



## PRESS RELEASE

### **FMC Technologies and Technip to Combine: Driving Change by Redefining the Production and Transformation of Oil and Gas**

#### *Strategic Highlights*

- Creates a leader in Subsea, Surface and Onshore/Offshore, driven by technology and innovation
- Builds a comprehensive and flexible offering across each market from concept to project delivery and beyond
- Accelerates growth: broader portfolio of solutions will increase innovation, improve execution, reduce costs and enhance customer success
- The combined company will be called TechnipFMC. It brings together two complementary market leaders and their talented employees, building on the proven success of their existing alliance, enabling rapid integration.

#### *Financial Highlights*

- Combined 2015 revenue of \$20 billion and EBITDA <sup>(1)</sup> of \$2.4 billion; \$20 billion backlog on March 31, 2016
- All-stock transaction: Technip shareholders to receive 2.0 shares of the combined company for each share of Technip; FMC Technologies shareholders to receive 1.0 share of the combined company for each share of FMC Technologies; TechnipFMC to be listed on the New York and Paris stock exchanges
- Expected to deliver at least \$400 million in annual pretax cost synergies in 2019
- Significantly accretive to both companies' earnings per share
- One of the strongest balance sheets in the industry

**Paris and Houston, May 19, 2016** —Technip (Euronext: TEC) and FMC Technologies, Inc. (NYSE: FTI) today announce that the companies will combine to create a global leader that will drive change by redefining the production and transformation of oil and gas. The combined company, which will be called TechnipFMC, would have an equity value of \$13 billion based on pre-announcement share prices.

The companies have entered into a Memorandum of Understanding (MOU) and expect to execute a definitive business combination agreement to combine the companies in an all-stock merger transaction. Under the terms of the MOU, Technip shareholders will receive two shares of the new company for each share of Technip, and FMC Technologies shareholders will receive one share of the new company for each share of FMC Technologies. Each company's shareholders will own close to 50 percent of the combined company.

The transaction brings together two market leaders and their talented employees, building on the proven success of their existing alliance and joint venture, Forsys Subsea, uniting innovative technologies, common cultures and values, enabling rapid integration. The combined company will offer a new generation of comprehensive solutions in Subsea, Surface and Onshore/Offshore to reduce the cost of producing and transforming hydrocarbons. TechnipFMC's flexible commercial model will provide both integrated and discrete solutions to customers across the value chain. With

(1) EBITDA before restructuring, impairment and other exceptional items as defined by both companies in their respective previous public filings

more than 49,000 employees operating in over 45 countries, TechnipFMC generated 2015 combined revenue of approximately \$20 billion and combined 2015 EBITDA of approximately \$2.4 billion. As of March 31, 2016, the two companies together had consolidated backlog of approximately \$20 billion. John Grep, Chairman and Chief Executive Officer of FMC Technologies, said, "This is a compelling combination that will create significant additional value for clients and all shareholders, by expanding the success that FMC Technologies and Technip have achieved through our alliance and joint venture, to capitalize on new opportunities and drive accelerated growth."

Thierry Pilenko, Technip Chairman and Chief Executive Officer, who will serve as Executive Chairman of TechnipFMC, stated, "Technip and FMC Technologies both have long track records of innovation and commitment to helping their clients meet the challenges of the oil and gas industry. A year ago, we were at the forefront of recognizing the importance of a broader view of our clients' challenges and seized the opportunity that working together in our alliance could bring. Today we want to take this strategy further and across the full footprint of the two companies. We have complementary skills, technologies and capabilities which our customers can access on an integrated basis or separately as they prefer. Together, TechnipFMC can add more value across Subsea, Surface and Onshore/Offshore, enabling us to accelerate our growth. I am confident that we can quickly demonstrate the power of TechnipFMC to our clients, our people and our shareholders."

Doug Pferdehirt, President and Chief Operating Officer of FMC Technologies, who will serve as the CEO of TechnipFMC, added, "Our alliance has shown that as customers evaluate solutions, they are involving us in the process earlier and to a greater degree than ever before. The more they seek our recommendations and new products, the more we differentiate ourselves from the competition. This transaction will allow us to deliver even greater benefits to our customers through a broadened portfolio that provides a unique set of integrated technologies and competencies that are underpinned by a history of developing rich partnerships and creating customer success. We look forward to rapidly bringing together the outstanding employees and cultures of both companies, as well as the complementary capabilities of our organizations, to position the combined company at the forefront of a new generation of solutions for the oil and gas industry."

### **Strategic Benefits of the Combination**

- **Creates a leader in Subsea, Surface and Onshore/Offshore, driven by technology and innovation:** The new company will combine Technip's innovative systems and solutions, state of the art assets, engineering strengths and project management capabilities with FMC Technologies' leading technology, manufacturing and service capabilities. Together, TechnipFMC will engage with customers earlier in the development process to design, deliver and install more comprehensive solutions, redefining the production and transformation of hydrocarbons.
- **Builds a comprehensive and flexible offering across each market from concept to project delivery and beyond:** The combined company allows for a simplified, go-to-market strategy that spans from individual products or services to fully integrated solutions. With a single interface to ensure seamless execution, the combined company will significantly reduce the cost of development for customers for both new and existing fields.
- **Accelerates growth: broader portfolio of solutions will increase innovation, improve execution, reduce costs and enhance customer success:** The combined company will leverage both FMC Technologies' and Technip's competencies to accelerate technology innovation, integrate and improve project execution and reduce costs for customers. It will expand on competencies in digital life-of-field and data management services to reduce maintenance and enhance production.
- **TechnipFMC brings together two complementary market leaders and their talented employees, building on the proven success of their existing alliance, enabling a rapid**

**integration:** The combined company expects its global reach, flexibility, advanced engineering capabilities, and distinctive technologies and competencies will position it as a global industry leader. Bringing together the two companies' common cultures, talented employees and customer portfolios is also expected to drive profitable growth and value creation.

### Financial Benefits of the Combination

- **All-stock transaction expected to deliver at least \$400 million in annual pretax cost synergies:** The combined company will quickly implement its new organizational plan following closing. The combined company expects to achieve pretax cost synergies of approximately \$200 million in 2018, and of at least \$400 million in 2019 and thereafter. These cost synergies are in addition to the cost saving to be delivered through the plans that the two companies have separately announced previously. The cost synergies are primarily related to supply chain efficiencies, real estate, infrastructure optimization and other corporate and organizational efficiencies. Therefore, **this transaction is expected to be significantly accretive to both companies' earnings per share.** In addition, revenue synergies are expected to be achieved from the integrated subsea project execution model.
- **Diversifies revenue mix and drives cash flow:** The combined company had a consolidated backlog of \$20 billion as of March 31, 2016, providing revenue visibility over the mid-term. This backlog will drive well-diversified cash flow, providing financial strength and flexibility for continued investment in strategic initiatives as well as research and development. All of these elements make both Technip and FMC Technologies confident in the combined company's ability to fund both an annual cash dividend and a share repurchase program.
- **One of the strongest balance sheets in the industry:** The all-stock transaction will create a company with a solid and sustainable capital structure by combining two of the strongest balance sheets in the industry. Bringing together two industry leaders will drive profitable growth and value creation, especially as market conditions improve.

### Transaction Terms

Under the terms of the agreement, FMC Technologies and Technip will be merged into a new entity. At closing, each share of Technip common stock will be converted into 2.0 ordinary shares of TechnipFMC and each common share of FMC Technologies will be exchanged for 1.0 ordinary share of TechnipFMC.

### Leadership, Governance, Structure

Technip Chairman and CEO, Thierry Pilenko, will serve as Executive Chairman of TechnipFMC's Board of Directors. Doug Pferdehirt, currently FMC Technologies' President and COO, will serve as CEO of TechnipFMC. FMC Technologies announced on May 9, 2016 that Doug Pferdehirt will be appointed as CEO of FMC Technologies effective September 1, 2016.

The Board of Directors will consist of seven members designated by FMC Technologies, including Doug Pferdehirt, and seven members designated by Technip, including Thierry Pilenko. The governance principles provide for clear and balanced corporate governance and leadership.

The group will organize its activities into five business units covering Surface, Subsea Services, Products, Subsea Projects, and Onshore/Offshore, with the first two headquartered in Houston and the others in Paris.

The TechnipFMC senior management team will include executives from both companies. The heads of the above business units have been identified and will be communicated in due course along with the other senior functional and operational executives of the company.

### **Headquarters**

TechnipFMC will have its operational headquarters in Paris, France, (where the Executive Chairman will have his principal office), in Houston, Texas, USA (where the CEO will have his principal office) and in London, United Kingdom (where the Forsys Subsea JV is headquartered and the new corporation will be domiciled).

The global Integrated Research and Development center will be located in France and is expected to grow as it drives innovation and technology throughout the new company.

Upon closing, TechnipFMC shares will trade on the New York Stock Exchange and on the Paris Euronext Stock Exchange.

### **Timing and Approvals**

The business combination was unanimously approved by the eligible directors of the Boards of both companies. The transaction is expected to close early in 2017, subject to the approval of both Technip and FMC Technologies shareholders, regulatory approvals and consents, as well as other customary closing conditions. Bpifrance Participations and IFPEN, shareholders of Technip, support the transaction as presented.

### **Advisors**

Goldman Sachs and Rothschild are acting as financial advisors and Darrois Villey Maillot Brochier and Davis Polk & Wardwell LLP are serving as legal counsel to Technip. Evercore and Société Générale are acting as financial advisors and Latham & Watkins LLP is serving as legal counsel to FMC Technologies.

### **Memorandum of Understanding**

The Memorandum of Understanding documentation will be made available on the Securities and Exchange Commission (SEC) website at <https://www.sec.gov/edgar.shtml>

### **About Technip**

Technip is a world leader in project management, engineering and construction for the energy industry. From the deepest Subsea oil & gas developments to the largest and most complex Offshore and Onshore infrastructures, our 32,500 people are constantly offering the best solutions and most innovative technologies to meet the world's energy challenges. Present in 45 countries, Technip has state-of-the-art industrial assets on all continents and operates a fleet of specialized vessels for pipeline installation and subsea construction. Technip shares are listed on the Euronext Paris exchange, and its ADR is traded in the US on the OTCQX marketplace as an American Depositary Receipt (OTCQX: TKPPY). Visit us at [www.technip.com](http://www.technip.com)

### **About FMC Technologies**

FMC Technologies, Inc. (NYSE: FTI) is the global market leader in subsea systems and a leading provider of technologies and services to the oil and gas industry. We help our customers overcome their most difficult challenges, such as improving shale and subsea infrastructures and operations to reduce cost, maintain uptime, and maximize oil and gas recovery. The company has approximately 16,500 employees and operates 29 major production facilities and services bases in 18 countries. Visit [www.fmctechnologies.com](http://www.fmctechnologies.com) or follow us on Twitter @FMC\_Tech for more information.

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