



TECHNIP IN 2009...



TECHNIP ••• 2009 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT

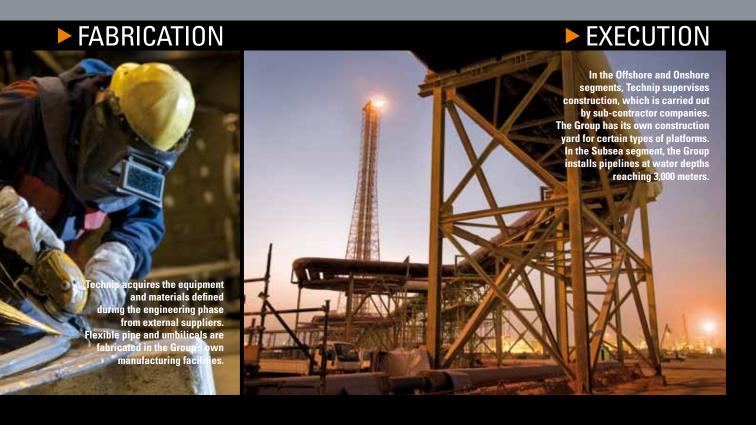


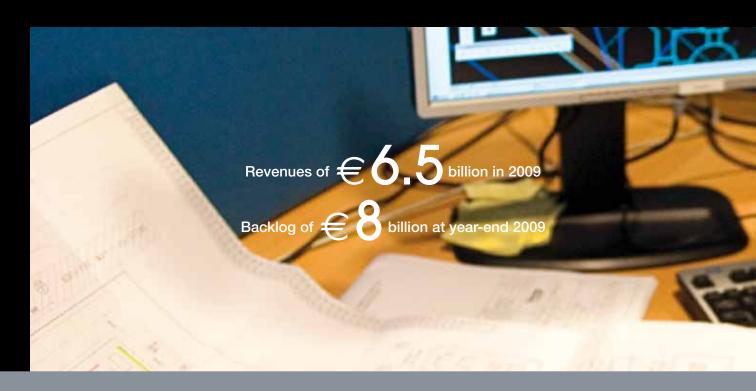
Technip is a world leader in engineering, technologies and project management for the oil and gas industry. For more than 50 years the Group has assisted its clients in all phases of their projects, from front-end engineering and procurement through to delivery.





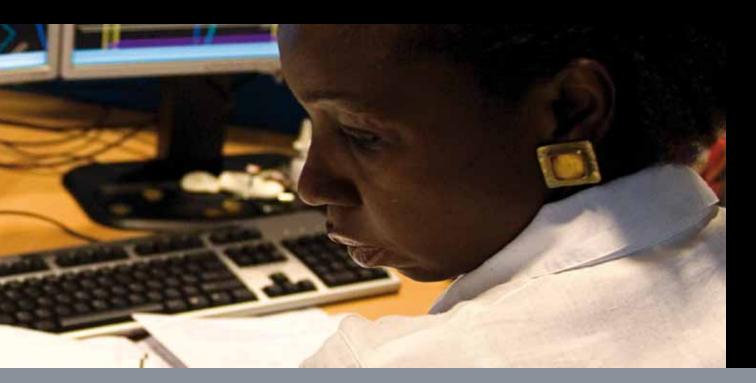
BUILDING SOLUTIONS FOR THE ENERGY INDUSTRY...





Located in ultra-deep waters or extreme climates, of colossal size, using state-of-the-art technologies, respecting the highest environmental performance criteria... Technip's projects are increasingly complex and ambitious. The Group's technological and project management know-how is deployed in three segments of activity: Subsea, Offshore, Onshore.





... USING STATE-OF-THE-ART TECHNOLOGIES...



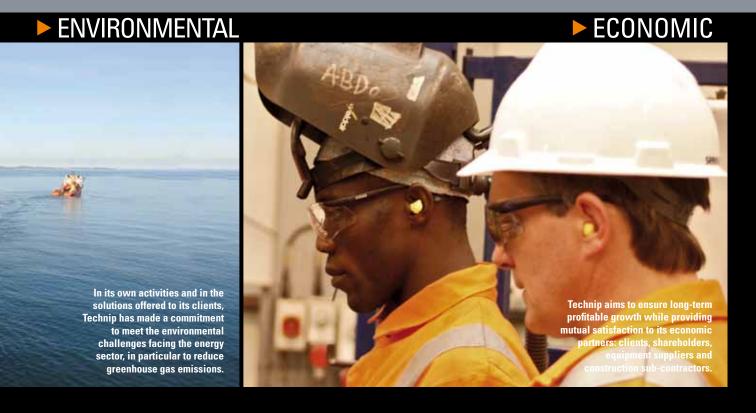


Thanks to the expertise and know-how of its teams, Technip makes an important contribution to the development of technologies and sustainable solutions to enhance the world's energy resources. The Group assumes its responsibilities and the impact of its decisions and activities within its sphere of influence in all three areas of sustainable development: social, environmental and economic.





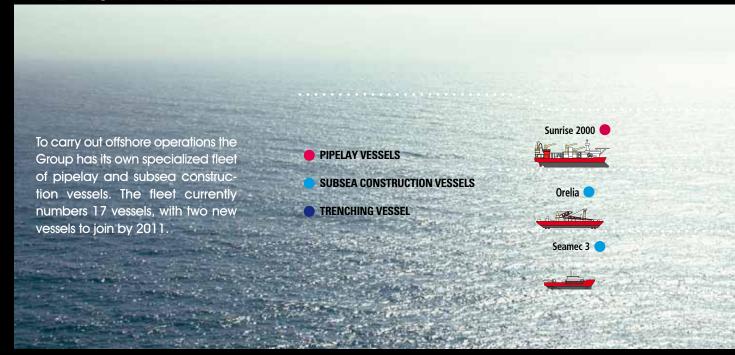
... WHILE RESPECTING THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT...





Technip's workforce of 23,000 is present in 48 countries. The Group has operating centers on all continents and industrial installations (pipe and umbilical production facilities, construction yard) in Angola, Brazil, the United States, Finland, France and the United Kingdom, close to clients and their zones of activity. A new pipe production plant is currently under construction in Malaysia.

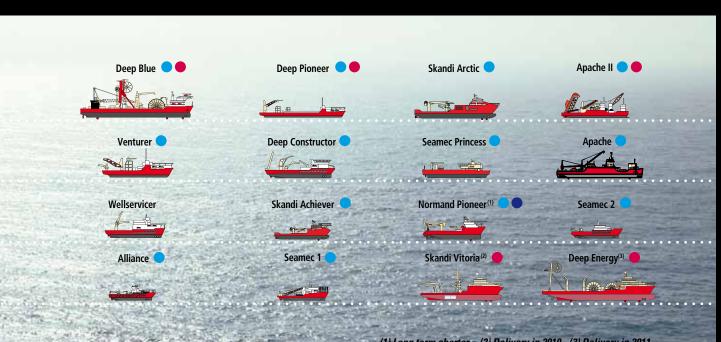
THE TECHNIP **FLEET**





Technip's day-to-day activities are managed by the Group's seven Regions: Asia Pacific, Brazil, Middle East, North America, North Sea-Canada, Region A (Western Europe, Africa, India, Pakistan) and Region B (Italy, Greece, Eastern Europe/Russia/CIS, South America).

... EVERYWHERE IN THE WORLD.





Technip



TECHNIP ••• 2009 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPOR

CONTENTS

Activity and Sustainable Development Report

- 02 A word from the Chairman
- 06 ► 2009 Key figures

08 A WORLD LEADER

- 10 Markets & strategy
- 12 **Values**

14 A UNIQUE EXPERTISE

- 16 Subsea
- 20 Months Offshore
- 24 Nonshore

28 A SUSTAINED COMMITMENT

- 34 Human resources and social responsibility
- 42 Environmental responsibility
- 46 Responsibility towards local communities
- 50 ► Economic partners

54 AN OBLIGATION FOR TRANSPARENCY

- 56 Reporting scope
- 58 Social data
- 60 ► Environmental indicators
- 62 Summary of financial information
- 64 ► Glossary

A WORD FROM THE CHAIRMAN

THIERRY PILENKO Chairman and CEO of Technip



How would you sum up the year 2009?

In 2009, in spite of the difficult world economic context, Technip remained on the course set out in our 2007-2010 strategic plan. We continued to focus on good project execution, optimization of the risk profile of our client portfolio and careful cash management, while maintaining investment and our workforce.

At year-end Technip's financial situation was both strong and sound. Revenues stood at €6.5 billion, a drop compared to 2008, but net income from recurring activities grew from €657 million to €677 million. We improved our profitability with an operating margin from recurring activities of 10.5% of revenues and ended the year with a net cash position of €1.78 million, beating our forecast. At the same time, we renewed our backlog which reached €8 billion compared to €7.2 billion a year earlier. Given this performance the Board of Directors proposed a 12.5% increase in the dividend, bringing it to €1.35 per share.

What were the year's major milestones?

In terms of operations, Technip successfully delivered a number of major projects across the globe in all three of our business segments. For example, we completed the Akpo FPSO project for Total in Nigeria, we delivered the first four LNG trains to Qatargas and successfully installed hybrid risers on the Cascade & Chinook project for Petrobras in the Gulf of Mexico. In addition to these operational achievements, we also signed several major contracts including the Jubail refinery in Saudi Arabia, the Jubilee contract in Ghana and the Goliat project in Norway. We also won a number of smaller contracts which balance our portfolio as well as engineering contracts that give Technip a strong upstream position on projects such as Offshore platform engineering studies for Petrobras and the frame agreement with Shell for floating LNG units (FLNG).

"In spite of the difficult world economic climate, Technip stayed on course in 2009."

To support the development of our activities we continued to invest in our industrial assets. We took advantage of favorable market conditions to acquire a new hull which has allowed us to modernize one of our pipelay vessels. The Skandi Arctic, a diving support vessel whose capacities are unequalled in the North Sea market, went into operation in the spring of 2009. Construction also continued on two other pipelay vessels, the Skandi Vitoria and the Deep Energy, scheduled to join the fleet in 2010 and 2011 respectively. Construction of Asiaflex Products, the Group's new flexible pipe and umbilical production facility also advanced in Malaysia.

2009 was an important year in terms of technology. Major advances were made in the realm of FLNG, a market which calls upon Technip's capabilities in all three of its business segments: mastery of gas liquefaction processes, expertise in large-scale floating platforms and know-how in the fabrication and installation of subsea pipe. To meet the challenges of ultra-deep water depths, we conducted the first flexible pipe installation tests at a depth of 3,000 meters with encouraging results.

I would also like to mention another subject. In early 2010 we announced a possible resolution of the TSKJ case in Nigeria, which concerns events that took place between 1994 and 2004. Above and beyond the financial cost (a provision of €245 million recorded in our fourth quarter 2009 results), the resolution of this case will enable us to turn this old page of our history. I want to emphasize that Technip is committed to developing its business in an ethical manner. Over the last few years new policies and procedures have been put in place that are in line with international best practices. They ensure that ethical guidelines are adopted and respected by all, an essential factor in the success of the company.

Could you tell us about the Group's commitment in terms of sustainable development?

Technip's activities are guided by the Group's core Values, which are part of an integrated sustainable development approach.

HSE is a value that is deeply ingrained in the company and my absolute priority remains the safety of Technip's people and by that I mean anyone who works at one of our project sites.

Nevertheless, despite an improvement in our HSE indicators we recorded seven fatal accidents in 2009. This is not acceptable. The Group's new HSE management has strengthened our procedures and is charged with the mission of further developing safety reflexes within the Group and our sub-contractor companies.

Ensuring the well-being of our employees and developing their talent, whatever their location, is another of our long-term commitments. Major work was accomplished in 2009 to standardize human resources practices throughout the Group, optimize human capital potential and take into account the career expectations of each employee.

We need to continue our efforts in two other areas of sustainable development. The first is the environment, where Technip has a real role to play in offering its clients innovative solutions that are more environmentally friendly. The second area is in our relationship with local communities, which need to be even more involved in the success of our projects.

How do you see 2010?

Over the last two years we have seen the delay or postponement of many final investment decisions by our customers. That said, projects cannot be put off indefinitely. Sooner or later shortages will occur in production and reserves. Assuming relative stability in the price of oil and global project costs, we could see an acceleration in final investment decisions during the second half of 2010.

We go into 2010 with both caution and confidence. The economic crisis is not yet over and the market has not yet recovered its full dynamic, but our backlog, which is well-balanced in terms of activities and geographic zones, gives us good visibility. Technip is in a good position to take advantage of new evolutions in its markets. The strategic investments made to modernize the fleet and increase the production capacity of our plants, our international yet highly local organization and our capacity to provide high technological added-value are true drivers of sustained profitable growth in all of our business segments.

GOVERNANCE AND ORGANIZATION

Technip is committed to implementing the highest standards of corporate governance. Within this context the Group complies with the entire AFEP/MEDEF corporate governance code for listed companies since year-end 2008. At the same time, in line with the regionalization of its organization, in 2009 Technip announced the creation of the Middle East Region and the transfer of its corporate headquarters to Paris.

EXECUTIVE MANAGEMENT

The Chairman and Chief Executive Officer is responsible for the general management of the Group. He is assisted in these functions by the Executive Committee

The Executive Committee prepares decisions for submission to the Board of Directors relating to, in particular, the approval of accounts, the definition of objectives, budgets and strategic orientations, the acquisition and sale of assets and companies. It monitors major contracts and evaluates investment decisions. It is also consulted on plans and recommendations relating to internal audit, information systems and telecommunications, human resources and asset management. The Executive Committee is assisted by three special committees: the Sustainable Development Committee, the Ethics and Compliance Committee and the Disclosure Committee.

In 2009, Technip's Executive Committee evolved to give the Group a stronger international dimension.



Thierry Pilenko > Chairman and Chief Executive Officer

"Technip remained focused on its priorities in 2009, allowing us to beat our operational targets."

► COMPOSITION OF THE BOARD OF DIRECTORS

AT FEBRUARY 28th, 2010

Thierry Pilenko (Chairman of the Board and Chief Executive Officer)
Olivier Appert
Pascal Colombani*
Germaine Gibara*
Gérard Hauser*
Marwan Lahoud*
Jean-Pierre Lamoure*
Daniel Lebègue*
John O'Leary*
Joseph Rinaldi*
Bruno Weymuller

* Independent Director.

The Board of Directors, made up of 11 members, determines the company's overall strategic direction and oversees its implementation. The Board is assisted in the execution of its mission by the recommendations of its four specialized committees: the Audit Committee, the Nominations and Remuneration Committee, the Strategic Committee and the Ethics and Governance Committee.

The practices of the Board of Directors are governed by statutes and a Directors charter defines their rules of conduct and duties.

Further information about Technip's corporate governance policies is available in the 2009 Reference Document or on Technip website: www.technip.com

Optimizing Group policies and organization

"The creation of a seventh
"Middle East" Region has
brought us closer to our clients
in this high-potential zone."

"The spin-off of our corporate entity is the final step of our re-organization strategy based on operating efficiency and increased autonomy of the Regions." "In 2009 we harmonized and internationalized our HR processes in order to develop talent more effectively across the Group."



Bernard di Tullio > President and Chief Operating Officer



John Harrison > General Counsel



Thierry Parmentier
> Human Resources Director



Dominique de Soras > President, Subsea Division



Nello Uccelletti > Senior Vice President, Region B



Julian Waldron
> Chief Financial Officer

"Our advanced technologies and vertical integration have enabled us to maintain our leadership in the Subsea segment." "In spite of a difficult context,
Technip signed major contracts
in 2009 including the Jubail
refinery in Saudi Arabia."

"Technip's share price performance and entry into the CAC 40 index are recognition of our strategy and the work of our teams."

► ADAPTING THE ORGANIZATION

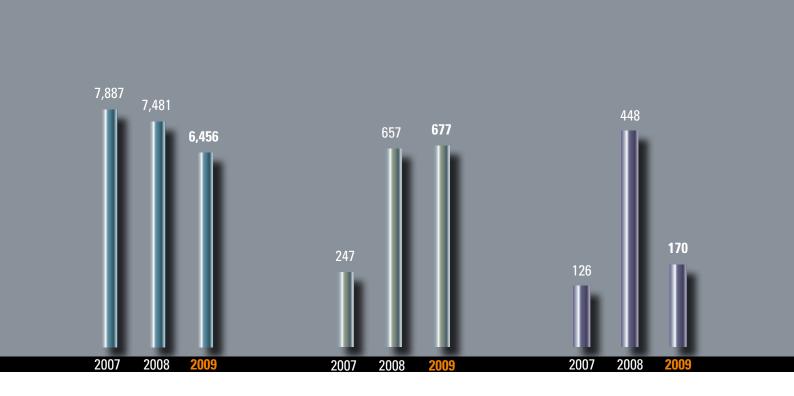
The creation of the Middle East Region in 2009 marked an important milestone in the regionalization of the Group, implemented since 2007. With it, the Group now has seven autonomous Regions* that are responsible for their own client interface, project execution and financial results. To cap this new strategic organization, the decision was made to move the Group headquarters and its corporate teams from La Defense to new offices in Paris. This new dedicated legal entity has been named Technip Corporate Services.

This change will increase the visibility of the Group's core services, which will continue to serve all of the Group's Regions, providing counsel and expertise in horizontal areas such as HSE, finance, legal, human resources, product lines, communications, information systems, etc.

* Asia Pacific, Brazil, Middle East, North America, North Sea-Canada, Region A (Western Europe, Africa, India, Pakistan), Region B (Italy, Greece, Eastern Europe/Russia/CIS, South America).

2009 KEY FIGURES

In 2009, Technip successfully delivered a number of major projects for its clients worldwide in its three segments of activity: Subsea, Offshore and Onshore. The Group's operating margin from recurring activities reached a record 10.5%. With a renewed and diversified backlog of €8 billion and a solid balance sheet, Technip begins 2010 with good visibility.



■ REVENUES
€ million

OPERATING INCOME FROM RECURRING ACTIVITIES*
€ million

Technip maintained its strategy focusing on project execution. Despite an expected revenue decrease due to the end of large projects, the Group has continued to deliver improved operating income from recurring activities.

NET INCOME**
€ million

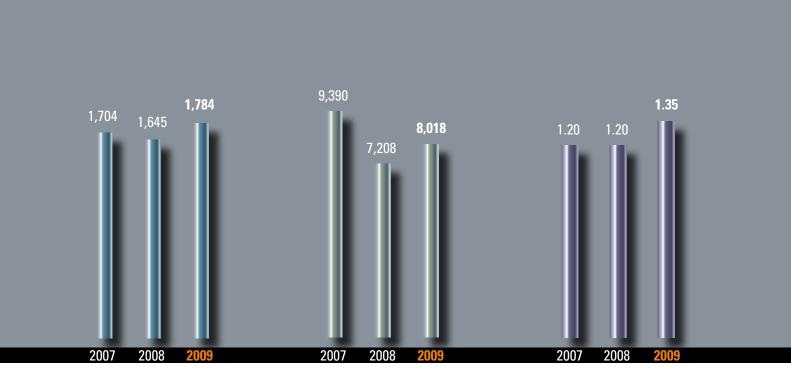
Net income, including an exceptional provision of €245 million related to the TSKJ matter, was down at €170 million compared to €448 million in 2008.

^{*} Excluding the exceptional € 245 million provision related to the TSKJ matter.

^{**} Including the exceptional \in 245 million provision related to the TSKJ matter.

► TECHNIP JOINS THE CAC 40 INDEX

In September 2009, Technip was chosen to be part of the CAC 40, the reference index comprising the most important companies on the Paris Stock Exchange (Euronext Paris), where Technip is listed. This selection is recognition of the successful results of Technip's strategy and the dedication of its teams worldwide.



NET CASH € million

Thanks to improved profitability, which generated strong cash flow, and conservative cash management, Technip's net cash at December 31, 2009 rose to €1,784 million. Investment in assets and innovation was maintained with a Capex of €424 million and R&D of €54 million in 2009.

BACKLOG € million

Technip pursued its strategy of selective bidding per type of project and contract, as well as geographical region through 2009 and achieved an order intake of €7,176 million and a backlog of €8,018 million at year-end, despite market uncertainty.

DIVIDEND PER SHARE FOR THE FISCAL YEAR in €

Given the Group's performance and strong balance sheet, the Board of Directors recommended a 12.5% increase in the dividend bringing it to €1.35 per share.





A WORLD LEADER

Partner to the oil and gas industry, Technip has confirmed its leadership position and is pursuing its three-year strategic plan. Launched in 2007, the Group's strategy to strengthen its local presence, maintain investment and technological innovation has permitted it to remain solid despite the slowing of the world economy. Guided by its core Values, Technip is committed to consolidating its image as an accountable company.

MARKETS

Growth drivers remain strong despite the economy

Following a period of heavy investment between 2005 and 2008, 2009 was a difficult year for oil companies. However, the first signs of recovery were seen during the second half of the year, confirming the high potential of Technip's growth drivers.

Starting in the second half of 2008, the financial crisis caused a sharp downturn in the world economy. Like many other sectors of activity, the energy industry was affected. The fall of the price of oil from a record USD145 a barrel in July 2008 to USD30 at the end of that year led the International Energy Agency (IEA) and the International Monetary Fund (IMF) to downgrade their forecasts both in terms of the demand for oil and the overall world economy for 2009 and beyond. This led the oil companies to revise their investment plans and to delay some of their projects. According to a survey by Barclays Capital, global exploration and production investment was down 15% in 2009.

SIGNS OF RECOVERY

Nevertheless, certain signs of a turnaround could be seen during the second half of the year 2009. The world economy as well as financial markets showed improvement: the price of oil stabilized at over USD60 and, in response to the economic recovery seen in developing countries especially, the IEA revised its medium-term demand forecasts upwards. According to Barclays Capital, global exploration and production investment should rise by 11% in 2010. Publications from the French Petroleum Institute go

along the same lines and predict that the upstream market will see an acceleration in 2010, but that recovery in the downstream market will be slower.

TECHNIP'S MARKETS REMAIN SOUND

While the economic context is still uncertain, Technip remains prudent yet confident regarding the growth drivers in its markets. The expected increase in the world demand for hydrocarbons, the oil companies' need to compensate for the decline in their reserves, the continued evolution towards projects that are increasingly complex and located in challenging environments are all important growth levers for Technip's activity going forward.



▶ With the creation of a seventh regional organization in the Middle East,
Technip has strengthened its proximity to its clients and business in this high-potential zone.

STRATEGY

Focusing on the fundamentals

Hydrocarbons still supply 60% of all energy for the earth's 6.8 billion inhabitants. Given the very gradual development of alternative energy sources, hydrocarbons should remain dominant in the coming decades.

The increasing world population and per capita income will result in an increase in energy demand, and therefore oil and gas consumption. In this context, Technip has chosen to remain focused on its core business, oil and gas, where the technological expertise and solutions it provides represent real added-value in meeting the needs of its clients.

The Group's strategic framework launched in 2007, based on a regionalized organization and improved operating efficiency, was reinforced in 2009. Work focused on six key areas:

- ➤ concentrate the Group's resources and assets on its core market: the oil and gas industry;
- ▶ improve all dimensions of the Group's project management and execution capacities: planning, quality, budget, efficiency and profitability;
- ▶ invest to reinforce Technip's key differentiating factors: expertise, technologies and industrial assets;
- develop activities in high potential regions by adapting to local and regional markets;
- ▶ aim for excellence in HSE (health, safety, environment) for its employees and partners;
- ▶ develop human resources performance and empower the HR organization.

Technip's activities are also part of a transversal sustainable development approach, in which environmental and social imperatives are an integral part of its business and growth.

This global strategy applies to each of the Group's three business segments whose specific strategic focus areas are described below.

SUBSEA

Strengthen leadership

On the subsea infrastructure market, Technip masters every step along the value chain: from the design of flowlines and umbilicals, their fabrication or assembly through to their installation. Technip's strategy in the Subsea market is to strengthen its leadership by focusing on two key areas: capitalize on its vertical integration by increasing the capacity of its flexible pipe and umbilical production facilities as well as modernizing its fleet, and by positioning itself as a reference for meeting the challenges of deep water developments, both in terms of technology and expertise. In the

Subsea segment Technip is focusing its development on high growth potential regions: West Africa, the Gulf of Mexico, Brazil and Asia Pacific.

OFFSHORE

Pushing back technological frontiers

In this business segment, Technip is positioned in markets that are based on high technological added value, such as the ultra deep water market which calls for sophisticated installation techniques (i.e. floatover), or the emerging floating LNG market. Technip is the only oil and gas engineering specialist that has expertise in LNG, flexible pipe and offshore platforms and intends to build upon this lead to remain a key player. Another facet of this Offshore strategy is the optimization of the Group's capacity to deliver projects in high potential regions such as Brazil, where the discovery of vast reservoirs in the pre-salt layer has given the market a new outlook.

ONSHORE

Capitalizing on expertise

In this segment, Technip is one of the world leaders and has delivered many major projects with high technological content. Technip's strategy is three-fold. First, the Group develops its strong points: technological know-how (proprietary technologies or partnerships with licensors) and project management capacities. Second, it controls its risk profile by diversifying its contract portfolio and by being involved alongside clients from the earliest stages of a project in order to have the best possible understanding of the environment. Finally, Technip increases local presence in regional markets such as the Middle East, Asia Pacific and Latin America in order to offer a closer proximity to its clients.

VALUES

An accountable company, aiming for excellence

Technip's core Values are the foundation upon which the Group is built and are testimony to its commitment to achieve the highest level of satisfaction among its employees, clients, shareholders, partners and local communitities.

Integrity, professional excellence, protection of health, safety and the environment, social and civic responsibility: the Technip Values serve as guidelines for the company's women and men. They are part of an integrated approach to sustainable development and are set forth in Charters covering ethics, human resources, the environment, health and safety, quality and security respectively. These six Charters, which have been approved by the Board of Directors, define the Group's behavior everywhere in the world with dedicated committees ensuring compliance at all times.

In 2009, Technip further reinforced the scope of the ethics Charter that has been in force for several years, and made it the focus of the company's priorities and business relationships. The Group's Chairman and CEO, Board of Directors and the Ethics and Compliance Committee have shown their commitment to this subject, in particular by drafting and approving rules of good conduct relative to the communication and use of privileged information, as well as a code of ethics for Technip's Board members, senior management and main financial managers.

Together, all of these Values serve to guide and support the Group's commitment towards all stakeholders.

GLOBAL COMPACT

Since 2003, Technip has made a commitment to support and promote, within its sphere of influence, the 10 universal principles of the United Nations Global Compact relative to human rights, labor standards, the protection of the environment and ethics.



► Workers at the Vitória (Brazil) plant.



3 QUESTIONS TO...

Sylvie Kandé de Beaupuy • Group Compliance Officer and Chairwoman of the Ethics and Compliance Committee

What does "ethics" mean to Technip?

Behaving in an ethical manner means acting in line with the highest standards of honesty, integrity and fairness, in compliance with the principles of the UN Global Compact. It also means providing stakeholders with opportunities for success in a spirit of cooperation that is mutually beneficial and transparent. To avoid unethical behaviour, which is a source of legal, financial and reputation risk, strict guidelines are a necessity for any modern business. Technip continues to strengthen its ethics and compliance policies and procedures in line with the most stringent international practices including, notably, the implementation of an ethics code and a Group anti-corruption policy.

What role do ethics play within the Group, and in particular the Ethics and Compliance Committee?

Our mission is three-fold: first to guarantee the proper circulation and application of the Ethics Charter within the Group; then to ensure the rationalization and respect of the procedures and their evolution over time and to make sure these procedures are respected through the use of appropriate verification processes; and finally to train both employees and partners so that the code of ethics is completely understood and assimilated in their behavior.

How is the code of ethics conveyed throughout the Group?

Regional Compliance Officers have been named for each Group Region. They play an essential role in conveying our missions across the Group and ensuring the transmission of information to all operational levels. However everyone, in his daily activities, has a role to play. Technip's ethics are, above all, dependent on individual commitment.



TECHNIP'S SIX CHARTERS

These documents set forth the Group's core Values and are available on the Group's website www.technip.com





A UNIQUE EXPERTISE

A solutions provider for hydrocarbon production and processing, Technip engineers and builds Subsea infrastructures, Offshore platforms and Onshore processing units on behalf of oil and gas companies. At the leading edge of technology and innovation, the Group's unique expertise and international logistics enable it to adapt to the industrial and geographic specificities of each sector, to position itself on emerging markets and to meet the new challenges facing the energy industry.



€3,053 million backlog at year-end 2009

18.6% operating margin

▶ Offshore installation campaign on the Cascade & Chinook project, Gulf of Mexico.

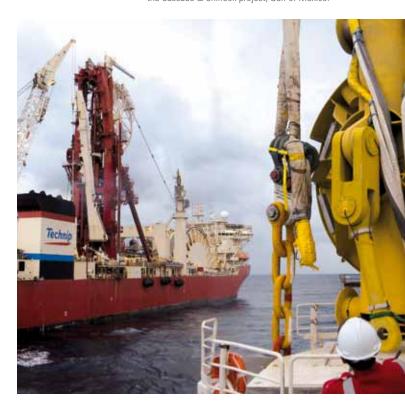
2009 was a difficult year for the oil and gas industry. The number of contracts awarded to the major players on the Subsea segment was down by approximately 30% during the first nine months of the year. In this mostly unfavorable context, Technip had a good year and saw its market share rise. The Group's integrated expertise and its presence in key market zones are undeniable strengths, in particular in regard to high-potential markets such as deep water projects, offshore gas developments, and the pre-salt reservoirs discovered offshore Brazil.

In the Asia Pacific region Technip and Subsea 7 decided to pursue their operations separately after the dissolution of the Technip Subsea 7 Asia Pacific joint venture, established in 2006. However, the two companies have not ruled out working together on a case by case basis in the future.

MEETING THE ULTRA-DEEP WATER CHALLENGE

Deep water activity remains sustained

The Group mobilizes all its expertise to meet the challenges of increasingly complex deep water projects, improving the performance of subsea operations. For instance, two new water depth records were reached in 2009 in the Gulf of Mexico on the Perdido project for Shell. Technip installed a flowline at a water depth of 2,961 meters and a steel catenary riser at 2,469 meters. Technip also received an award for "best project execution" from Petrobras for its performance on the Canapu project in Brazil. The challenge of this project consisted in installing a 20 kilometerlong thermally insulated pipe-in-pipe flowline at a water depth of 1,700 meters. Finally, two other major projects, Pazflor and Block 31 located off the coast of Angola for Total and BP respectively were ongoing.



A HIGH-POTENTIAL AGREEMENT FOR FLOWLINE SURVEILLANCE DURING OPERATIONS

In 2009 Technip and Schlumberger announced the signature of a cooperation agreement to jointly develop solutions for the surveillance and integrity of subsea flexible pipes used in deep water oil and gas production. This new generation of "intelligent" flexible pipe will represent significant added value for the entire industry in terms of safety, reliability and performance.



► The Skandi Arctic went into operation in the spring of 2009.

Technip is also active on the shallow water market: the North Amethyst project for Husky in Canada and the Oyo project for Nigerian Agip Exploration in Nigeria were completed in 2009.

Pushing the limits of technology

The time of easy oil is over. New oil and gas fields are often in zones that are difficult to access, making exploitation conditions increasingly complex. To meet the challenges of ultra-deep waters Technip is driven to push the limits of technology. In 2009 the first tests were conducted for the installation of flexible pipes at a water depth of 3,000 meters by Technip's vessel the Deep Pioneer. The objective of these tests is to demonstrate the flexible pipelines' capacity to resist extreme external pressure. The results, which have been encouraging so far, will be known in early 2010. A second test program carried out in cooperation with Total in Aberdeen, Scotland, for a project in the North Sea concerns the use of electric-heated reeled pipein-pipe adapted to very deep depths. The results of these tests are also expected in 2010.

CONTINUED INVESTMENT

The Group's 2007-2010 investment plan to reinforce its industrial assets continued in 2009. These assets provide Technip with real competitive advantage and will strengthen its position as the world leader in flexible pipe technology going forward.

In the fleet...

The fleet was strengthened, in particular with the modernization of the Apache, achieved through the acquisition of a new hull under favorable market conditions. The equipment from the Apache was removed and upgraded at Technip's yard in Pori, Finland and will be re-installed in 2010 onto the new hull to create the Apache II. She will then have additional construction capacities and will also be capable of laying rigid pipe at various water depths. The Skandi Arctic went into operation in the spring of 2009. This new generation vessel is entirely computerized and is the world's largest and most advanced diving support vessel, with the capability to execute offshore installations in water depths reaching 3,000 meters. Her capabilities are unequalled on the North Sea market and put Technip in a strong position for projects in extreme environments (the Arctic, etc.).

CLIENTS KEEP ON TRUSTING TECHNIP

A large number of operators continued to put their trust in Technip's expertise. One of the major contracts won by the Group is the Jubliee project off the coast of Ghana for Tullow Oil. Another is the West Delta Deep Marine Phase VII project for the Burullus Gas Company in Egypt. What sets this project apart is that the connection works will be carried out using a "hot tap" technique, without stopping production. Another notable project, the most important contract Technip has ever been awarded in Norway, is the Goliat development for ENI Norge in the Barents Sea. This will be the first Norwegian oil field in operation above the Arctic Circle.



3 QUESTIONS TO...

Pascal Streit • Cascade & Chinook Project Manager (Gulf of Mexico)

▶ What is Technip's role on Cascade & Chinook?

After completing the front-end engineering design for this Subsea project located in the Gulf of Mexico, Petrobras awarded Technip the engineering, procurement, construction and installation contract for five free-standing hybrid risers (FSHR) and a contract for the installation of the flowlines.

Are there any specificities in this project?

This project is remarkable for several reasons. It enabled Technip to attain a new record in 2009 with the installation of hybrid risers at a water depth of 2,509 meters. There were other challenges in addition to depth such as the strong pressure conditions of the reservoir and the fact that we had to install the risers during winter, when the climatic conditions are the most

difficult in this region. The project was also a good example of the Group's vertical integration and the effective cooperation between its different operating centers (seven were involved in the project!) and assets.

What's the current status of the project?

The majority of the offshore operations were completed in 2009. A final installation campaign will take place early in 2010. After 26 months working on this project, Technip surpassed one million hours without any recorded HSE incident and our client is very satisfied with our performance in terms of quality and planning.

The construction of the Skandi Vitoria and the Deep Energy, two other vessels that will soon join the Technip fleet, continued in 2009.

... and production facilities

The construction of the Asiaflex Products plant, the Group's new production facility in Johor, Malaysia continued. At year-end 2009 the project was progressing on schedule with engineering completed and construction ongoing. Asiaflex Products will have an annual production capacity of 200 kilometers of flexible pipe and umbilical. This new plant will expand the geographical cover-

age of Technip's production capacity and respond to the increasing demand in Asia Pacific. Asiaflex Products is a key industrial asset and offers the Group a competitive advantage in this strategic region.

► Asiaflex Products, Technip's new flexible pipe and umbilical production facility will be operational in 2010.





2009 revenues

£565 million

Net income from recurring activities

€468 million backlog at year-end 2009

7% operating margin from recurring activities

► Installation of the Perdido Spar in the Gulf of Mexico.

The Offshore market experienced robust growth between 2004 and 2008, in particular in the Gulf of Mexico, the Gulf of Guinea and offshore Brazil. The economic downturn in 2009 put an end to this continuous growth and resulted in a drop in the number of offshore projects launched by oil and gas companies compared to 2008.

In 2010 and beyond, the offshore sector should progressively regain its momentum, thanks in particular to the development of the pre-salt reservoirs in Brazil, ultra-deep water projects that require the adaptation of platform concepts to increasingly extreme exploitation conditions, and the emergence of the new market for Floating Liquefied Natural Gas (FLNG) units.

Technip is well-positioned to strengthen its presence on the Offshore market, especially on projects with high technological added-value. The Group boasts recognized expertise and knowhow and its international presence gives it proximity to high-potential regional markets.

MAJOR DEEP WATER PROJECTS IN 2009

Technip offers its clients a wide range of technologies and fixed or floating platform solutions adapted to their needs and specific exploitation conditions. In 2009 the majority of Technip's Offshore activity focused on deep water projects, where the Group offers significant added-value.

Spar

In the Gulf of Mexico, the Perdido Spar was successfully installed for Shell at a water depth of 2,400 meters, a new depth record for this type of platform and ranking it among the deepest platform installations ever. Production commenced in early 2009.



FPSO

The Floating Production Storage and Offloading (FPSO) vessel for the Akpo development in Nigeria was delivered to Total at the beginning of 2009, and produced its first barrel of oil in March. This is the largest FPSO in the world and has topside installations weighing 37,000 tons. It was designed to produce 185,000 barrels/day at full capacity. Thanks to the Akpo field, which is located at a water depth of 1,300 meters and has an estimated lifespan of 20 years, Total should practically double its hydrocarbon production in Nigeria.



▶ Inspection at the Pori yard (Finland).

Semi-submersible platforms

With the semi-submersible platforms it has built in Brazil, Technip has demonstrated its ability to successfully execute large-scale projects anywhere in the world, and with strong local content. The construction of the P-56 platform is underway at the Angra dos Reis yard in Brazil. At the end of 2009 this project had already tallied 15 million work hours.

Technip also remained active on the shallow water in 2009. This market gets less media attention than the deep water market but it too offers growth prospects. For example, on this market Chevron awarded Technip with the front-end design for the offshore associated gas treatment platforms for the Wheatstone project in Australia.

INNOVATING TO KEEP THE TECHNOLOGICAL EDGE

Already recognized for its Offshore technologies serving the energy industry, Technip continued its research into innovative concepts in 2009. Several engineering contracts for high-technological content projects also bolstered Technip's high-end market position and high added-value.

Positioned on the emerging FLNG market

Technip has been able to take advantage of its experience in large-scale FPSOs, its expertise in gas liquefaction and its leading position on the Subsea market to forge a position on the emerging market for FLNG units.

In July 2009, the Group, in consortium with Samsung, signed a frame agreement with Shell for the design, construction and installation of several FLNG units for a period of up to 15 years. This contract, which was highly anticipated by the industry, will enable an innovative alternative to traditional onshore LNG units, while offering an approach to the monetization of subsea gas fields that has good commercial potential and respects the envi-

ronment. In parallel, a generic front-end engineering contract that will end in 2010 was signed by the same parties. It will allow the study of several pre-defined gas scenarios so that engineering can be adapted to the different sites where FLNG units could be installed.

Another FLNG contract was awarded to Technip by Petrobras for the front-end engineering of a unit offshore Brazil (see interview).

Pushing the limits of floatover installation

Technip is a pioneer in the installation of topsides onto fixed and floating platforms. With its High Air Gap Floatover concept, the Group improved upon its own technology to permit the installation of bridges that are heavier and higher in relation to the water level. This technology opens new opportunities for a large number of projects, in particular in regions where platforms are exposed to large swell conditions or cyclones (South East Asia, and North West Australia in particular).

For the Wheatstone project, Technip carried out the pre-frontend engineering design for the installation of an offshore platform. If built, the topsides of this platform would be among the largest in the world ever installed using the High Air Gap Floatover method. This project will present some very motivating challenges given the weight of its structures, the long distance to be travelled in the open sea and its great height in relation to the water level (+ 25 meters).



3 QUESTIONS TO...

Valentina Gabriel • Petrobras FLNG Project Manager

► Could you tell us about the Petrobras FLNG contract?

It's a front-end engineering contract that we won, along with JGC and Modec, within the framework of a design competition, from a client we know well — Petrobras — and its partners. It covers an FLNG unit for the development of pre-salt reservoirs offshore Brazil. The unit will have a capacity of 2.8 million tons of LNG per year and will also produce liquefied petroleum gas. The project is being executed by the Paris and Rio centers with assistance from Eurodim and Genesis, two other Group entities.

What are the technological challenges Technip must meet?

We have to optimize the space required without decreasing the level of safety and ensure the ability to unload product onto shuttle tankers under sometimes constraining weather con-

ditions. In addition, we have developed technologies to meet these challenges such as the transfer of LNG via cryogenic flexible pipes.

▶ What qualities allowed Technip to win this contract, as well as the Shell contract in July 2009?

Technip is the only oil and gas engineering specialist that has experience in LNG, offshore platforms and subsea developments, three essential components in a FLNG project. These two projects merge for the first time the full range of the Group's capabilities and its global expertise. The quality of our respective partnerships was also an important strenght.

Continuously adapting concepts

In 2009 Technip continued to adapt its Spar concept for use in very deep waters. In order to meet the challenges of oil fields located in water depths beyond 3,000 meters in the Gulf of Mexico or the North Atlantic, new platforms will have to stand up to extreme climate, temperature and pressure conditions.

This year Technip completed a study for a Tension Leg Platform (TLP) concept specifically designed for the Southeast Asia market that includes Tender Assisted Drilling (TAD) capabilities. In 2010, this concept will be further developed and adapted to applications in the Gulf of Mexico.

The Group also pursued work on new types of semi-submersible platforms including its proprietary Extended Draft Platform (EDP).



► Technip has been awarded a frame contract by Shell for FLNG units.



Liquefied natural gas project in Yemen.

The Onshore market suffered from the effects of the world economic downturn, with a decrease in the number of projects awarded. In 2010, the expected economic recovery and long-term growth in energy demand should have a positive effect on the Onshore segment, in particular in the Middle East, Asia Pacific and Latin America regions, where a large number of major projects are currently being studied.

GAS: MAJOR PROJECTS AND STATE-OF-THE-ART TECHNOLOGIES

In 2009 Technip's main focus was on the completion of the Liquefied Natural Gas (LNG) mega-projects won between 2004 and 2006. In Qatar, the Group handed over several LNG trains to its clients on the Qatargas 2 and Rasgas III projects. The final trains for Qatargas 3 and 4 should be completed in 2010. In Yemen, the first train for YLNG was completed and the second is expected to be completed during the first half of 2010.

The main technological advances were made in the realm of floating LNG with the development of two systems based on flexible pipe: a cryogenic off-loading system and a spiral stack turret. Technip also registered several patents in the areas of LNG re-gasification and boil off gas condensation.

In parallel, several new contracts were won. In China, Ningxia Hanas awarded Technip a project management contract for design and construction of a natural gas liquefaction unit in Yinchuan. Front-end engineering design contracts were awarded by Shell and Petrobras for FLNG units, for which Technip will be able to capitalize upon its expertise in both onshore LNG technologies and offshore platforms (see Offshore chapter).



REFINING: NEW OPPORTUNITIES IN EMERGING COUNTRIES

Technip successfully started-up two major refineries in 2009: Dung Quat for Petrovietnam in Vietnam and Horizon Oil Sands for Canadian Natural in Canada. The Group also won two important turnkey contracts for a refinery in Saudi Arabia from SATORP (see interview on page 27). Technip also won front-end engineering design contracts for projects in Iraq, Turkey and Nicaragua.

► Refinery project for Grupa Lotos in Poland.



INNOVATION IN SERVICE OF ENVIRONMENTAL EFFICIENCY

At the European conference on refining technologies in Berlin, Technip presented HyN•DT (Hydrogen Network Design Tool), a new tool that enables the analysis of CO_2 and hydrogen production and recovery options in refineries while optimizing costs.

HYDROGEN:A NEW MARKET DYNAMIC

With a market share of more than 45% on contracts signed in 2009, Technip reinforced its leadership position on the world hydrogen market. In 2009, 15 projects were ongoing and 16 new contracts were won by the Group throughout the world.

Technip's R&D efforts paid off with the signature of two projects that will use the recently-developed post-reformer technology. The Group's alliance with Air Products continued with new developments to improve the process efficiency and led to the signature of three contracts.

ETHYLENE, PETROCHEMICALS AND FERTILIZERS: STRENGTHENING TECHNOLOGICAL ALLIANCES

To maintain its leadership position on the ethylene market and in particular in cracking furnaces, Technip acquired the intellectual property rights of the Heliswirl technology and registered a patent for a new furnace arrangement (GK7). In 2009, the Group commissioned the largest ethylene plant in the world in Saudi Arabia and completed the design of two other units in this country. Technip also obtained a design contract for the Polimerica project in Venezuela.

In petrochemicals, Technip strengthened its technological alliances with Ineos, Sabtec and Asahi Kasei Chemicals. Major petrochemical projects were completed in 2009, and notably in China where the Group is very active. Others will be ongoing in 2010.

Technip has a strong presence on the fertilizer market thanks to its phosphoric acid technology and its long-standing alliances with major licensors across the globe. In 2009 the Group provided Fosfertil with licenses for three phosphoric acid concentration units in Brazil. The Group also won a front-end engineering design contract from CF Industries for a nitrogen complex to be built in Peru as well as several engineering contracts for sulphuric acid units for the metals and mining industry.



3 QUESTIONS TO...

Eliseo Barone • Jubail Project Manager (Saudi Arabia)

► Could you describe the Jubail project?

The project covers a new refinery to be built at the Jubail industrial complex in Saudi Arabia and operated by SATORP, a joint venture between Saudi Aramco and Total. This major complex will have the capacity to treat 400,000 barrels of heavy arabian crude per day.

What are Technip prerogatives?

After having completed the front-end engineering design for the project in 2008, the Group won two engineering, procurement and construction contracts, the first for the hydro and catalytic cracking conversion process units, and the second for the utilities, interconnection network and process control systems. These contracts, which will be completed mid-2013 are currently being executed by the Rome and Paris operating centers with assistance from the Middle East Region.

► What are the major challenges for Technip?

The scope of the project requires exemplary coordination between the different parties and stakeholders. In terms of procurement, the main challenge is to constantly examine new markets in developing countries in order to find suppliers that can produce and deliver quality equipment at competitive prices.

BIOFUELS AND RENEWABLE ENERGIES: TWO NEW GROWTH MARKETS

Technip has longstanding expertise in biofuels. The Group worked on major renewable diesel units for Neste Oil in Singapore and Rotterdam in 2009, and is committed to developing its offer in new generation biofuels. In photovoltaic solar energy the Group worked on reducing the cost of ultra pure silicon production, an essential step in the fabrication of solar panels. Marine energies were in the spotlight in 2009 with the installation offshore Norway of Hywind, the world's first floating wind turbine, for StatoilHydro. The Group also developed its offer in fixed offshore wind farm construction and advanced on marine turbine projects. In the field of geothermal energy, Technip signed a strategic partnership with Mannvit, an Icelandic engineering firm to work together in the United States. In CCS (Carbon Capture and Storage), thanks to its expertise in CO2 capture and transport as well as gas compression and its partnership with Geogreen, Technip will be particularly well-positioned for the large-scale demonstration programs that are expected in the United States, Europe and the Middle East in the next five years.

KNOW-HOW THAT EXTENDS TO **OTHER INDUSTRIES**

Technip provides engineering and construction services to other industries, one of which is metals and mining. In 2009 the Group acquired Sofremines which brought with it a wide range of services that have strengthened the Group's capacity to meet the new challenges of the mining industry. TSU Projects, a joint subsidiary of Technip and SGN (Areva Group), worked on several projects in 2009 including a uranium extraction unit in Namibia and engineering studies for a major industrial mining project in Niger.

► **Technip** has signed a partnership agreement with Mannvit for geothermal energy projects.







A SUSTAINED COMMITMENT

Technip's commitment to sustainable development is one of its fundamental Values and can be seen in all of its activities, at all levels of the company and in the Group's relationships with all of its stakeholders. Underpinned by HSE and international human resources management systems, the Group has made safety, supporting local economic development and environmental protection its priorities.

CHALLENGES & APPROACH

Meeting the standards of a responsible Group

Sustainable Development is a source of both social and environmental progress. It drives innovation and sets companies apart from others. Technip's sustainable development approach has been recognized for over ten years. Today its harmonization across the Group is a top priority.



AMRAN AHMAD, CHAIRMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

► What is the role of the Sustainable Development Committee within the Group?

Sustainable Development is a priority because it drives innovation and brings value to all our stakeholders. Today, it is a core element of our business and our approach must reach all levels of the company and its activity, everywhere in the world. The Committee is evolving towards an increasingly strategic role, one that aims to build the framework of a harmonized global sustainable development approach. Our role is to observe, monitor and to propose initiatives to the Executive Committee.

► What tools will you use to build this global framework?

Our strategy is based on identifying, analyzing and measuring the performance of best practices at the local level. It must reflect the depth and diversity of the Group. To this end, in 2009 we commissioned an external consultant to conduct a diagnostic study of Technip's corporate social responsibility. 22 internal stakeholders were interviewed and our methods and results were compared with the future international ISO 26000 standards. The study

revealed that while there were many initiatives undertaken in the field, they were not always identified as relating to "sustainable development". Our strategic approach must allow us to clarify the concept of sustainable development for all Group employees and raise awareness of its challenges.

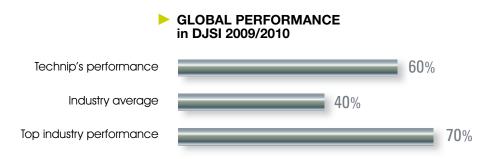
▶ Did Technip make progress in regards to Sustainable Development in 2009?

Yes, and in all areas of sustainable development. In regards to local economic development, Technip created a full-fledged regional office in Abu Dhabi as well as a joint venture in Saudi Arabia with a local engineering firm. The Pulse safety program was deployed and its application at the Asiaflex Products plant in Malaysia is a model for the Group. In the area of environmental and resource protection, Technip signed a partnership with Schlumberger for the development of intelligent subsea flexible pipe to allow real time surveillance on the integrity of the installations. In renewable energies, the first floating wind turbine installed offshore Norway is another illustration. There are many other examples and they all show the added-value Technip is able to contribute in these areas, giving us real competitive advantage.

"A strategy based on identifying, analyzing and measuring the performance of best practices at the local level."

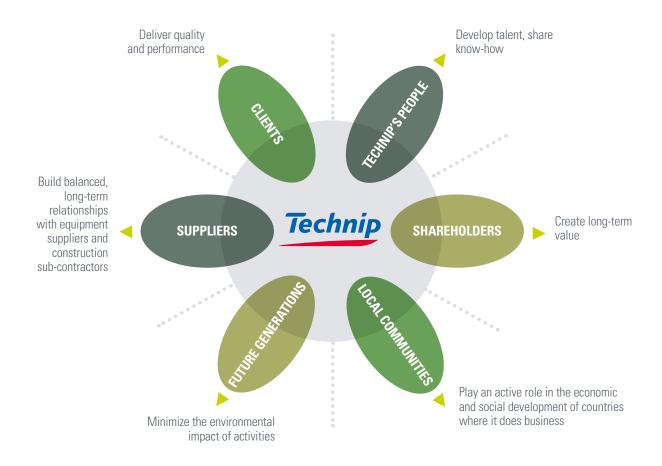
► What are the priorities in 2010?

Local economic development and environmental protection remain our main focus. At the same time, we will continue to strengthen the framework of our sustainable development strategy and increase our communications so that it is understood by all. The role of our regional network will be amplified and we will also work to optimize our reporting system.



LISTENING TO STAKEHOLDER EXPECTATIONS

Understanding expectations through dialogue in order to provide the highest level of satisfaction – this is Technip's commitment. It can be seen everyday in all of the Group's activities and in its relations with all of its stakeholders.



CHALLENGES

WAYS FORWARD

Human Resources Technip's key challenge is to reinforce the quality

To guarantee a high level of performance of its human resources.

Health, Safety and Security Actively promote excellence in health, safety and security in order to become the reference company in the industry is a strategic priority for Technip.

> Environment Technip strives to minimize the environmental footprint of its activities and those of its clients.

Local Communities Contribute to the economic and social balance of the regions where Technip operates.

Economic Responsibility Within the context of the current economic crisis, improve the operational performance of its activities while continuing to develop its capability to meet the industry's future needs.

► Develop skills and retain key talent.

- Strengthen the technological leadership of its teams.
- ▶ Optimize internal expertise by fostering mobility, between geographic zones, functions and business seg-
- Foster a safety culture across the Group.
- Promote health in the workplace.
- ▶ Protect people, information and installations.
- ► Offer clients technological solutions that minimize the CO₂ emissions of their installations, in particular by improving their energy efficiency.
- Promote renewable energies.
- ► Reduce green house gas emissions, water and power consumption and waste production linked to its activities.
- Implement of a "green office" approach.
- ► Develop economic activity in key business zones, in particular through the creation of local jobs for the long term.
- Participate in the transfer of skills.
- Carry out solidarity initiatives.
- ► Technip strives to reduce costs while maintaining its investment programs and R&D in order to offer clients effective solutions at optimized cost.
- ▶ Optimize the utilization of the fleet and production facilities.
- Continuous improvement of project execution and margins.
- Create long-term shareholder value.



► Technip staff in Caracas (Venezuela)

CHALLENGES

PROVIDING SOLUTIONS FOR TODAY'S ENERGY CHALLENGES

Technip engineers and manages major industrial projects for its clients: oil and gas companies. While their job is to meet the world's long-term energy needs, their initiatives must take place within the larger framework of resource management, profitability, safety and environmental impact. Sustainable development issues are thus a core challenge for the energy industry. They are also key considerations in Technip's activities and the value it adds at every stage of a project: from design, through to procurement, construction, start-up and commissioning.

Getting the local community involved in the construction at the project site, designing energy-saving processes or technologies with reduced CO₂ emissions; ensuring the safety of personnel on project sites or onboard vessels... Because it has been committed to a recognized and rigorous sustainable development policy for almost 10 years, Technip's ability to provide solutions that comply to the sustainable development policies of its clients is uncontested. And while doing so, the Group also improves its own economic and environmental performance.

In a difficult economic context and a highly competitive environment, sustainable development is becoming a real differentiating factor that contributes to creating competitive advantage. Responsible policy has become a strategic issue and an increasingly important business imperative.

APPROACH

MAKING SUSTAINABLE DEVELOPMENT AN INTEGRAL PART OF BUSINESS

Technip has signed the United Nations Global Compact on human rights, work standards, the environment and anti-corruption and applies its 10 principles on a daily basis. Examples of this commitment are presented throughout the chapters that follow.



At the Group level

The Sustainable Development Committee, chaired by Amran Ahmad, oversees Technip's action in this area. The Committee is made up of 10 members from various divisions of the Group and coordinates global sustainable development strategy. It submits its strategic recommendations to the Executive Committee. These recommendations focus on a two-fold objective: improvement and the harmonization of best practices. Furthermore, at term the Committee will be expanded to include representatives from operational and commercial activities.

The Committee collects sustainable development data and drafts the Group's Sustainable Development Report based on Global Reporting Initiative (GRI G3) standards.

The Sustainable Development Committee met 11 times in 2009.

At the local level

A regional organization was set up starting in 2008 in line with the Group's regionalization strategy. This organization, which is supported by a network of 97 agents within the different Group entities, implements sustainable development initiatives at the local level and assists in mobilizing teams in the field.

A RECOGNIZED PERFORMANCE

► **DJSI** (Dow Jones Sustainability Indexes)



In 2009, for the tenth consecutive year, the Technip's shares were selected as part of the European (DJSI STOXX) and World (DJSI World) indexes, comprised of the leading companies in terms of sustainable development.

► Low Carbon 100 Europe

For the second year, Technip joined the Carbon Disclosure Leadership Index (CDLI) and ranked 15 within SBF 120 for its climate change and governance practices.

► ASPI Eurozone (Advanced Sustainable Performance Indices)



Technip is also included in the ASPI Eurozone index. This European index is made up of the most dynamic companies in terms of sustainable development and accountability.



HUMAN RESOURCES AND SOCIAL RESPONSIBILITY

Developing talent

Coming from a multitude of cultures and backgrounds, Technip's women and men share the same taste for challenge and major projects. They are key assets that Technip constantly strives to nurture and develop.

23,000 people* in 48 countries

nationalities

*payroll employees and contracted personnel at plants, yard and fleet.

TECHNIP ••• 2009 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT

2.35% of Technip's capital is held by employees

25% of Group employees are women

Attracting, developing and retaining talent in order to be able to fill the majority of positions internally, up to the highest levels of management: this is Technip's ambition. Capitalizing on all of the best practices identified within the Group entities, in 2009 the Group Human Resources division pursued an international approach to talent development that is supported through common tools such as the new Human Resources Without Borders (HRWB) program and Technip University.

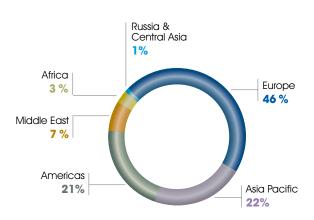
STANDARDIZING GROUP HR PROCESSES

In order for Technip's human resources strategy to succeed, a common Group approach and tools relayed in all Group Regions and entities is necessary. To meet this challenge, Technip launched an ambitious program in 2009 called HRWB which focuses on five major work areas.

Identify each job

Identifying and describing each of the 3,000 existing jobs at Technip in a clear and standardized manner will allow all employees to feel recognized and to position themselves, not only within their entity, but within the Group as a whole. This important task will be completed progressively through 2011.

Geographical breakdown of the workforce

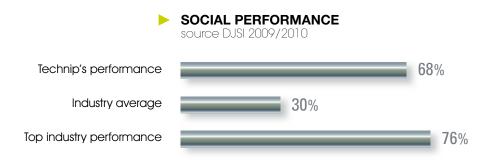


Evaluate performances according to common standards

A new performance assessment system has been implemented throughout the Group. It allows the assessment and documentation of employee initiatives and successes and to address the employee's career desires. The first annual performance review campaign, performed interactively using a global information system (HRWeB), was launched in November 2009 and finished at the end of February 2010. 90% of eligible employees completed the entire performance appraisal process, compared to 77% last year with heterogeneous systems.



▶ In November 2009 Technip received the 2009 Special Prize for Employee Shareholding (in the "crisis communication" category) from the Federation of Employee Shareholders and the Altedia Group for its 2008 capital increase reserved for employees, offered in 18 countries.



Formalize management reviews and succession plans

People reviews were conducted for 1,500 employees in 2009. The objective of the process is to enable the company to develop more top managers inside the company. It allows a medium-term development plan to be established, in which future executive managers are placed in non-conventional mobility situations in order to expose them to new situations and widen their management scope. These career reviews are complemented by succession plans in which business segments, functions and geographical entities participate.

Retain key talent

The standardization of performance reviews and the formalization of succession plans will allow talent to be identified so that it can be developed and retained within the company. In 2009 new stock option and free share plans were set up; the turnover rate for staff who benefited from these measures this year is around 1%.



▶ **Design phase engineering** — Kuala Lumpur (Malaysia).

Encouraging all types of mobility

Whether it is between geographic zones, functional lines or business segments, mobility is a key lever for ensuring the adequacy between resources and needs, sharing expertise and providing each employee with an international vision of the Group. Through HRWeB and its internal recruitment module launched at the beginning of 2010, all employees can see the jobs that are available within the Group at any time and submit their candidature.

A RICHLY DIVERSE, MULTICULTURAL GROUP

Technip's Charters set out guidelines for its actions in terms of such issues as equality between men and women, internationalization, equal opportunity and the integration of disabled people. In line with these principles, Technip launched a number of communication and training initiatives on the subject of multiculturalism in 2009. An analysis of the legal framework surrounding diversity was also carried out in 29 countries. Diversity will be further strengthened in 2010 with the appointment of a Group Sourcing Manager whose missions will include developing hiring from talent reservoirs located emerging countries such as India, Brazil and China.



3 QUESTIONS TO...

Neil Gunnion • Engineering Manager, ASAB 3 project (Abu Dhabi)

Could you describe your career at Technip?

I joined Technip in Aberdeen in 1998 where I held several engineering positions. I then transferred to Houston where I progressed to become Subsea Project Manager. After that I joined Group Human Resources in Paris to manage Subsea Strategic Resources. I have recently relocated to Abu Dhabi to work on the ASAB 3 Onshore project for GASCO.

From your own experience, is it easy to evolve within the Group?

I was lucky to be able to seize opportunities that allowed me to broaden my horizons. I have been able, at various stages of my career to move in all three axis of mobility, be it geographical, functional and most recently business segment. This was one of the key reasons I relished the opportunity to get involved in HRWB as this project is changing the way Technip

manages its human capital and will make these types of mobility opportunities more readily available to all.

What did your occupational mobility bring to you?

It has helped me to better understand some of the thinking and processes behind different functions. Human resources in particular is so much a part of the day to day life of every manager that being given the opportunity to focus entirely on that skill has been very beneficial to my overall career development.

TRAINING TALENT, SHARING KNOWLEDGE

In addition to the standardization of practices, the Group's international talent development strategy is based on training and skills enhancement.

Developing skills and know-how

In its first full year of operations, Technip University, the Group's professional development organization, launched 40 training seminars comprising of 27 different programs, spanning technological, managerial and focused areas. 11,666 training hours were delivered in 2009 to 1,102 employees. The Open-University concept was spearheaded, to promote and diffuse the Group's top priorities to all employees via distance learning. The first program, focusing on interculturalism, was launched in the fourth quarter of 2009. New themes will be developed in 2010, kicking off with HSE.

Sharing expertise and best practices

Technip implements an active Knowledge Management approach. Collaborative intranet portals for each discipline within the company are progressively being created, providing a forum for sharing best practices and exchange. The first of these portals, dedicated to the Subsea business, is already online.

The Expert Network, established in 2001 continues to develop and circulate expertise throughout the company. 470 experts strong, 50-some new experts joined the network in 2009.

Encouraging innovation

Employees are involved and interested in the life of the company, as shown by their participation in group-wide contests and surveys. In 2008, to celebrate Technip's 50th anniversary a "50 ideas for Technip's next 50 years" contest was launched. After a detailed examination by working groups involving almost 300 employees, 25 ideas were selected by the Group's Executive Committee for implementation in 2010. These initiatives include the creation of an initiation to sustainable development training program.

Two Group-wide awards encourage employee initiative. The Jacques Franquelin award rewards creativity and cooperative spirit. The Best Technical Publication Award recognizes employees who contribute to enhancing the Group's technological expertise and image.

F

REINFORCING SOCIAL DIALOGUE

In 2009, 44 new collective bargaining agreements were signed on such subjects as working time, training, work conditions, equal opportunity, health, hygiene and safety. 161 agreements are currently in force within the Group, a testimony to the quality of its social dialogue. The European Works Council was established in 2005. Its 15 employee representatives from 10 of the Group European countries meet twice yearly.



► Safety exercise on a project site.

SAFETY

MAKE SAFETY PART OF THE COMPANY'S DNA

Tens of thousands of people on project sites for a total of 372 million work hours in 2009... Technip's people work on complex projects and in sometimes hostile environments, making the risk of injury a key consideration in project planning. Thierry Pilenko, Chairman and Chief Executive Officer, has made a personal commitment to making Technip the reference company in the industry when it comes to the safety and the protection of all personnel on project sites.

Instill a safety reflex across the Group

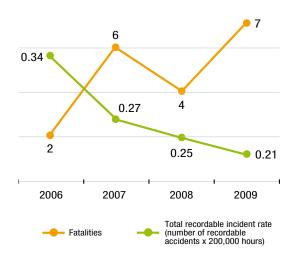
The Pulse program, which aims at promoting a safety culture in order to attain the highest level of safety performance, is deployed across the entire Group. In 2008 phase 1 of the program consisted in taking inventory of the existing situation and throughout 2009, 320 top managers received safety training. Then, in a top-down approach, these managers passed on the program's key messages to their teams. In phase 2, 120 employees also received training to become certified as Pulse trainers to ensure the deployment of the program to all managers. 2010 will see the continuation of phase 2 and the launch of phase 3 with the operational implementation of the program on all project sites managed by Technip.

Getting sub-contractors involved in safety

Safety on project sites is improving. The recordable incident rate continues to decrease, falling from 0.34 in 2006 to 0.21 in 2009. In spite of this improvement, Technip regrets that seven fatal accidents occurred on its project sites. In the face of these tragedies, Technip has decided to further involve all sub-contractor companies in safety. A training program has been designed exclusively for them. Set up in 2009, it will be extended to all projects in 2010. Technip's clients are particularly receptive to this program, which is seen as a real differentiator in our approach to safety.



TECHNIP'S SAFETY PERFORMANCE





3 QUESTIONS TO...

Ian Stevenson . Group HSE Director

In 2009 the HSE Division was reinforced with the appointment of a Group HSE <u>Director. What are the issues at stake?</u>

We have to ensure that safety culture becomes embedded for every Technip employee and deploy the HSE strategy across the entire Group. The annual HSE plan sets the direction that each Region and each project must then draw up in their own action plan for implementation. Project Managers play a key role: they relay information to the operational teams and ensure acceptable performance levels in the field.

What is your view on the seven fatal accidents in 2009?

These accidents are not acceptable to our business. Six of the seven people were employees of sub-contractor companies. We have therefore decided to include sub-contractors in the

Pulse program and to make compliance to International Association of Oil & Gas Producers (OGP) HSE standards, which are a reference in our sector, a selection criteria.

What are your priorities in 2010?

Safety training and two way communication with the workforce remain absolute priorities. The close monitoring of HSE Planning on large-scale projects such as the new Jubail refinery is also a key focus area. In 2010 visits to all of our project sites will allow us to ensure that directives are being applied in the field, to measure to what degree messages are understood and each individual is personally accountable. All employees and sub-contractors must become aware of the changes that have to be made to individual and collective behaviour towards safety in order to protect human lives.

Measure performances, define priorities

The real-time incident reporting and analysis tool deployed across the Group in 2008 has now been adopted by all new projects. This statistical performance data analysis tool serves as a guideline for Technip in its continuous improvement approach and in setting safety priorities.

HEALTH

PRESERVING THE HEALTH OF EMPLOYEES ALL OVER THE WORLD

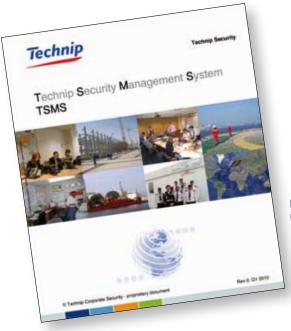
Technip employees operate in more than 50 countries and at times must travel through risk zones. Through policies based on precaution and prevention, Technip looks after their health and that of its partners and sub-contractors personnel.

Preventing risks linked to epidemics

Starting in April 2009, Technip made its employees aware of the H1N1 pandemic. It provided recommendations to travelers and posted information through the Group's medical intranet site about the virus, its spread and its consequences, as it was received. By the summer, a Group policy had been implemented to limit the risk of spreading the virus and to ensure access to care for potential cases. Recommendations were issued to adapt measures to each Region and entity. The Group is also involved in providing information about the prevention of other infectious diseases that receive less media exposure, such as malaria.

ASIAFLEX PRODUCTS: A MODEL OF HSE MANAGEMENT

The Pulse program has been implemented in an exemplary manner on the construction site of Asiaflex Products in Malaysia, Technip's new flexible pipe and umbilical production facility. For example, new workers must pass a test to ensure they fully understand the HSE requirements of the project. Numerous training sessions, briefings and motivational exercises are also used to raise awareness and improve the safety reflexes of all site personnel.



► The "Technip Security Management System®" guide will be published in 2010.

Foster prevention and screening on a daily basis

World vision day, sponsored by the World Health Organization, took place on October 8th, 2009. Technip took this opportunity to offer in offices exhibition and when possible vision screening to employees.

To respond to medical needs on its projects, Technip carried out medical audits in Ghana, Malaysia and Angola.

In 2009 a procedure was issued to improve repatriation coverage for travelers and expatriates and to ensure that the health of potential expatriates is suitable for their future work and living conditions.

SECURITY

PROTECTING PEOPLE, INSTALLATIONS AND INFORMATION

Safety, health... the third part of the triptych of a safe working environment is security. The top priority of Technip's Security Division is to protect employees against malevolent acts. To do so, it implements a strategy based on securing all work environments, reinforcing emergency response and crisis management procedures, protection of information and making simple and effective tools available to local security teams. The effectiveness of these means is backed by the development of a security culture in line with the Group Values and a high level of transparency and cooperation between employees, clients, partners and subcontractors.

Numerous initiatives were implemented in 2009, including the harmonization of standards and best practices across the different Group entities, finalization of the business continuity plan, which will allow the company to react in an emergency and maintain its activity in case of a major incident, or the performance of periodic IT security audits. Innovative measures were also put in place to protect offshore assets and to reduce the risk of piracy.



TOWARDS A MORE SECURE WORK ENVIRONMENT

The actions implemented in 2009 will be further reinforced in 2010. Among new initiatives will be the publication of the "Technip Security Management System®" manual: a reference guide for the integration of security rules at all stages of a project. Security of offshore operations will be strengthened thanks to the deployment of the Group's proprietary "Technip Security Navy Tracking" system. Employee involvement will continue through building awareness about data and information systems protection, simulation exercises and crisis management training.



► A bench made from recycled wood at the Yemen LNG project site.

Environmental responsibility is one of Technip's core Values. The Group, guided by these commitments expressed in a Charter, aims to provide its clients with solutions to the environmental challenges of the facilities that it designs, to meet its own objectives and to measure performance and communicate on progress achieved. The Group's technological portfolio and its strategy to get involved in the earliest stages of projects fosters the implementation of integrated solutions with high energy saving and environmental performances.

REDUCING THE FOOTPRINT OF TECHNIP'S ACTIVITIES

Minimizing the greenhouse gas emissions of its sites and assets

Environmental protection is everyone's business and the Group's approach can be seen at all levels of the company. In line with its commitment, Technip has harmonized its carbon dioxide ($\rm CO_2$) emission measurement tools and has conducted a complete carbon balance of the direct and indirect emissions of the Lyon operating center, including the transport of materials to its project sites. This study will allow Technip to establish a measurement model and to define best practices that can be then relayed across the Group. The 2009 carbon balance revealed total $\rm CO_2$ emissions of 217,062 tons (direct emissions and those linked to electricity consumption) and 302,890 tons (indirect emissions and those generated by subcontractors).

Several initiatives were implemented in 2009 to reduce ${\rm CO}_2$ emissions. In India, the installation of solar panels has increased the energy autonomy of the buildings and lowered electricity con-



In 2009 the Group Security Division, in cooperation with the Aberdeen operating center, held a crisis management exercise to prepare staff to manage environmental incidents at sea.



sumption. Finally, the use of video conferencing has been greatly reinforced to reduce emissions linked to travel.

In regards to the fleet, the Skandi Arctic, which went into operation in 2009, is equipped with catalytic filters that reduce nitrous oxide emissions by 85%. This vessel, like all new units within the fleet, is designed to comply to the strictest environmental standards and is undergoing international "clean design" certification. In order to reduce the impact of its activities, Technip is also taking action in terms of its waste production and water consumption (see environmental indicators on pages 60 and 61).

Include an environmental dimension in all projects

At every stage of a project, Technip takes the environmental challenges into account and offers innovative solutions while adapting its actions to the technical and geographic specificities of each project. In Yemen, for example, the 6,000 tons of wood left from the packaging of equipment installed on the vast Yemen LNG project site were entirely recycled for uses by local communities. On the Kupe project site in New Zealand, in order to avoid the leakage of oil-polluted water into the natural ecosystem, an original phyto-filtration system was built to recover and treat water. In Germany for the Shell Connect project, Technip came up with the solution of using pipelines, rather than boats, to transport products between the site's two refineries, located on different banks of the Rhine.

ENVIRONMENTAL PERFORMANCE source DJSI 2009/2010 Technip's performance 32% Industry average 40% Top industry performance 73%

Getting employees involved

No effort by the Group could succeed without the involvement and commitment of its employees. In 2009, to motivate employees to reduce water consumption, Technip's office in Abu Dhabi launched an awareness-raising campaign via posters and the intranet to get staff to use less water. This is a real priority in a country where the per capita water consumption is one of the highest in the world at 455 liters per person per day. In Houston, 121 employees volunteered to clean up Jamaica Beach after hurricane Ike. More than one hundred 100-liter bags of waste were collected.

OFFERING CLIENTS SOLUTIONS THAT RESPECT THE ENVIRONMENT AND NATURAL RESOURCES

Using technology to serve the environment

Technip's action on behalf of the environment is not limited to internal initiatives, it also participates in its clients' efforts to reduce the environmental impact of their industrial installations. Active Research and Development programs constantly develop new processes and innovative technologies both to reduce emissions and to recover and treat waste liquids. In regards to the crucial problem of carbon gas emissions, the Group's expertise is at work at every step of the service chain, from optimizing the energy efficiency of installations, through to the capture and storage of CO₂. Technip's expertise in this area has been strengthened by the partnership signed with Geogreen in 2008.



► In Brazil, to celebrate the Group's 50th anniversary, a program to plant 50 different species of trees was launched by the Macaé and Rio de Janeiro offices.

INFORM EMPLOYEES ABOUT CLIMATE CHANGE

On June 5th, 2009, Technip took part in the World Environment Day, sponsored by the United Nations Environment Program (UNEP). Events were held in various Group offices with a variety of speakers to inform employees about the consequences of global warming - a perfect opportunity to highlight best practices and everyday gestures everyone can implement.



3 QUESTIONS TO...

Valéria Bernardini • Environmental Systems Manager (Italy) and member of the EWG

What is the Environmental Working Group (EWG)?

The EWG is composed of managers from the different Regions of Technip who are experts in environmental issues. Our role is to support the Group HSE Division and entities in the definition and implementation of the company's environmental protection strategy.

In what areas does it intervene?

In order to attain and maintain an excellent environmental performance throughout the world, our work focuses on three main priorities: improve the quality and coherence of reporting systems, upgrade environmental performance standards, and strengthen internal and external communications on environmental subject with a view to sharing best practices and raising awareness.

Could you give us more details about the initiatives undertaken in 2009?

The EWG contributed to the integration of the new environmental reporting module within the existing incident and accident reporting system. It has now been adopted all over the world and provides the Group with a homogenous environmental database that is updated in real time.

An employee applied for a patent for a new fractioning process for the recovery of natural gas liquids from liquefied natural gas. This process will reduce air pollution and energy consumption as well as improve energy output and ethane recovery.

Making headway in renewable energies

Helping to build the planet's energy future also means developing alternative energy solutions. In 2009 Technip confirmed its commitment and ability to implement the expertise acquired from its core business in service of renewable energies, and in particular through such projects as the Hywind floating offshore wind turbine for StatoilHydro and renewable diesel production units for Neste Oil.



► Technip Norway employees in front of the Hywind wind turbine.



DEVELOPING LOCAL INDUSTRY AND SKILLS

Becoming a part of the local economy is a necessity to assist clients in their local development policies and to ensure the project's success by involving the local population.

A new dynamic for local economies

When setting up in a new country Technip relies upon local actors who know the market and its specifics. This is achieved through partnerships, as it was the case for the creation of the Al Khobar office in Saudi Arabia, and by getting local or regional suppliers and sub-contractors involved every time it's possible. In France, for example, Technip is part of the "Pacte PME" which gives it access to the expertise of 2,000 small-to-medium sized innovative French companies, thus contributing to their development.

Technip ensures that its projects act as drivers for local economies. During the construction phase, a project can mobilize several tens of thousands of people. For the needs of these projects entire cities are built. Whether its housing, roads or medical clinics, these project infrastructures invigorate the economy and provide a new dynamic for local businesses: commerce, hotels, transports and even agriculture.

Recruiting and developing local talent

Technip plays a key role as a local employer by giving priority to on-site hiring. For example, at Asiaflex Products, the Group's future flexible pipe and umbilical production facility in Malaysia, only 10 of the 300 employees will be expatriates. In Angola, the company that manages Technip's spoollbase in Dande is contractually obliged to increase local content with each new project. By the time the Jubliee, Pazflor and Block 31 projects reach completion, the company's headcount will be 70% Angolan.



➤ Technip encourages knowledge sharing and cooperation between its operating centers to ensure its clients receive the same level of expertise anywhere in the world.

This local content policy relies on the transfer of skills. Thanks to cooperation between Group operating centers, nine Angolan operators from the Dande base received training at the Evanton (United Kingdom) spoolbase. Upon their return to Dande they were able to pass on their new know-how to local teams.

This "act local" policy strengthens Technip's multicultural dimension utilizing this local talent serves to build Technip as an international Group with a strong local presence. In China, Indonesia, Russia or Brazil, new human resources pools are developing and represent an alternative solution to the shortage of specialists that has been seen in some of the Group's disciplines.



► Indonesia, October 2nd 2009.

To celebrate the Unesco's decision to add the traditional batik fabric dyeing technique to its cultural heritage list, Indonesians wore traditional dress to work on this day. As a sign of respect for the local culture many Technip employees, both locals and expatriates, also chose to wear it.

Providing access to knowledge to prepare tomorrow's employees

Across the globe, Technip fosters access to knowledge and works to enhance the image of the energy industry. In the United Kingdom, Technip works with a secondary school to raise awareness about its business and career opportunities. The company also took part in an event aimed at getting Scottish students interested in the oil and gas industry.

IMPROVING THE WELL-BEING OF LOCAL POPULATIONS

A member of United Nation's Global Compact since 2003, Technip's social accountability approach received SA 8000 certification in Italy in 2004. This certification is testimony that Technip's operations in the geographic zones managed by the Rome center respect human, children's and worker's rights. Beyond that framework, respecting local cultures is a priority and the Group is committed to improving the living conditions of local populations.

Listen and discuss

Getting the support of the local community is essential to the success of any industrial project. Creating a climate of trust is therefore a priority and Technip bases its approach on communication, understanding expectations and dialogue. The aim is not only to be transparent in all communications, but to also get to know the community and to implement initiatives that respect local culture and traditions. For example, on the project sites in Qatar and Yemen, Technip built places of worship to allow workers of various religious believes to practice their faith and traditions.

Working for good health

The health and safety of the men and women on project sites is a priority. To avoid serious medical problems, which are a potential source of accidents and absenteeism, the health checks offered to Group employees have been extended to sub-contractor personnel. In Columbia, medical services, medicine and lab tests are also provided to homeless people near Technip's offices. The Group also participates on a regular basis in various events linked to public health.

PARTNERSHIP IN SAUDI ARABIA

Technip has created a new engineering center in Al Khobar through a joint venture with a local engineering company, SaudConsult. This office will be organized along the lines of other Group engineering centers and will employ a number of Saudi specialists, market experts and young graduates. The center, which will be operational mid-2010, will employ approximately 500 people and play a role in the development of the Group in the Middle East Region.



3 QUESTIONS TO...

Lugi Al-Noumi • Deputy Industrial Relations Manager Yemen LNG project

Are community relations important for a project like Yemen LNG?

Yes! This project is the biggest work site in Yemen and we have hired over 12,000 Yemeni employees. These enormous workforce requirements make establishing good relationships between all parties essential: the client, the project teams, local authorities and sub-contract companies. My role is to facilitate this.

How do you ensure good communications with the local population?

First, by being transparent. We communicate information about job opportunities and HR statistics on a regular basis, highlighting the economic role of the project. Local authorities are always welcome to visit the project site and to observe working conditions.

What initiatives have been implemented to create good relationships?

Many popular, federating events are proposed to everyone on site. A football championship was established in 2008 and is a prime example. More than 450 people participated in the tournament and the final game between two Yemeni teams attracted 2,500 spectators.

Supporting local associations and social organizations

Many of Technip's women and men contribute to charitable organizations, the Group encourages and supports such acts of solidarity. Across the globe it invests in a multitude of humanitarian causes, and in particular, disaster relief, children's causes and combating of inequality. To name just a few examples, in 2009 funds were collected for the victims of forest fires in Australia and the earthquake in Aquila, Italy. In Thailand, food, clothing, toys and sports equipment were donated to 500 homeless children. In the United States, volunteers from the Houston office took part in building a house for a family in need.



▶ Nigeria 2009: members of the Oyo project team donated food products to a charitable organization for distribution to the inhabitants of Isolo, a village close to Lagos.



A dividend of = 1.35 per share (+12.5%)

More than 70 client satisfaction surveys conducted in 2009

► In carrying out its business activities, Technip is committed to creating value for all of its stakeholders.

In terms of economic responsibility, Technip's primary concern is to execute projects in a profitable manner in order to ensure its own growth and the employment of its workforce but also to meet the expectations of its external economic partners. Sharing profitability with shareholders, delivering quality installations to clients at optimized cost, providing market opportunities to equipment suppliers and construction sub-contractors while including them in the Group's sustainable development approach, these are all daily priorities for the company.

ASSOCIATING SHAREHOLDERS WITH THE GROUP'S GROWTH

Technip continued to focus on project execution performance, selectivity in answering calls for bids and careful cash management despite the uncertainties that weighed upon the oil and gas market in 2009. This strategy allowed the company to attain a record operating margin of 10.5% of revenues and to end 2009 with €1.78 billion in net cash on the balance sheet. Working capital was €2.7 billion at the end of 2009 compared to €2.5 billion at year-end 2008.

Thus, confident in the Group's capacity to ensure long term profitable growth and to create value for its shareholders, Technip's Board of Directors decided to propose a 12.5% increase in the dividend to the Annual Shareholder's Meeting, bringing it to €1.35 per share.



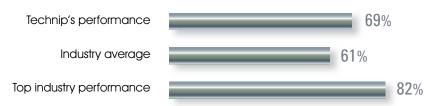
ENSURING A HIGH LEVEL OF OPERATIONAL EFFICIENCY FOR ITS CLIENTS

Present on all continents, in 2009 Technip further strengthened its proximity to oil and gas companies and the zones where they operate with the creation of a seventh Region in the Middle East, headquartered in Abu Dhabi.

Technip is committed to providing its clients with quality services and to building high-performance installations. All of the Group's operating centers have undertaken the process of certifying their quality management systems according to ISO 9001 standards. In order to improve the operational efficiency of project management processes, an approach based on ISO 10006 standards is being generalized throughout the Group.

► ECONOMIC PERFORMANCE

source DJSI 2009/2010



An evaluation process enables the quality of Technip's work to be measured in nine areas (HSE, project management, client relations, documentation, planning, costs, resources, contract management and execution performance). This evaluation, which is carried out at different stages of a project through surveys, informs Technip of its clients' expectations and allows the identification of improvement measures. In 2009, more than 170 surveys where conducted across the Group, a slight increase over 2008.

GETTING SUPPLIERS INVOLVED IN THE SUSTAINABLE DEVELOPMENT APPROACH

In addition to competitiveness and technical performance, Technip also takes sustainable development criteria into account when selecting equipment suppliers to be referenced in the Group's supplier database. Project performance, quality and HSE management, technical and industrial capacity, financial health and structure as well as the respect of Technip's fundamental Values are among the main selection criteria.

Since 2006, a reference to Technip Values and the company's compliance to the United Nations Global Compact is included in the Group's general purchasing terms and conditions. In order to ensure that these Values are respected, the Group relies upon a local network of expediting and inspection agents who ensure close monitoring.

Furthermore, Technip encourages its suppliers to implement a real sustainable development approach within their own companies and conducts "sustainable procurement" initiatives within its local entities (see interview).

In cooperation with its clients, the Group also develops procurement policies that aim to strengthen local content. These objectives are part of contractual commitments and are drawn up on a case by case basis, depending on the local industry and human resources.



► Project meeting, Houston (USA).

TECHNIP ••• 2009 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT



3 QUESTIONS TO...

Pasquale Di Rubbo • CSR Manager (Italy)

Please tell us about the sustainable procurement initiatives implemented in Italy.

Technip Rome launched an initiative to get suppliers more involved in the company's global Corporate Social Responsibility (CSR) policy. Within the framework of each project we send questionnaires to all potential suppliers in order to evaluate their position in terms of human and labor rights. After an order is awarded the process continues with the integration in the contractual documents of specific clauses referring to the principles of the SA 8000 international standard, for which we received certification in 2004. We also conduct audits in the aim of identifying points to be improved and to help suppliers make progress in these areas.

What are the advantages?

These initiatives contribute to social progress by encouraging suppliers to improve their human and labor rights practices. They also have a positive effect on our image and reputation. Working with reliable suppliers gives us a competitive advantage in the eyes of our clients, who are very demanding on this subject.

What is your objective for the coming years?

We plan to get the supply chain involved in other sustainable development-related issues such as environmental services and the supply of "green" equipment.

MAKING CONSTRUCTION SUB-CONTRACTORS ACCOUNTABLE

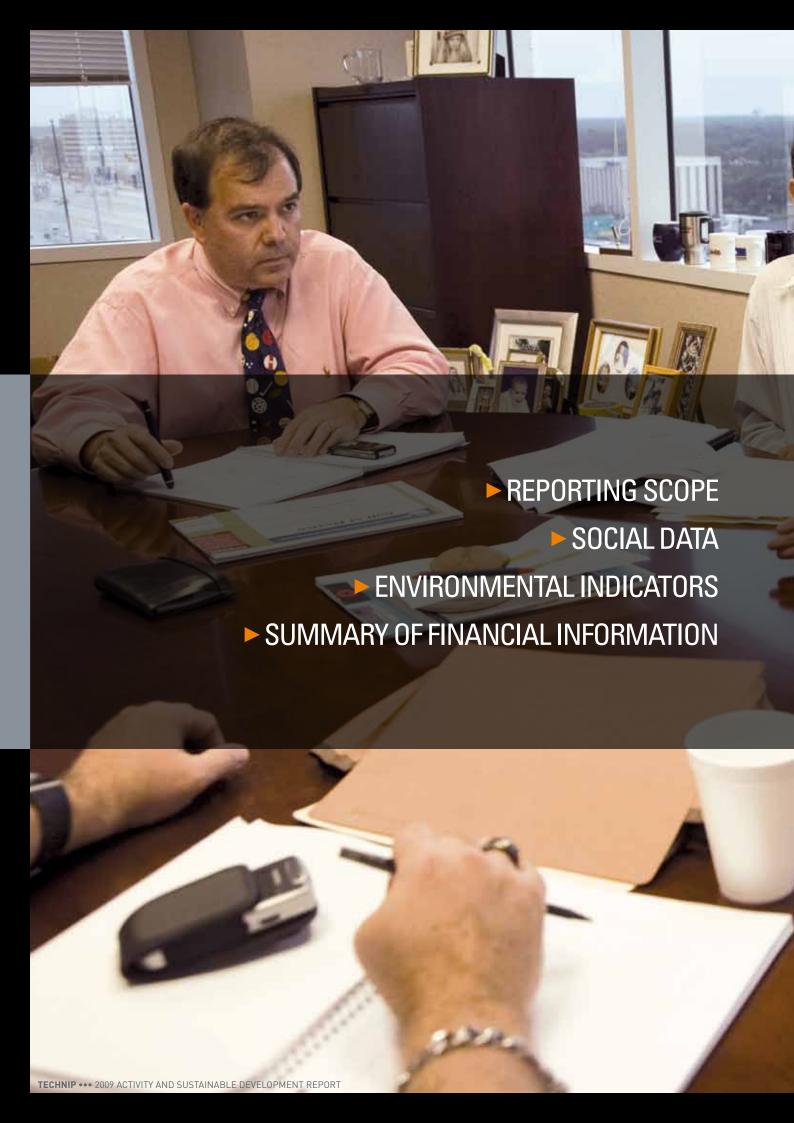
Technip calls upon sub-contractors for the construction works on the installations it engineers. These services are regulated by contractual obligations, in particular in regards to sustainable development. The construction companies are thus obliged to adhere to defined rules relating to the management of environmental risk, guarantee working conditions that comply with legislation in force as well as the Values defended by Technip and its clients. In addition, contractual terms enable costs relating to work site clean-up and rehabilitation to be shared and to reward companies with high safety performances. During the entire construction phase environmental protection is also a priority. For example, the Group, along with its sub-contractors, ensures that waste water is treated and recycled for use in construction or irrigation.

Above and beyond legal and contractual obligations, Technip passes along its sustainable development policies to construction sub-contractors during the entire bid preparation process. During negociations, Technip presents the project's environmental risks and the preventive measures to be taken and requires sub-contractors to accept them. During the execution of a contract, charters outlining common values applicable to the project sites are drawn up jointly by Technip, its clients and sub-contractors. A common environmental and risk prevention management model is also defined. Finally, during the formalization of feedback, the construction companies are evaluated in terms of quality and HSE.



STRENGTHENING CONSTRUCTION SERVICES IN THE MIDDLE EAST

Technip has established a construction development center in Abu Dhabi to enhance its expertise and project site supervision capabilities in the Middle East. In 2009, the Group also initiated important partnerships with two construction companies, Lilama and Eleco, in order to secure the entire on-site project execution chain in the region.





AN OBLIGATION FOR TRANSPARENCY

Financial data, social and environmental indicators, all of these types of information reflect the Group's drive for excellence. These figures are communicated in a transparent manner and underscore both improvements that have been made and areas to be improved. In drafting this report, Technip refers to the Global Reporting Initiative (GRI) standards, the most frequently used reference when it comes to non-financial reporting. Again this year, Technip has asked the GRI to validate the conformity of its reporting approach.



REPORTING SCOPE

SOCIAL DATA

The reporting scope was extended to 57 entities to include the acquisition of two new companies by the Group, one in France (16 people) the other in Brazil (101 people). The data reported thus covers 100% of the Group's international scope unless otherwise mentioned.

Since 2006 the input, collection and consolidation of social data has been conducted using a common software tool across the Group. Users dispose of an indicator definition protocol that is reviewed and improved each year based upon feedback from the entities and the problems observed. Data consolidation is centralized by the Group Human Resources Division.

ENVIRONMENTAL DATA

Environmental data is collected annually by means of a worldwide data management system. More than 79 staff members in over 30 countries including project sites participate in data collection.

92% of Group entities and main projects report data related to these various indicators. This reliable data thus enables changes to be measured at each site.

The main social, environmental and financial data are listed in the following pages of this Report. More information are also available in the 2009 Reference Document.





SOCIAL DATA

worldwide, unless otherwise indicated

▶ Breakdown of employees by geographic zone

	2009	2008
Europe	10,599	10,243
Americas	4,906	5,125
Asia Pacific	5,006	4,930
Middle East	1,484	1,738
Africa	795	548
Russia & Central Asia	159	169
Regular workforce ⁽¹⁾	22,949	22,753
Other contracted workforce	2,111	3,152
TOTAL	25,060	25,905

(1) Employees on payroll and contracted workers in Technip plants, yard and fleet.

► Payroll employee arrivals and departures

	2009	2008
Arrivals	2,322	4,747
Permanent contracts	1,223	3,041
Temporary contracts (fixed-term)	1,099	1,706
Departures	2,957	3,269
Permanent contracts	1,899	2,127
Temporary contracts (fixed-term)	1,058	1,142
Economic lay-offs	522	15
Renewal rate of permanent positions ⁽¹⁾	0.64	1.43

(1) Start/termination of permanent positions.

► Breakdown of employees by category

TOTAL	25,060	25,905
 Other contracted workforce 	2,111	3,152
- Contracted workers in plants, yard and fleet	2,733	2,175
Contracted employees	4,844	5,327
 Temporary contracts (fixed-term) 	2,268	2,513
 Permanent contracts 	17,948	18,065
Employees on payroll	20,216	20,578
	2009	2008

Breakdown by gender

	2009	2008
Executive Committee	7	8
Women	0%	13%
Men	100%	87%
Managers	2,111	3,290
Women	14%	15%
Men	86%	85%
Others	18,098	17,280
Women	26%	27%
Men	74%	73%
TOTAL	20,216	20,578
Women	25%	25%
Men	75%	75%

Organization of working hours

	2009	2008
Full-time work	19,731	20,152
Part-time work	485	426
Employees working in teams	1,686	1,723
Overtime (France and regional headquarters)	695,690	729,487

Absenteeism

	2009	2008
Total rate of absenteism (sickness/accident)	1.84%	1.78%
Number of days lost due to strikes	143	0

▶ Breakdown of expatriates by geographic origin

	2009	2008
Europe	670	637
Asia Pacific	310	268
Middle East	195	291
Americas	92	81
Africa	7	7
Russia & Central Asia	0	0
TOTAL	1,274	1,284

► Training of employees on payroll

	2009	2008
Hours of training	632,917	659,144
Technical training	244,565	310,071
Non-technical including management, cross disciplines	227,721	173,080
Health/safety/security	96,123	109,904
Languages	55,512	58,753
Human rights, ethics and Technip Values awareness training	8,996	7,336
Number of employees on payroll who benefited from at least one training course during the year	15,239	15,405
Women	3,999	3,823
Men	11,240	11,582
Average hours of training per employee on payroll	31	32

► Annual performance reviews

	2009	2008
Percent of payroll employees assessed	90%	77%

Profit sharing (in € thousands)

	2009	2008
Amounts allocated to incentive profit sharing (France, Spain, Italy)	12,771	2,594
Amounts allocated to mandatory profit sharing (France)	13,683	19,852

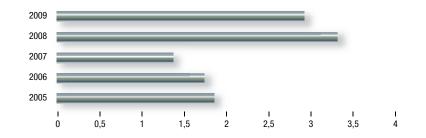
ENVIRONMENTAL INDICATORS

	2009	2008	2009 Breakdown			
			Construction project sites	Fabrication Units	Fleet	Offices
▶ Paper						
Paper (tonnes)	767	1 021		19		748
► Energy	1,222,325	1,939,100	362,405	81,258	749,289	29,373
Direct energy consumption (MWh)						
- Gas (MWh)	16,738	35,828	227 402	13,547	740.200	3,191
- Fuel-oil, diesel (MWh) Indirect energy consumption (MWh)	1 102,349	1 737,438	337,483	14,235	749,289	1,342
- Electricity (MWh)	103,238	165,834	24,922	53,476		24,840
▶ Water						
Total water consumption (m³)						
– Water	4,514,993	4,720,979	4,097,290	198,489	72,282	146,932
► Waste water ⁽¹⁾						
Industrial & domestic effluents (t) (1) Effluents treated by Technip assets and discharged directly into the natural environment	2,240,310	1,159,343	2,130,974	45,585	63,751	
▶ Waste						
Non-hazardous waste (t)	63,302	76,742	59,454	29	1	3,818
Hazardous waste (t)	2,441	4,325	2,421	2	14	4
Total waste (t)	65,743	81,067	61,875	31	15	3,822
Non-hazardous waste recycling rate			60%	93%	36%	99%
► Greenhouse gas emissions CO₂ (t)						
Direct emissions (t CO₂ equiv)	435,860	441,533	234,162	1,044	200,266	388
- Indirect emissions ($t CO_2$ equiv)	20,456	78,419	5,092	9,719		5,645
Total	456,316	519,952	239,254	10,763	200,266	6,033
Expenditure to prevent environmental impact of operations (k€)						
Functional expenditures (k€)	324,877	369,527				
Total expenditures (k€)	1,456,900	673,623				
Provisions and guarantees for environmental risks $(k \in)$	-	-				
Decontamination cost $(k \in)$	0	0				
Number of fines and compensation awards $(k \in I)$	1	0				
Amount of fines and compensation awards ($k \in$)	80	0				

	2009	2008	2009 Breakdown			
			Construction project sites	Fabrication Units	Fleet	Offices
▶ Performance indicators						
Energy consumption (kWh/h)	3.4	12.4	1.1	23.2	63.9	2.2
Water consumption (I/h)	12.29	17.89	56.59	6.16	10.97	10.25
Waste (kg /h)	0.18	0.26	0.19	0.01	0.01	0.29
Greenhouse gas emissions (kg eq CO ₂ /h)	2.94	3	1.96	2.10	22.34	0.31
► Management System						
Sites in reporting scope	92%	93%				
ISO 14001 certified sites	25	25				
► Total man-hours worked (millions)	372	488				

All 2009 indicators showed improvement compared to the previous year

▶ Greenhouse gas emission (kg equivalent of CO₂ per hour) In 2009 greenhouse gas emissions totalled 456,316 tons equivalent of CO₂.

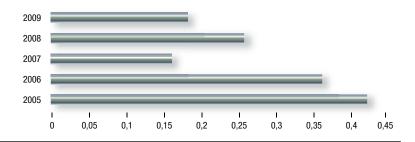


Waste

(kg per hour)

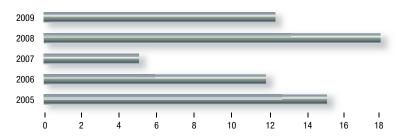
65,743 tons of waste were produced during the year, of which less than 4% was hazardous waste.

The volume of waste was also reduced in 2009.



Water consumption (litters per hour)

Water consumption in 2009 was stable at $4.5 \text{ million } \text{m}^{\text{3}}.$



SUMMARY OF FINANCIAL INFORMATION

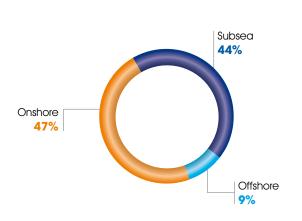
► Consolidated statement of income (in € million)	2009	2008
Revenue	6,456.0	7,481.4
Gross margin	1,141.9	1,139.7
Research & development expenses	(53.5)	(44.9) (437.9) 656.9
SG&A & other operating expenses	(411.7)	
Operating income from recurring activities	676.7 (2.5) (245.0)	
Income from sale of activities		
Provision for TSKJ matter		
Operating income	429.2	656.9
Financial income (charges)	(60.7)	(11.0)
Income from equity affiliates	4.7	2.2 648.1
Profit before tax	373.2	
Income tax	(194.7)	(193.8)
Tax on sale of activities	-	-
Minority interests	(8.1)	(6.3)
Net income	170.4	448.0
► Consolidated balance sheet at December 31 (in € million)	2009	2008
Fixed assets	3,646.0	3,387.7
Deferred taxes	263.8	201.4
Non-current assets	3,909.8	3,589.1
Construction contracts	158.0	140.8
Inventories, trade receivables and others	1,845.9	1,997.3
Cash & cash equivalents	2,656.3	2,404.7
Current assets	4,660.2	4,542.8
TOTAL ASSETS	8,570.0	8,131.9
Shareholders' equity (parent company)	2,686.7	2,473.4
Minority interests	30.4	22.3
Shareholders' equity	2,717.1	2,495.7
Non-current debts	844.5	734.2
Non-current provisions	100.4	104.2
Deferred taxes and other non-current liabilities	124.9	142.0
Non-current liabilities	1,069.8	980.4
Current debts	28.2	25.9
Current provisions	484.1	182.0
Construction contracts	975.6	1,253.0
Accounts payable & other advances received	3,295.2	3,194.9
Current liabilities	4,783.1	4,655.8
Total shareholders' equity & liabilities	8,570.0	8,131.9

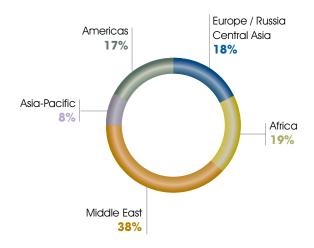
► Consolidated statement of cash flow (in € million)	2009	2008
Net income	170.4	448
Depreciation of fixed assets	224.1	188.6 26.1 6 (20.1) 29 4.1 681.7 (227)
Stock option and performance share charges	38.6	
Long-term provisions (including employee benefits)	(7.4)	
Deferred income tax	(58.4)	
Capital (gain) loss on asset sale	(0.8)	
Minority interests and other	6.1	
Cash from operations*	372.6	
Change in working capital*	261.5	
Net cash provided by (used in) operating activities	634.1	454.7
Capital expenditures	(423.6)	(401.3)
Cash proceeds from asset sales	2.9	5.1 (0.1) (15) 411.3
Acquisitions of investments, net of cash acquired	(0.3)	
Change of scope of consolidation	(8.1)	
Net cash provided by (used in) investment activities	429.1	
Increase (decrease) in debt	84.1	78.5
Capital increase	0.6	71.3
Dividend payment	(127.5)	(125.1)
Treasury shares	-	0.5
Net cash provided by (used in) financing activities	42.8	25.2
Foreign exchange translation adjustment	92.4	68.5
Net increase (decrease) in cash and equivalents	254.6	0.1
Bank overdraft at period beginning	(4.2)	(1.1)
Cash and equivalents at period beginning	2,404.7	2,401.5
Bank overdraft at period end	(1.2)	(4.2)
Cash and equivalents at period end	2,656.3	2,404.7
* TSKJ provision classified as current, negatively impacted cash generated from operations and positively impacted change	254.6	0.1

^{*} TSKJ provision classified as current, negatively impacted cash generated from operations and positively impacted change in working capital in the fourth quarter 2009

▶ 2009 revenue by segment

▶ Backlog at year-end by geographical area





► GLOSSARY

Biofuels

Fuels produced from biomass (rapeseed, sunflower, sugar beets...).

CCS (Carbone Capture and Storage)

The CCS is a solution for reducing greenhouse gas emissions from industrial installations in response to global warming.

Cracking furnace

Furnace used to « crack » long-chain hydrocarbons, breaking them down into short-chain ones.

Cryogenic flexible pipe

A thermally insulated flexible pipe used for the transfer of LNG at a temperature of -162°C, and for the return of the gas between the terminal or treatment unit (liquefaction or re-gasification) either onshore, offshore and transport vessel.

Development (of a gas or oil field)

All operations associated with the exploitation of an oil or gas field.

DJSI (Dow Jones Sustainability Index)

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

Ethylene

Principal intermediate product used in the petrochemical industry for the production of derived products. A colorless, inflammable gas, it is produced through steam cracking of oil or gas.

FEED

Front-End Engineering Design. Engineering studies whose detail allows the client to launch the bidding process for the execution of the project.

FLNG (Floating Liquefied Natural Gas)

This term covers two markets: the reception terminals located close to the coast and the offshore liquefaction units. In a FLNG solution, the gas liquefaction installations are located directly above the offshore gas field, thus making the construction of long subsea pipelines and large onshore infrastructure unnecessary.

Floatover

Installation method of an integrated production deck (topsides) on a fixed or floating offshore structure without heavy lift operations.

Flowline

A flexible or rigid pipe, laid on the seabed, which allows the transport of oil/gas production or injection of fluids.

FPSO (Floating, Production, Storage and Offloading)

A converted ship or custom-built vessel used to process oil and gas and for temporary storage of the oil prior to transport.

FSHR (Free Standing Hybrid Riser)

A deepwater riser configuration consisting of a vertical rigid pipe section between the seabed and a submerged buoy and a catenary flexible pipe jumper between the submerged buoy and the floater.

Global Compact

International initiative of the United Nations, launched in 2000. It unites businesses, United Nations bodies, labor groups and civil society around ten universal principles relating to human rights, labor and the environment. Technip has been an official member of the Global Compact since 2003.

Global Reporting Initiative

A network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide.

In order to ensure the highest degree of technical quality, credibility and relevance, the reporting framework is developed through a consensus-seeking process with participants drawn globally from business, civil society, labor, and professional institutions.

HSE (Health, Safety and Environment)

Defines all measures taken by Technip to guarantee the occupational health and safety of individuals and the protection of the environment during the performance of it business activities, whether in offices or on construction sites.

Hydrocarbons

A hydrocarbon is an organic compound composed exclusively of carbon and hydrogen atoms.

LNG (Liquefied Natural Gas)

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

Petrochemicals

Industry relating to chemical compounds derived from hydrocarbons.

Pipe-in-pipe

An assembly of steel pipes consisting of a standard production pipe surrounded by a carrier pipe. The gap between the carrier and production pipes is filled with an insulation material.

Refinina

All physical and chemical operations which allow the production of commercial products (gasoline, diesel fuel, lubricants, etc.) from crude oil.

Riser

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

Semi-submersible platform

Offshore platform that is stabilized by pontoons whose degree of immersion can be changed through ballasting and de-ballasting.

Spar

A cylindrical, partially submerged offshore drilling and production platform that is particularly well-adapted to deepwater.

TLP (Tension Leg Platform)

Floating production platform anchored by tensioned cables, thus limiting vertical movement caused by heavy swells. This platform design allows for the well-heads to be located at the surface, on the platform.

Umbilical

An assembly of hydraulic hoses, which can also include electrical cables or optic fibers, used to control subsea structures from a platform or a vessel.

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