

## **CAPITAL INCREASE RESERVED FOR EMPLOYEES**

Technip will implement a capital increase in favor of Group employees and retirees pursuant to Article L.225-138-1 of the French Code of Commerce and Article L.3332-18 et seq. (formerly L.443-5) of the French Labor Code. For employees in the United Kingdom, this initiative will take the form of an offer to purchase existing treasury shares through a Share Incentive Plan under English law and its own terms and conditions.

### **TERMS AND CONDITIONS OF THE OFFER**

#### **ISSUER**

TECHNIP

EURONEXT PARIS - compartment A – Euronext

Common share ISIN code: FR0000131708

Security eligible for Deferred Settlement Service (*Système de Règlement Différé* (SRD))

#### **PURPOSE OF THE TRANSACTION – GROUNDS FOR THE OFFERING**

On the basis of the authorization granted by the Combined General Shareholders' Meeting held on April 27, 2007, (25<sup>th</sup> and 26<sup>th</sup> resolutions), at its meeting on February 20, 2008, the Board of Directors decided to undertake a capital increase in favor of members of the Technip Group Savings Plan (PEG) pursuant to Article L.225-138-1 of the French Commercial Code and Articles L.3332-18 et seq. (formerly Article L.443-5) of the French Labor Code.

This share offering is proposed to all Group employees in France, Australia, Belgium, Brazil, Canada, Finland, Germany, India, Indonesia, Italy, Malaysia, the Netherlands, Norway, Spain, Thailand, the United Arab Emirates and the United States who are eligible for the Technip Group Savings plan, subject to the receipt of local authorizations required in certain countries.

The subscription of shares will be conducted in accordance with applicable legislation in the various countries included in the scope of the offering as described below, either directly, or through a *Fonds Commun de Placement d'Entreprise* (employee shareholding investment vehicle or FCPE).

The purpose of this international employee shareholding initiative is to more closely associate Technip employees to the development and the results of the Group.

## SECURITIES OFFERED

During the Combined General Meeting of 27 April, 2007 Technip shareholders granted authorization to the Board of Directors:

- (i) under the 25<sup>th</sup> resolution, to increase the company's share capital on one or on several occasions, at its discretion, up to a maximum nominal amount representing 3% of the share capital as at the date the authorization was granted, by the issue of new shares or other securities giving access to the capital of the company reserved for the members of the saving plan of the company and French and foreign companies affiliated with it pursuant to Article L.3344-1 (formerly L.444-3) of the French Labor Code, and
- (ii) under the 26<sup>th</sup> resolution, to increase the company's share capital on one or on several occasions up to a maximum nominal amount representing 3% of the company's share capital (amount to be deducted from the limit mentioned in the 25<sup>th</sup> resolution), through the issue of new shares or other securities giving access to the capital of the company reserved for entities constituted on behalf of Group employees or financial institutions involved in the establishment of the structured offer.

In accordance with this authorization, on February 20, 2008 the Board of Directors decided to undertake a capital increase in favor of members of the Technip Group Savings Plan and to set the maximum nominal amount at 3% of the share capital as at the date of its decision *i.e.* a maximum of 3,220,980 shares (rounded down to the closest whole number).

Based on past operations, Technip anticipates an issue of about 1,000,000 new shares, representing approximately 1% of the share capital. However, the actual subscription rate will depend on the reception received from employees to this offer and the economic conditions at subscription (in particular the reference price of the shares that will be determined on September 3, 2008).

On September 3, 2008 (indicative date), the Chairman and Chief Executive Officer of Technip, acting by delegation on behalf of the Board of Directors, will determine the dates of the subscription period and determine the subscription price of the newly-issued shares which will be equal to the average of the opening share price of Technip shares on EURONEXT PARIS over the twenty trading days preceding the date of the aforementioned determination less a 20% discount.

The newly-created Technip shares will bear dividend rights as of January 1, 2008.

Depending on the country, from one to three subscription plans are available to the beneficiaries of this offering in favor of employees: a "Multiple", a "Secure" and/or a "Classic" plan.

## SUBSCRIPTION CONDITIONS AND RIGHTS ATTACHED TO THE SHARES

Beneficiaries of the offer: the beneficiaries of the offer are members of the Technip Group Savings Plan in force within Technip SA and its subsidiaries within the parameters described below. Employees must have at least three months' seniority by the end of the subscription/cancellation period in order to qualify.

Companies within the scope of the offering: Technip, with a share capital of € 81,873,135.55 and whose registered office is located at 6-8, allée de l'Arche, Faubourg de

l'Arche – Zac Danton, 92400 Courbevoie and companies which are members of the Group Savings Plan (PEG) with registered offices in France, Australia, Belgium, Brazil, Canada, Finland, Germany, India, Indonesia, Italy, Malaysia, the Netherlands, Norway, Spain, Thailand, the United Arab Emirates, and the United States, subject to receiving local authorization in certain of these countries.

Existence or absence of preferential subscription rights in the event of a capital increase: the present transaction is undertaken without preferential subscription rights.

Subscription terms and conditions: the shares shall be subscribed either directly or through the *FCPE* depending on the beneficiary's country of residence. In some countries, the "Multiple" plan will be offered through the allocation of Stock Appreciation Rights.

Voting rights: the voting rights will be exercised by the *FCPE* Supervisory Board in the case of shares subscribed to and held via an *FCPE* or directly in the case of direct holdings by employees.

The voting rights associated with the shares subscribed to directly or subscribed to and held via the specific *FCPE* reserved for employees of the Group's subsidiaries located in Italy will be exercised directly by the employees.

Subscription limit: the annual payments made by a beneficiary to the Group Savings Plan shall not exceed, in accordance with Article L.3332-10 (formerly L.443-2) of the French Labor Code, one-fourth of the beneficiary's gross annual remuneration for 2008.

For the "Multiple" plan, the employee's contribution must be taken into account ten times to establish if this limit has been met. In the case of subscriptions during the subscription/cancellation period, subscriptions to the "Multiple" and "Security" plans are limited to 0.5% of gross annual remuneration.

If the total number of shares subscribed exceeds the number of shares offered, the conditions for reducing individual subscription amounts determined by the Board of Directors on February 20, 2008 will be applied.

Lock-in period applicable to the Technip shares or to the *FCPE* units: the subscribers to the offer shall either hold the subscribed shares directly or corresponding units of the *FCPEs*, during a five-year period, with the exception of certain early release events provided for in Article R.3324-22 (formerly R.442-17) of the French Labor Code. In countries other than France some early release events do not apply under local legislation.

## **INDICATIVE CALENDAR**

Reservation period: from June 9, 2008 to June 27, 2008 inclusive

Subscription/Cancellation period: from September 8, 2008 to September 12, 2008 inclusive

Capital increase: October 17, 2008 (date subject to change)

The dates of the reservation period may differ in certain countries pursuant to local legal and fiscal regulations.

The dates following the reservation period indicated above are provided on an indicative basis and may be subject to change. The dates will be finalized by an upcoming decision by the Chairman and Chief Executive Officer acting by delegation on behalf of the Board of Directors.

## LISTING

The listing of the newly-issued Technip shares on the Euronext PARIS will be requested as soon as possible following the completion of the capital increase scheduled to take place on October 17, 2008.

## HEDGING TRANSACTIONS

The implementation of guaranteed plans is likely to require the financial institution counterparty to the swap to enter into hedging transactions, prior to the implementation of the offering and during the entire period of the offering.

## SPECIAL NOTE REGARDING THE INTERNATIONAL OFFERING

This press release does not constitute an offer to sell or a solicitation to purchase Technip shares. The offering of Technip shares reserved for employees will be conducted only in countries where such an offering has been registered with the competent local authorities and/or in countries where all required filing procedures and/or notifications have been completed or waived in accordance with applicable laws.

This press release is not intended to be sent to employees in countries where the foregoing procedures would be equivalent but which have not yet been effected or where relevant authorizations may be granted. Copies of this press release will not therefore be distributed in such countries.

This new international employee shareholding initiative is part of the Group's policy to mobilize its entire staff towards the implementation of the Group's new strategy.

The present document constitutes the press release required by the AMF in accordance with Articles 212-4(5°) and 212-5(6°) of the AMF General Regulations and Article 14 of circular n° 2005-11 of December 13, 2005.

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With a workforce of 23,000 people, Technip is a worldwide leader in the field of oil, gas and petrochemical engineering, construction and services. The Group is headquartered in Paris. The Group's main operating centers and business units are located in France, Italy, Germany, the UK, Norway, Finland, the Netherlands, the USA, Brazil, Abu-Dhabi, China, India, Malaysia and Australia.

In support of its activities, the Group manufactures flexible pipes and umbilicals, and builds offshore platforms in its manufacturing plants and fabrication yards in France, Brazil, the UK, the USA, Finland and Angola, and has a fleet of specialized vessels for pipeline installation and subsea construction.

The Technip share is listed in Paris on Euronext Paris.





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