Procedures on Blackmail and Corruption	33
SO3	Policy and Procedures on Lobbying and Political Contributions	NA
PR1	Policy and Procedures on Protecting Consumer Health and Safety during Use of the Group's Products and Services	60-61
PR2	Policy and Procedures on Information Relating to Products	60-61
PR3	Policy and Procedures on Respecting Customer Privacy	NA
Financial Performance		
EC1	Net Sales Revenue	4
EC2	Geographic Breakdown of Key Sales Markets	5
EC3	Cost of Purchased Goods and Services	66
EC4	Percentage of Contracts Paid per Terms and by the Due Date	*
EC5	Total Salaries and Benefits	65
EC6	Interest and Dividends	25
EC7	Change in ROACE over the Year	59
EC8	Total Taxes Paid	66
EC9	Subsidies Received	*
EC10	Gifts to the Community (Financial and In Kind) by Type of Beneficiary	54-57

Biodiesel

Diesel produced from biomass (rape, sunflower, beets etc.).

Debottlenecking

Modifications made to an installation which increase the production capacity.

Development (of a gas or oil field)

All operations associated with oil and gas field production.

Carbon Dioxide (CO₂)

Colorless gas naturally produced in the atmosphere. Human activities, notably the combustion of fossil fuels can increase the level of carbon dioxide. This phenomenon is believed to have an influence on the climate. Carbon dioxide is the main greenhouse gas because of the large quantities released into the atmosphere.

DJSI (Dow Jones Sustainability Index)

Launched in 1999, this index was the first to track the financial performances of the leading sustainability-driven companies worldwide.

EPIC (Engineering, Procurement, Installation, Commissioning)

An EPIC or "turnkey" contract integrates responsibility from the conception to the final acceptance of one or more elements of a production system. It can be awarded for all, or part, of a field development.

Environmental Impact Assessment

Study which assesses and measures impacts for each major type of pollution (air, water, noise, waste) for all industrial installations prior to start-up.

Flexible Flowline

Flexible pipe laid on the seabed for the transport of production or injection fluids.

FPSO (Floating, Production, Storage and Offloading)

A converted or custom-built ship-shaped floater, employed to process oil and gas for a temporary storage prior to transhipment.

Liquefied Natural Gas (LNG)

Natural gas, liquefied by cooling its temperature to -162°C, thus reducing its volume by 600 times, allowing its transport by boat.

Industry (DJSI)

All of the companies selected by the Dow Jones Sustainability Index in the gas and oil equipment and services sector.

Natural Gas Liquefaction

Transformation of natural gas into liquid gas to facilitate its transport by boat.

NRE

French law on new economic regulations, passed on May 15, 2001, regulating three areas: finance, competition, and corporate practices.

Offshore Oil and Gas Installation

Subsea or surface (platform) oil and gas drilling/production installations.

Umbilical

An assembly of hydraulic hoses which can also include electrical cables or optic fibres used to control a subsea structure or ROV from a platform or a vessel.

Polypropylene

Plastic material with exceptional shock resistance qualities, used in a wide range of industries including automobile parts, household appliances, fibres and films.

Riser

Pipe or assembly of pipes used to transfer produced fluids from the seabed to the surface facilities or to transfer injection fluids, control fluids or gas from the surface facilities to the seabed.

ROV (Remotely Operated Vehicle)

Unmanned subsea vehicle remotely controlled from a vessel or an offshore platform. It is equipped with manipulator arms that enable it to perform simple operations.

Sarbanes-Oxley Act

American law voted in 2002 and applicable to companies listed on the US stock exchange aiming to increase corporate responsibility and to better protect investors. It regulates three major areas: exactness and accessibility of information, the responsibility of management and the independence of auditors.

SURF (Subsea, Umbilicals, Risers & Flowlines)

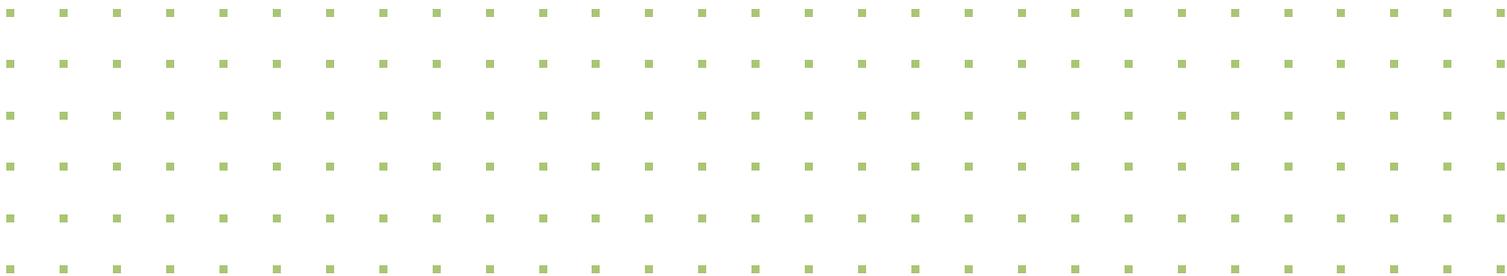
Dynamic and static undersea pipes and umbilicals.

Environmental Management System

Management system allowing an organization to establish an environmental policy and to achieve objectives relating to the impact of its activities on the environment in respect to regulations in force.

Stream Cracker

Petrochemical cracking unit using hydrocarbon steam molecules to produce ethylene and propylene.



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