Half-Year Financial Report

(First Half 2017)

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Interim report to be read in conjunction with the Annual Report.

1 2017 INTERIM MANAGEMENT REPORT

1.1 – 2017 HALF-YEAR RESULTS

Business outlook

Overall Outlook —Although the price of crude oil recovered in 2016 when compared to the prior year, the oil and gas industry continues to experience the overall impacts of the low crude oil price environment and some lingering uncertainties in the crude oil price outlook. Despite OPEC's implementation of a cap on OPEC crude oil production in 2017, uncertainty in the crude oil price outlook remains as to the effectiveness and duration of both concurrent OPEC and non-OPEC production cuts. After experiencing slight improvements in crude prices and inventory levels early in 2017, there continues to be some continued uncertainty in the crude oil price outlook which could have an ongoing negative effect on our businesses in 2017. The timing of any sustainable recovery of crude oil prices and business activity is dependent on a number of variables, but many analysts continue to believe the market corrections necessary to address the oversupply of crude oil are in place and will ultimately result in sustainable industry improvement. As long-term demand rises and production naturally declines, we believe commodity prices should continue to recover, improving the cash flows and confidence of our customers to increase their investments in new sources of oil production.

Subsea—The low crude oil price environment over the last two years led many of our customers to reduce their capital spending plans or defer new deepwater projects. We began to reduce our workforce and adjust manufacturing capacity to align our operations with the anticipated decreases in activity in 2016 due to delayed Subsea project inbound and to mitigate the impact to operating margins. We have benefited from these restructuring actions by attaining more cost-effective manufacturing as we exited 2016 and during the first half of 2017. Looking ahead, we expect Subsea revenue to decrease a third consecutive year in 2017. However, even with lower Subsea revenue expectations, we believe the operational improvements and cost reductions made in the prior year will protect operating margins and provide us with the capability to respond to the eventual market recovery. We also recognize the need to invest in our people to ensure that we preserve the core competencies and capabilities that delivered the strong results in the second quarter of 2017 and will be needed to respond to the market recovery. We believe the operational improvements made will help mitigate the anticipated decline in operating margins. We remain confident that we can deliver double digit operating margins for the full-year 2017. Our customers are taking aggressive actions to improve their project economics and we continue to monitor customer activity in the context of weaker oil prices. We recognize that the risk of project sanctioning delays has increased in the current environment, however, project economics have improved considerably since the market peak and that many offshore discoveries could be developed economically at today's crude oil prices. We continue to work closely with our customers and believe that with our unique business model we can further reduce their project break-even levels by offering cost-effective approaches to their project developments, including customer acceptance of integrated business models to help achieve the cost-reduction goals and accelerate achievement of first oil. In the long term, we continue to believe deep-water development will remain a significant part of our customers' portfolio.

Onshore/Offshore—The Offshore market faces many of the same constraints as the Subsea business due to industry challenges to improve project economics. In response, we are continuing our cost reduction efforts in this business to align capacity and capabilities with market demands. Meanwhile, Onshore market activity continues to provide a tangible set of opportunities, including natural gas, refining and petrochemical projects. Activity in both LNG and petrochemicals is fueled by the potential for sustained modest natural gas prices, representing an important opportunity set for our business. We remain confident that the industry will make further LNG investments in the near to intermediate term. As Onshore market activity levels remain stable, it provides our business the opportunity to remain actively engaged in and pursuing front-end engineering studies which provide the platform for early engagement with clients which can significantly de-risk project execution. Market opportunities for downstream front-end engineering studies and full engineering, procurement and construction projects are most prevalent in the Middle East, Africa and Asia markets in both LNG and refining.

Surface Technologies—Our Surface Technologies segment continues to operate in a challenging environment as a result of lower global activity and competitive pricing. While North American rig count and operating activity have been steadily improving, the recovery has been constrained to certain oil and gas producing basins that have the ability to earn an acceptable return. The market recovery began in late 2016 in North America and has continued through the first half of 2017. To our benefit, we have experienced stronger demand for pressure control equipment driven by this increased activity. Our restructuring actions taken in 2016 have reduced costs, and accordingly we are capturing the economic benefits of the higher activity levels. Our international surface business experienced competitive pricing pressure throughout 2016 in all of the markets we serve. Pricing has stabilized in most international markets, with limited improvement in a few select markets. We expect this competitive pricing environment to continue and to have some negative impact on operating margins throughout 2017.

(In millions of U.S. dollars, except %)	Six Months Ended June 30,		Change	
	2017	**2016**	**$**	**%**
Revenue	7,233.0	4,776.2	2.456.8	51
Cost of sales	(6,140.9)	(3,931.7)	(2 209.2)	56
Selling, general and administrative expense	(545.2)	(290.7)	(254.5)	88
Research and development expense	(92.5)	(45.8)	(46.7)	102
Impairment, restructuring and other expense	1.7	(99.4)	101.1	(102)
Merger transaction and integration costs	(32.4)	(16.7)	(15.7)	94
Other income (expense), net	21.8	(40.5)	62.3	(154)
Income (loss) from equity affiliates	22.1	14.7	7.4	50
Net interest expense	(157.7)	(32.2)	(125.5)	390
Income before income taxes	**309.9**	**333.9**	**(24.0)**	**(7)**
Provision for income taxes	162.1	69.4	92.7	134
Net income (loss)	**147.8**	**264.5**	**(116.7)**	**(44)**
Net (income) loss attributable to noncontrolling	2.3	0.3	2.0	667
Net income (loss) attributable to TechnipFMC plc	150.1	264.8	(114.7)	(43)

In this Half-Year Financial Report, we are reporting the results of our operations for the six months ended June 30, 2017, which consist of the combined results of operations of Technip S.A. ("Technip") and FMC Technologies, Inc. ("FMC Technologies"). Due to the merger of FMC Technologies and Technip (the "Merger"), FMC Technologies' results of operations have been included in our financial statements for periods subsequent to the consummation of the merger on January 16, 2017.

Since TechnipFMC is the successor company to Technip, we are presenting the results of Technip's operations for the six months ended June 30, 2016 and as of December 31, 2016. Refer to Note 2 for further information related to the Merger.

Interim management report of the consolidated results of operations is provided on the basis of comparing actual results of operations for the six months ended June 30, 2017 to actual results of operations for the six months ended June 30, 2016.

Revenue

Revenue increased $2,456.8 million in the first six months of 2017 compared to the prior-year semester.

Gross profit

Gross profit (revenue less cost of sales) decreased as a percentage of sales to 15.1% in the first six months of 2017, from 17.7% in the prior-year.

Selling, general and administrative expense

Selling, general and administrative expense increased $254.5 million year-over-year.

Impairment, restructuring and other expense

Impairment, restructuring and other expense decreased by $101.1 million year-over-year. In recent years, we have implemented restructuring plans across our businesses to reduce costs and better align our workforce with anticipated activity levels. Thus, we previously incurred significant restructuring activities in 2016.

Merger transaction and integration costs

Merger transaction and integration costs of $32.4 million incurred during the first six months of 2017 is due to the completion of the merger of FMC Technologies and Technip. A significant portion of the expenses recorded in the period are related to facility lease termination charges, with a substantially lower portion related to integration activities pertaining to combining the two legacy companies.

Other income (expense), net

Other income (expense), net, primarily reflects foreign currency gains and losses. In the first six months of 2017, we recognized $21.8 million of net other income.

Provision for income taxes

Our income tax provisions for the first six months of 2017 and 2016 reflected effective tax rates of 52.3% and 20.8%, respectively. The year-over-year increase in the effective tax rate was primarily due to a change in the forecasted country mix of earnings and valuation allowances due to additional losses generated during the year for which no tax benefit is expected to

be realized. In addition, individual tax items, combined with lower profitability in the current period, had a greater impact on the effective rate in the six months ended June 30, 2017 as compared to the same period in 2016.

1.2 – RISK FACTORS

The Company has identified a material weakness in its disclosure controls and procedures and internal control over financial reporting from a US GAAP perspective. If our remedial measures are insufficient to address the material weakness, or if one or more additional material weaknesses or significant deficiencies in our disclosure controls and procedures or internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to further restate our financial results, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Management identified a material weakness in the Company's disclosure controls and procedures and internal control over financial reporting from a US GAAP perspective as of March 31, 2017 relating to the rates used in calculations of foreign currency effects on certain of the Company's engineering and construction projects and related ownership interests. We did not have sufficient controls in place to provide reasonable assurance that a material error would be prevented or detected related to the rates used in calculations of foreign currency effects on certain of the Company's engineering and construction projects and related foreign exchange adjustments. This deficiency in the design of our controls resulted in a material error in our financial statements.

A material weakness is a deficiency, or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. As a result of this material weakness, our chief executive officer and chief financial officer have concluded that, as of June 30, 2017, the end of the period covered by Company's Quarterly Report on Form 10-Q, our disclosure controls and procedures were not effective at a reasonable assurance level. As a result of the material weakness, management has concluded that our internal control over financial reporting from a US GAAP perspective was not effective as of June 30, 2017.

The Company has reviewed the process to calculate the foreign currency remeasurement effect and has implemented revisions and additional controls designed to ensure that similar computational errors will not recur. To remediate the material weakness in our internal control over financial reporting, the Company will establish policies and procedures for the review, approval and application of US GAAP to, and disclosure with respect to, calculations of foreign currency effects.

If our remedial measures are insufficient to address the material weakness, or if one or more additional material weaknesses or significant deficiencies in our disclosure controls and procedures or internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to further restate our financial results, which could have a material adverse effect on our financial condition, results of operations and cash flows, restrict our ability to access the capital markets, require significant resources to correct the weaknesses or deficiencies, subject us to fines, penalties or judgments, harm our reputation or otherwise cause a decline in investor confidence and cause a decline in the market price of our stock.

We cannot provide absolute assurance that additional material weaknesses or significant deficiencies in our disclosure controls and procedures or internal control over financial reporting will not be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional significant deficiencies or material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of periodic management evaluations and annual auditor attestation reports regarding the effectiveness of our internal control over financial reporting required under Section 404 of the Sarbanes-Oxley Act of 2002 and the rules promulgated under Section 404. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, leading to a decline in our stock price.

Unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.

Our industry, including our customers and competitors, has experienced unanticipated changes in recent years. Moreover, the industry is undergoing consolidation, which may affect demand for our products and services as a result of price concessions or decreased customer capital spending. This consolidation activity could have a significant negative impact on our results of operations, financial condition or cash flows. We are unable to predict what effect consolidations and other competitive factors in the industry may have on prices, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers.

Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.

We are substantially dependent on conditions in the oil and gas industry, including (i) the level of exploration, development and production activity, (ii) capital spending, and (iii) the processing of oil and natural gas in refining units, petrochemical sites and natural gas liquefaction plants by energy companies. Any substantial or extended decline in these expenditures may result in the reduced pace of discovery and development of new reserves of oil and gas and the reduced exploration of existing wells, which could adversely affect demand for our products and services and, in certain instances, result in the cancellation, modification, or re-scheduling of existing orders in our backlog. These factors could have an adverse effect on our revenue and profitability. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile.

Factors affecting the prices of oil and natural gas include, but are not limited to, the following:

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates and general economic and business conditions;
- costs of exploring for, producing and delivering oil and natural gas;
- political and economic uncertainty and socio-political unrest;
- available excess production capacity within the Organization of Petroleum Exporting Countries ("OPEC") and the level of oil production by non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- technological advances affecting energy consumption;
- potential acceleration of the development of alternative fuels;
- access to capital and credit markets, which may affect our customers' activity levels and spending for our products and services; and
- natural disasters.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oilfield services and downward pressure on the prices we charge. The current downturn in the oil and gas industry has resulted in a reduction in demand for oilfield services and could further adversely affect our financial condition, results of operations or cash flows.

Our success depends on our ability to implement new technologies and services.

Our success depends on the ongoing development and implementation of new product designs, including the processes used by us to produce or market our products, and on our ability to protect and maintain critical intellectual property assets related to these developments. If we are not able to obtain patent or other protection of our intellectual property rights, we may not be able to continue to develop our services, products and related technologies to meet evolving industry requirements, and if so, at prices acceptable to our customers.

The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products.

We are subject to potential liabilities arising from equipment malfunctions, equipment misuse, personal injuries and natural disasters, the occurrence of which may result in uncontrollable flows of gas or well fluids, fires and explosions. Although we have obtained insurance against many of these risks, our insurance may not be adequate to cover our liabilities. Further, the insurance may not generally be available in the future or, if available, premiums may not be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we are not able to obtain liability insurance, such potential liabilities could have a material adverse effect on our business, results of operations, financial condition or cash flows.

We may lose money on fixed-price contracts.

As customary for the types of businesses in which we operate, we often agree to provide products and services under fixed-price contracts. We are subject to material risks in connection with such fixed-price contracts. Actual expenses incurred in executing a fixed-price contract can vary substantially from those originally anticipated for several reasons including, but not limited to, the following:

- unforeseen additional costs related to the purchase of substantial equipment necessary for contract fulfillment;
- mechanical failure of our production equipment and machinery;
- delays caused by local weather conditions and/or natural disasters (including earthquakes and floods); and
- a failure of suppliers or subcontractors to perform their contractual obligations.

The realization of any material risks and unforeseen circumstances could also lead to delays in the execution schedule of a project. We may be held liable to a customer should we fail to meet project milestones or deadlines or to comply with other contractual provisions. Additionally, delays in certain projects could lead to delays in subsequent projects for which production equipment and machinery currently being utilized on a project were intended.

Pursuant to the terms of fixed-price contracts, we are not always able to increase the price of the contract to reflect factors that were unforeseen at the time its bid was submitted. As a result, it is not possible to estimate with complete certainty the final cost or margin of a project at the time of bidding or during the early phases of its execution. Depending on the size of a project, variations from estimated contract performance could have a significant impact on our financial condition, results of operations or cash flows.

New capital asset construction projects for vessels and plants are subject to risks, including delays and cost overruns, which could have a material adverse effect on our financial condition or results of operations.

We seek to continuously upgrade and develop our asset base. Such projects are subject to risks of delay and cost overruns which are inherent to any large construction project and which are the result of numerous factors including, but not limited to, the following:

- shortages of key equipment, materials or skilled labor;
- unscheduled delays in the delivery or ordered materials and equipment;
- issues regarding the design and engineering; and
- shipyard delays and performance issues.

Failure to complete construction in time, or the inability to complete construction in accordance with its design specifications, may result in loss of revenue. Additionally, capital expenditures for construction projects could materially exceed the initially planned investments or can result in delays in putting such assets into operation.

Disruptions in the timely delivery of our backlog could affect our future sales, profitability, and our relationships with our customers.

Many of the contracts we enter into with our customers require long manufacturing lead times due to complex technical and *logistical requirements. These contracts may contain clauses related to liquidated damages or financial incentives regarding* on-time delivery, and a failure by us to deliver in accordance with customer expectations could subject us to liquidated damages or loss of financial incentives, reduce our margins on these contracts or result in damage to existing customer relationships. The ability to meet customer delivery schedules for this backlog is dependent on a number of factors, including, but not limited to, access to the raw materials required for production, an adequately trained and capable workforce, subcontractor performance, project engineering expertise and execution, sufficient manufacturing plant capacity and appropriate planning and scheduling of manufacturing resources. Failure to deliver backlog in accordance with expectations could negatively impact our financial performance, particularly in light of the current industry environment where customers may seek to improve their returns or cash flows.

We face risks relating to subcontractors, suppliers and our joint venture partners.

We generally rely on subcontractors, suppliers and our joint venture partners for the performance of our contracts. Although we are not dependent upon any single supplier, certain geographic areas of our business or a project or group of projects may heavily depend on certain suppliers for raw materials or semi-finished goods. Any difficulty faced by us in hiring suitable subcontractors or acquiring equipment and materials could compromise our ability to generate a significant margin on a project or to complete such project within the allocated timeframe.

Any delay on the part of subcontractors, suppliers or joint venture partners in the completion of work, any failure on the part of a subcontractor, supplier or joint venture partner to meet its obligations, or any other event attributable to a subcontractor, supplier or joint venture partner that is beyond our control or not foreseeable by us could lead to delays in the overall progress of the project and/or generate significant extra costs. We are exposed to risks presented by the activities of our subcontractors, suppliers and joint venture partners in connection with the performance of their obligations for a project. If subcontractors, suppliers or joint venture partners refuse to adhere to their contractual obligations with us or are unable to do so due to a deterioration of their financial condition, we may be unable to find a suitable replacement at a comparable price, or at all.

Based on these potential issues, we could be required to compensate our customers. Moreover, the failure of one of our joint venture partners to perform their obligations in a timely and satisfactory manner could lead to additional obligations and costs being imposed on us as we would be potentially obligated to assume our defaulting partner’s obligations, Even if we were entitled to make a claim for these extra costs against the defaulting supplier, subcontractor or joint venture partner, we could be unable to recover the entirety of these costs and this could materially adversely affect our business, financial condition or results of operations.

Our businesses are dependent on the continuing services of certain of our key managers and employees.

We depend on key personnel. The loss of any key personnel could adversely impact our business if we are unable to implement key strategies or transactions in their absence. The loss of qualified employees or an inability to retain and motivate additional highly-skilled employees required for the operation and expansion of our business could hinder our ability to successfully conduct research activities and develop marketable products and services.

Pirates endanger our maritime employees and assets.

We face material piracy risks in the Gulf of Guinea, the Somali Basin and the Gulf of Aden, and, to a lesser extent, in Southeast Asia, Malacca and the Singapore Straits. Piracy represents a risk for both our projects and our vessels which operate and transmit through sensitive maritime areas. Such risks have the potential to significant harm crews and to negatively impact the execution schedule for our projects. If our maritime employees or assets are endangered, additional time may be required to find an alternative solution, which may delay project realization and negatively impact our business, financial condition or results of operations.

Due to the types of contracts we enter into and the markets in which we operate, the cumulative loss of several major contracts, customers or alliances may have an adverse effect on our results of operations.

We often enter into large, long-term contracts that, collectively, represent a significant portion of our revenue. These agreements, if terminated or breached, may have a larger impact on our operating results or our financial condition that shorter-

term contracts due to the value at risk. Moreover, the global market for the production, transportation and transformation of hydrocarbons and by-products, as well as the other industrial markets in which we operate, is dominated by a small number of companies. As a result, our business relies on a limited number of customers. If we were to lose several key contracts, customers or alliances over a relative short period of time, we could experience a significant adverse impact on our financial condition, results of operations or cash flows.

Our operations require us to comply with numerous regulations, violations of which could have a material adverse effect on our financial condition, results of operations or cash flows.

Our operations and manufacturing activities are governed by international, regional transnational and national laws and regulations in every place where we operate relating to matters such as environmental, health and safety, labor and employment, import/export control, currency exchange, bribery and corruption and taxation. These laws and regulations are complex, frequently change and have tended to become more stringent over time. In the event the scope of these laws and regulations expand in the future, the incremental cost of compliance could adversely impact our financial condition, results of operations or cash flows.

Our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”), the U.K. Bribery Act of 2010 (the “Bribery Act”), the Brazilian Anti-Bribery Act (also known as the Brazilian Clean Company Act) and economic and trade sanctions, including those administered by the United Nations, the European Union, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) and the U.S. Department of State. The FCPA prohibits providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. We may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties. Economic and trade sanctions restrict our transactions or dealings with certain sanctioned countries, territories and designated persons.

As a result of doing business in foreign countries, including through partners and agents, we will be exposed to a risk of violating anti-corruption laws and sanctions regulations. Some of the international locations in which we will operate have developing legal systems and may have higher levels of corruption than more developed nations. Our continued expansion and worldwide operations, including in developing countries, our development of joint venture relationships worldwide and the employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws and economic and trade sanctions. Violations of anti-corruption laws and economic and trade sanctions are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

While we believe we have a strong compliance program, including procedures to minimize and detect fraud in a timely manner, and continue efforts to improve our systems of internal controls, we can provide no assurance that the policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners, and, as a result, we could be subject to penalties and material adverse consequences on our business, financial condition or results of operations.

Compliance with environmental laws and regulations may adversely affect our business and results of operations.

Environmental laws and regulations in various countries affect the equipment, systems and services we design, market and sell, as well as the facilities where we manufacture our equipment and systems. We are required to invest financial and managerial resources to comply with environmental laws and regulations and believe that we will continue to be required to do so in the future. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, or the issuance of orders enjoining operations. These laws and regulations, as well as the adoption of new legal requirements or other laws and regulations affecting exploration and development of drilling for crude oil and natural gas, could adversely affect our business and operating results by increasing our costs, limiting the demand for our products and services or restricting our operations.

Disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business could adversely affect our business or results of operations.

We operate in various countries across the world. Instability and unforeseen changes in any of the markets in which we conduct business, including economically and politically volatile areas such as North Africa, West Africa, the Middle East, and the Commonwealth of Independent States, could have an adverse effect on the demand for our services and products, our financial condition or our results of operations. These factors include, but are not limited to, the following:

- nationalization and expropriation;
- potentially burdensome taxation;
- inflationary and recessionary markets, including capital and equity markets;
- civil unrest, labor issues, political instability, terrorist attacks, cyber-terrorism, military activity and wars;
- supply disruptions in key oil producing countries;

- ability of OPEC to set and maintain production levels and pricing;
- trade restrictions, trade protection measures or price controls;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners and investment decisions resulting from domestic and foreign laws and regulations;
- changes in, and the administration of, laws and regulations;
- inability to repatriate income or capital;
- reductions in the availability of qualified personnel;
- foreign currency fluctuations or currency restrictions; and
- fluctuations in the interest rate component of forward foreign currency rates.

DTC and Euroclear Paris may cease to act as depository and clearing agencies for our shares.

Our shares were issued into the facilities of The Depository Trust Company ("DTC") with respect to shares listed on the New York Stock Exchange ("NYSE") and Euroclear with respect to shares listed on Euronext Paris (DTC and Euroclear being referred to as the "Clearance Services"). The Clearance Services are widely used mechanisms that allow for rapid electronic transfers of securities between the participants in their respective systems, which include many large banks and brokerage firms. The Clearance Services have general discretion to cease to act as a depository and clearing agencies for our shares. If the Clearance Services determine at any time that our shares are not eligible for continued deposit and clearance within their facilities, then we believe that our shares would not be eligible for continued listing on the NYSE or Euronext Paris and trading in our shares would be disrupted. While we would pursue alternative arrangements to preserve the listing and maintain trading, any such disruption could have a material adverse effect on the trading price of our shares.

The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

We are based in the United Kingdom and have operational headquarters in Paris, France; Houston, Texas, USA; and in London, United Kingdom, with worldwide operations, including material business operations in Europe. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum ("Brexit"). The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated its withdrawal process in the first quarter of 2017. Nevertheless, Brexit has created significant uncertainty about the future relationship between the United Kingdom and the European Union and has given rise to calls for certain regions within the United Kingdom to preserve their place in the European Union by separating from the United Kingdom as well as for the governments of other E.U. member states to consider withdrawal.

These developments, or the perception that any of them could occur, could have a material adverse effect on global economic conditions and the stability of the global financial markets and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility. Lack of clarity about applicable future laws, regulations or treaties as the United Kingdom negotiates the terms of a withdrawal, as well as the operation of any such rules pursuant to any withdrawal terms, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws, employment laws and other rules that would apply to us and our subsidiaries, could increase our costs, restrict our access to capital within the United Kingdom and the European Union, depress economic activity and decrease foreign direct investment in the United Kingdom. For example, withdrawal from the European Union could, depending on the negotiated terms of withdrawal, eliminate the benefit of certain tax-related E.U. directives currently applicable to U.K. companies such as us, including the Parent-Subsidiary Directive and the Interest and Royalties Directive, which could, subject to any relief under an available tax treaty, raise our tax costs.

If the United Kingdom and the European Union are unable to negotiate acceptable withdrawal terms or if other E.U. member states pursue withdrawal, barrier-free access between the United Kingdom and other E.U. member states or among the European Economic Area overall could be diminished or eliminated. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

As an English public limited company, certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure.

Under English law, we will only be able to declare dividends, make distributions or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of "distributable profits." Distributable profits are a company's accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company organized under the laws of England and Wales, we may only make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and non-

distributable reserves and if, to the extent that, the distribution does not reduce the amount of those assets to less that that aggregate.

Following the merger, we capitalized our reserves arising out of the merger by the allotment and issuance by TechnipFMC of a bonus share, which was paid up using such reserves, such that the amount of such reserves so applied, less the nominal value of the bonus share, applied as share premium and accrued to our share premium account. We implemented a court-approved reduction of our capital by way of a cancellation of the bonus share and share premium account in the amount of $10,177,554,182, which completed on June 29, 2017, in order to create distributable profits to support the payment of possible future dividends or future share repurchases. Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

English law requires that we meet certain additional financial requirements before we may declare dividends or repurchase shares.

Under English law, we will only be able to declare dividends, make distributions or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of "distributable profits." Distributable profits are a company's accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company organized under the laws of England and Wales, we may only make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and non-distributable reserves and if, to the extent that, the distribution does not reduce the amount of those assets to less that that aggregate.

Following the merger, we capitalized our reserves arising out of the merger by the allotment and issuance by TechnipFMC of a bonus share, which was paid up using such reserves, such that the amount of such reserves so applied, less the nominal value of the bonus share, applied as share premium and accrued to our share premium account. We implemented a court-approved reduction of our capital by way of a cancellation of the bonus share and share premium account in the amount of $10,177,554,182, which was completed on June 29, 2017, in order to create distributable profits to support the payment of possible future dividends or future share repurchases. Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

Our existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.

We have substantial existing debt. As of June 30, 2017, after giving effect to the Merger, our total debt would have been $3.8 billion. We also have the capacity under our $2.5 billion credit facility and bilateral facilities to incur substantial additional debt. Our level of debt could have important consequences. For example, it could:

- make it more difficult for us to make payments on our debt;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, distributions and other general partnership purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to obtain additional financing to enable us to react to changes in our business; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

Additionally, any failure to meet required payments on our debt, or failure to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments. In the event of such default, the holders of such debt could elect to declare all the amounts outstanding under such instruments to be due and payable.

A downgrade in our debt rating could restrict our ability to access the capital markets.

The terms of our financing are, in part, dependent on the credit ratings assigned to our debt by independent credit rating agencies. We cannot provide assurance that any of our current credit ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency. Factors that may impact our credit ratings include debt levels, capital structure, planned asset purchases or sales, near- and long-term production growth opportunities, market position, liquidity, asset quality, cost structure, product mix, customer and geographic diversification and commodity price levels. A downgrade in our credit ratings, particularly to non-investment grade levels, could limit our ability to access the debt capital markets, refinance our existing debt or cause us to refinance or issue debt with less favorable terms and conditions. Moreover, our revolving credit agreement includes an increase in interest rates if the ratings for our debt are downgraded, which could have an adverse effect on our results of operations. An increase in the level of our indebtedness and related interest

costs may increase our vulnerability to adverse general economic and industry conditions and may affect our ability to obtain additional financing.

Uninsured claims and litigation against us, including intellectual property litigation, could adversely impact our financial condition, results of operations or cash flows.

We could be impacted by the outcome of pending litigation, as well as unexpected litigation or proceedings. We have insurance coverage against operating hazards, including product liability claims and personal injury claims related to our products or operating environments in which our employees operate, to the extent deemed prudent by our management and to the extent insurance is available. However, no assurance can be given that the nature and amount of that insurance will be sufficient to fully indemnify us against liabilities arising out of pending and future claims and litigation. Additionally, in individual circumstances, certain proceedings or cases may also lead to our formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. Our financial condition, results of operations or cash flows could be adversely affected by unexpected claims not covered by insurance.

In addition, the tools, techniques, methodologies, programs and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs. Royalty payments under licenses from third parties, if available, would increase our costs. If a license were not available, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations or cash flows. Additionally, developing non-infringing technologies would increase our costs.

Currency exchange rate fluctuations could adversely affect our financial condition, results of operations or cash flows.

We conduct operations around the world in a number of different currencies. Because a significant portion of our revenue is denominated in currencies other than our reporting currency, the U.S. dollar, changes in exchange rates will produce fluctuations in our revenue, costs and earnings and may also affect the book value of our assets and liabilities and related equity. We do not hedge translation impacts on earnings, and our efforts to engage in hedging transactions to minimize our current exchange rate exposure for transaction impacts may not be successful. Moreover, certain currencies, specifically currencies in countries such as Angola and Nigeria, do not actively trade in the global foreign exchange markets and may subject us to increased foreign currency exposures. As a result, fluctuations in foreign currency exchange rates may adversely affect our financial condition, results of operations or cash flows.

We may not realize the cost savings, synergies and other benefits expected from the merger of FMC Technologies and Technip.

The combination of two independent companies is a complex, costly and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrating the business practices and operations of Technip and FMC Technologies. The integration process may disrupt our businesses and, if ineffectively implemented, could preclude realization of the full benefits expected from the merger. Our failure to meet the challenges involved in successfully integrating the operations of Technip and FMC Technologies or otherwise to realize the anticipated benefits of the merger could cause an interruption of our operations and could seriously harm our results of operations. In addition, the overall integration of Technip and FMC Technologies may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of client relationships and diversion of management’s attention, and may cause our stock prices to decline. The difficulties of combining the operations of Technip and FMC Technologies include, but is not limited to, the following:

- managing a significantly larger company;
- coordinating geographically separate organizations;
- the potential diversion of management focus and resources from other strategic opportunities and from operational matters;
- aligning and executing our strategy;
- retaining existing customers and attracting new customers;
- maintaining employee morale and retaining key management and other employees;
- integrating two unique business cultures, which may prove to be incompatible;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- coordinating distribution and marketing efforts;
- integrating IT, communications and other systems;
- changes in applicable laws and regulations;
- managing tax costs or inefficiencies associated with integrating our operations;
- unforeseen expenses or delays associated with the merger; and
- taking actions that may be required in connection with obtaining regulatory approvals.

Many of these factors will be outside our control and any one of them could result in increased costs, decreased revenue and diversion of management's time and energy, which could materially impact our business, financial condition and results of operations. In addition, even if the operations of Technip and FMC Technologies are successfully integrated, we may not realize the full benefits of the merger, including the synergies, cost savings or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. As a result, we cannot assure that the combination of Technip and FMC Technologies will result in the realization of the full benefits expected from the merger.

We may incur significant merger-related costs.

We have incurred and expect to incur a number of non-recurring direct and indirect costs associated with the merger. In addition to the cost and expenses associated with the consummation of the merger, there are also processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the merger and the integration of Technip and FMC Technologies. While both Technip and FMC Technologies have assumed that a certain level of expenses would be incurred in connection with the merger and continue to assess the magnitude of these costs, there are many factors beyond our control that could affect the total amount or the timing of the integration and implementation expenses. There may also be additional unanticipated significant costs in connection with the merger that we may not recoup. These costs and expenses could reduce the realization of efficiencies and strategic benefits we expect to achieve from the merger. Although we expect that these benefits will offset the transaction expenses and implementation costs over time, this net benefit may not be achieved in the near term or at all.

A failure of our IT infrastructure could adversely impact our business and results of operations.

The efficient operation of our business is dependent on our IT systems. Accordingly, we rely upon the capacity, reliability and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to changing needs. Despite our implementation of security measures, our systems are vulnerable to damages from computer viruses, natural disasters, incursions by intruders or hackers, failures in hardware or software, power fluctuations, cyber terrorists and other similar disruptions. Additionally, we rely on third parties to support the operation of our IT hardware and software infrastructure, and in certain instances, utilize web-based applications. Although no such material incidents have occurred to date, the failure of our IT systems or those of our vendors to perform as anticipated for any reason or any significant breach of security could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, reputational harm, increased overhead costs and loss of important information, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.

Although we are incorporated in the United Kingdom, the U.S. Internal revenue Service (the "IRS") may assert that we should be treated as a U.S. "domestic" corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). For U.S. federal income tax purposes, a corporation is generally considered a U.S. "domestic" corporation (or U.S. tax resident) if it is organized in the United States, and a corporation is generally considered a "foreign" corporation (or non-U.S. tax resident) if it is not a U.S. domestic corporation. Because we are an entity incorporated in England and Wales, we would generally be classified as a foreign corporation (or non-U.S. tax resident) under these rules. Section 7874 provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. domestic corporation for U.S. federal income tax purposes.

Unless we have satisfied the substantial business activities exception, as defined in Section 7874 and described in more detail below (the "Substantial Business Activities Exception"), we will be treated as a U.S. domestic corporation (that is, as a U.S. tax resident) for U.S. federal income tax purposes under Section 7874 if the percentage (by vote or value) of our shares considered to be held by former holders of FMCTI Shares after the merger by reason of holding FMCTI Shares for purposes of Section 7874 (the "Section 7874 Percentage") is (i) 60% or more (if, as expected, the Third Country Rule (defined below) applies) or (ii) 80% or more (if the Third Country Rule does not apply). In order for us to satisfy the Substantial Business Exception, at least 25% of the employees (by headcount and compensation), real and tangible assets and gross income of our expanded affiliated group must be based, located and derived, respectively, in the United Kingdom. The Substantial Business Activities Exception is not expected to be satisfied. In addition, the IRS and the U.S. Department of the Treasury have issued a rule that generally provides that if (i) there is an acquisition of a domestic company by a foreign company in which the Section 7874 Percentage is at least 60%, and (ii) in a related acquisition, such foreign acquiring company acquires another foreign corporation and the foreign acquiring company is not subject to tax as a resident in the foreign country in which the acquired foreign corporation was subject to tax as a resident prior to the transactions, then the foreign acquiring company will be treated as a U.S. domestic company for U.S. federal income tax purposes (the "Third Country Rule"). Because we are a tax resident in the United Kingdom and not a tax resident in France as Technip was, we expect that we would be treated as a U.S. domestic corporation for U.S. federal income tax purposes under the Third Country Rule if the Section 7874 Percentage were at least 60%.

In addition, if the Section 7874 Percentage is calculated to be at least 60%, Section 7874 and the rules related thereto may impose an excise tax under Section 4985 of the Code (the "Section 4985 Excise Tax") on the gain recognized by certain "disqualified individuals" (including officers and directors of a U.S. company) on certain stock-based compensation held thereby at a rate equal to 15%, even if the Third Country Rule were to apply such that we were treated as a U.S. domestic

corporation for U.S. federal income tax purposes. We may, if we determine that it is appropriate, provide disqualified individuals with a payment with respect to the excise tax, so that, on a net after-tax basis, they would be in the same position as if no such excise tax had been applied.

We believe that the Section 7874 Percentage was less than 60% such that the Third Country Rule is not expected to apply to us and the Section 4985 Excise Tax is not expected to apply to any such “disqualified individuals.” However, the calculation of the Section 7874 Percentage is complex and is subject to detailed Treasury regulations (the application of which is uncertain in various respects and would be impacted by changes in such Treasury regulations). In addition, there can be no assurance that there will not be a change in law, including with retroactive effect, which might cause us to be treated as a U.S. domestic corporation for U.S. federal income tax purposes. Accordingly, we cannot assure you that the IRS will agree with our position and/or would not successfully challenge our status as a foreign corporation.

U.S. tax laws and/or IRS guidance could affect our ability to engage in certain acquisition strategies and certain internal restructurings.

Even if we are treated as a foreign corporation for U.S. federal income tax purposes, Section 7874 and U.S. Treasury regulations promulgated thereunder may adversely affect our ability to engage in certain future acquisitions of U.S. businesses in exchange for our equity or to otherwise restructure the non-U.S. members of our group, which may affect the tax efficiencies that otherwise might be achieved in such potential future transactions or restructurings.

In addition, the IRS and the U.S. Treasury have issued final and temporary regulations providing that, even if we are treated as a foreign corporation for U.S. federal income tax purposes, certain intercompany debt instruments issued on or after April 4, 2016 will be treated as equity for U.S. federal income tax purposes, therefore limiting U.S. tax benefits and resulting in possible U.S. withholding taxes. These regulations may adversely affect our future effective tax rate and could also impact our ability to engage in future restructurings if such transactions cause an existing intercompany debt instrument to be treated as reissued for U.S. federal income tax purposes.

We are subject to tax laws of numerous jurisdictions, and challenges to the interpretations of, or future changes to, such laws could adversely affect us.

We and our subsidiaries are subject to tax laws and regulations in the United Kingdom, the United States, France and numerous other jurisdictions in which we and our subsidiaries operate. These laws and regulations are inherently complex, and we will be obligated to make judgments and interpretations about the application of these laws and regulations to our operations and businesses. The interpretation and application of these laws and regulations could be challenged by the relevant governmental authorities, which could result in administrative or judicial procedures, actions or sanctions, which could be material.

In addition, the U.S. Congress, the U.K. Government, the Organization for Economic Co-operation and Development, and other government agencies in jurisdictions where we and our affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of “base erosion and profit shifting” where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. Additionally, recent legislative proposals would treat us as a U.S. domestic corporation if our management and control of TechnipFMC and its affiliates were determined to be located primarily in the United States and/or would reduce the Section 7874 Percentage threshold at or above which we would be treated as a U.S. domestic corporation. Thus, the tax laws in the United States, the United Kingdom and other countries in which we and our affiliates do business could change on a retroactive basis and any such changes could adversely affect us. Furthermore, the interpretation and application of domestic or international tax laws made by us and by our subsidiaries could differ from that of the relevant governmental authority, which could result in administrative or judicial procedures, actions or sanctions, which could be material.

We may not qualify for benefits under the tax treaties entered into between the United Kingdom and other countries.

We operate in a manner such that we believe we are eligible for benefits under the tax treaties between the United Kingdom and other countries, notably the United States. However, our ability to qualify for such benefits will depend on whether we are treated as a U.K. tax resident and upon the requirements contained in each treaty and the applicable domestic laws, as the case may be, on the facts and circumstances surrounding our operations and management, and on the relevant interpretation of the tax authorities and courts. The failure by us or our subsidiaries to qualify for benefits under the tax treaties entered into between the United Kingdom and other countries could result in adverse tax consequences to us and could result in certain tax consequences of owning and disposing of our shares.

We intend to operate so as to be treated exclusively as a resident of the United Kingdom for tax purposes, but French or other tax authorities may seek to treat us as a tax resident of another jurisdiction.

We are incorporated in England and Wales. English law currently provides that we will be regarded as being a U.K. resident for tax purposes from incorporation and shall remain so unless (i) we are concurrently a resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the United Kingdom and (ii) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

In this regard, we have a permanent establishment in France to satisfy certain French tax requirements imposed by the French Tax Code with respect to the Technip Merger. Although it is intended that we will be treated as having our exclusive place of tax residence in the United Kingdom, the French tax authorities may claim that we are a tax resident of France if we were to fail to maintain our “place of effective management” in the United Kingdom due to the French tax authorities having deemed that certain strategic decisions of TechnipFMC have been taken at the level of our French permanent establishment rather than in the United Kingdom. Any such claim would need to be settled between the French and the U.K. tax authorities pursuant to

the mutual assistance procedure provided for by the tax treaty dated June 19, 2008 concluded between France and the U.K. (the "France-U.K. Treaty"), and there is no assurance that these authorities would reach an agreement that we will remain exclusively a U.K. tax resident, which could materially and adversely affect our business, financial condition, results of operations and future prospects. A failure to maintain exclusive tax residency in the United Kingdom could result in adverse tax consequences to us and our subsidiaries and could result in different tax consequences of owning and disposing of our shares.

1.3 – RELATED PARTY TRANSACTIONS

Related party transactions that have taken place in the first six months of the year have not materially affected the financial position or performance of TechnipFMC during that period.

2 DIRECTORS' RESPONSIBILITY STATEMENT

The members of the Audit Committee of the Company, on behalf of the Board of Directors, confirm that, to the best of their knowledge:

- the condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34: 'Interim Financial Reporting', as adopted by the European Union and gives a true and fair view of the assets, liabilities, financial position and profit or loss of TechnipFMC; and
- the interim management report includes a fair review of the information required by:
  - Disclosure and Transparency Rule 4.2.7R, which requires an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year, and
  - Disclosure and Transparency Rule 4.2.8R, which requires disclosure of material related-party transactions in the first six months and that have materially affected the financial position or performance of the enterprise during that period and any material changes in the related-party transactions described in the last annual report.

By order of the Audit Committee on behalf of the Board of Directors,

Douglas J. Pferdehirt

Chief Executive Officer

August 3, 2017

3 2017 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

3.1 – CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

In millions of U.S. dollars	Notes	1st Half-Year 2017	1st Half-Year 2016
Revenue:			
Service revenue		5,926.1	4,729.6
Product revenue		1,217.3	46.6
Lease and other income		89.6	—
Total revenue		7,233.0	4,776.2
Cost and expenses:			
Cost of service revenue		4,885.7	3,899.0
Cost of product revenue		1,192.5	32.7
Cost of lease and other revenue		62.7	—
Selling, general and administrative expense		545.2	290.7
Research and development expense		92.5	45.8
Impairment, Restructuring and other expense		(1.7)	99.4
Merger transaction and integration costs		32.4	16.7
Total costs and expenses		6,809.3	4,384.3
Other income (*)		926.3	484.7
Other expense (*)		(904.5)	(525.2)
Income (loss) from equity affiliates		22.1	14.7
Income (loss) before net interest expense and income taxes		**467.6**	**366.1**
Financial income		50.6	32.4
Financial expense		(208.3)	(64.6)
Income (loss) before income taxes		**309.9**	**333.9**
Provision for income taxes	4	162.1	69.4
NET INCOME (LOSS)		**147.8**	**264.5**
Net (income) attributable to non-controlling interests		2.3	0.3
Net income (loss) attributable to TechnipFMC plc		150.1	264.8
Earnings per share (in U.S. dollar)	5	0.32	2.23
Diluted earnings per share (in U.S. dollar)	5	0.32	2.20

(*) Mainly includes foreign exchange gains and losses

3.2 – CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

In millions of U.S. dollars	1st Half-Year 2017	1st Half-Year 2016
Net income	**147.8**	**264.5**
Other comprehensive income (loss), net of tax:		
Other comprehensive income to be reclassified to statement of income in subsequent periods:	*29.0*	*68.5*
Exchange differences on translating entities operating in foreign currency	(35.0)	(24.2)
Cash flow hedging	87.5	136.1
Income tax effect	(23.5)	(43.4)
Other comprehensive income not being reclassified to statement of income in subsequent periods:	*(1.4)*	*(4.1)*
Actuarial gains (losses) on defined benefit plans	(2.4)	(6.9)
Income tax effect	1.0	2.8
COMPREHENSIVE INCOME (LOSS)	**175.4**	**328.9**
Comprehensive (income) loss attributable to noncontrolling interests	(2.3)	0.1
Comprehensive income (loss) attributable to TechnipFMC plc	177.7	328.8

3.3 – CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

ASSETS

In millions of U.S. dollars	Notes	June 30, 2017	December 31, 2016
Property, plant and equipment, net		4,192.6	2,620.1
Goodwill	2 / 6	9,108.8	3,718.3
Intangible assets, net	2 / 6	1,444.4	255.4
Investments in equity affiliates		214.3	177.8
Other financial assets		404.2	250.2
Deferred income taxes		441.4	591.0
Derivative financial instruments		80.1	190.8
Total non-current assets		**15,885.8**	**7,803.6**
Inventories, net		899.1	334.7
Construction contracts - amounts in assets	7	1,363.9	485.8
Advances paid to suppliers		1,077.6	711.5
Derivative financial instruments		80.8	47.2
Trade receivables, net		1,963.7	2,024.5
Income taxes receivable		363.6	265.0
Other current assets		1,002.9	799.1
Cash and cash equivalents		7,179.1	6,269.3
Total current assets		**13,930.7**	**10,937.1**
TOTAL ASSETS		**29,816.5**	**18,740.7**

EQUITY AND LIABILITIES

In millions of U.S. dollars	Notes	June 30, 2017	December 31, 2016
Ordinary shares	8	467.2	114.7
Ordinary shares held in employee benefit trust	8	(5.3)	—
Treasury shares, at cost	8	—	(44.5)
Share premium		—	2,694.7
Retained earnings, Net income (loss) and Other reserves		12,999.7	2,299.6
Total TechnipFMC plc shareholders' equity		**13,461.6**	**5,064.5**
Non-controlling interests		(1.9)	(11.7)
Total equity		**13,459.7**	**5,052.8**
Long-term debt, less current portion	9	2,555.1	1,658.5
Accrued pension and other post-retirement benefits, less current portion		394.2	160.0
Derivative financial instruments		75.6	370.0
Deferred income taxes		344.7	153.7
Other non-current liabilities	10	418.0	159.5
Total non-current liabilities		**3,787.6**	**2,501.7**
Short-term debt and current portion of long-term	9	1,546.2	894.4
Accounts payable, trade		4,092.7	3,883.2
Construction contracts - amounts in liabilities	7	3,720.9	3,363.9
Derivative financial instruments		131.9	216.7
Advance payments		129.6	411.1
Accrued payroll		379.7	307.7
Income taxes payable		275.4	317.5
Other current liabilities	10	2,292.8	1,791.7
Total current liabilities		**12,569.2**	**11,186.2**
Total liabilities		**16,356.8**	**13,687.9**
TOTAL EQUITY AND LIABILITIES		**29,816.5**	**18,740.7**

3.4 – CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

In millions of U.S. dollars	Notes	1st Half-Year 2017	1st Half-Year 2016
Net income (loss)		147.8	264.5
Adjustments to reconcile net income (loss) to cash provided (required) by operating activities:			
Depreciation		187.6	137.7
Amortization	2	127.4	10.0
Employee benefit plan and share-based compensation costs		38.5	9.2
Unrealized loss on derivative instruments and foreign exchange		(82.9)	4.6
Deferred income tax provision (benefit)		(19.4)	(109.3)
Impairments		0.8	—
Other		(11.4)	90.4
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade receivables, net and construction contracts – assets		715.1	(398.9)
Inventories, net		190.2	38.9
Accounts payable, trade		(290.3)	64.2
Advance payments and construction contracts – liabilities		(338.0)	195.8
Income taxes payable (receivable), net		(88.6)	104.6
Other assets and liabilities, net		(281.3)	14.5
Cash provided (generated) by operating activities		**295.5**	**426.2**
Capital expenditures		(107.5)	(68.9)
Cash acquired in merger of FMC Technologies and Technip (Note 2)		1 479.2	—
Proceeds from sale of assets		3.3	(79.3)
Other		11.8	—
Cash provided (required) by investing activities		**1 386.8**	**(148.2)**
Net increase (decrease) in short-term debt		(16.5)	2.5
Net increase (decrease) in commercial paper		(98.2)	—
Proceeds from issuance of long-term debt		9.3	448.7
Repayments of long-term debt		(559.7)	(742.7)
Dividends paid		—	(112.3)
Payments related to taxes withheld on share-based compensation		(46.6)	—
Other		(74.7)	0.8
Cash provided (required) by financing activities		**(786.4)**	**(403.0)**
Effect of changes in foreign exchange rates on cash and cash equivalents		13.9	79.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**909.8**	**(45.6)**
Cash and cash equivalents as of January 1		6 269.3	3,178.0
Cash and cash equivalents as of June 30		7 179.1	3,132.4

3.5 – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

In millions of U.S. dollars	Ordinary shares	Treasury shares and Ordinary shares held in employee benefit trust	Share premium	Merger reserve	Retained earnings, Net income and Other reserves	Non-controlling interests	Total equity
Balance as of December 31, 2015	**114.5**	**(81.1)**	**2,722.9**	—	**2,182.5**	**9.2**	**4,948.0**
Net income	—	—	—	—	264.8	(0.3)	264.5
Other comprehensive income	—	—	—	—	64.0	0.4	64.4
Issuance of ordinary shares	2.9	—	156.1	—	(6.9)	—	152.1
Treasury shares	—	26.8	—	—	(24.0)	—	2.8
Share-based compensation	—	—	—	—	9.3	—	9.3
Dividends paid	—	—	—	—	(262.8)	—	(262.8)
Other	—	—	—	—	90.7	—	90.7
Balance as of June 30, 2016	**117.4**	**(54.3)**	**2,879.0**	—	**2,317.6**	**9.3**	**5,269.0**
Balance as of December 31, 2016	**114.7**	**(44.5)**	**2,694.7**	—	**2,299.6**	**(11.7)**	**5,052.8**
Net income	—	—	—	—	150.1	(2.3)	147.8
Other comprehensive income	(18.4)	—	(317.6)	—	363.6	—	27.6
Issuance of ordinary shares due to the Merger of FMC and Technip (Note 2)	370.3	—	(2,377.1)	10,177.5	—	—	8,170.7
Capital reorganization	—	—	10,177.5	(10,177.5)	—	—	—
Capital reduction	—	—	(10,177.5)	—	10,177.5	—	—
Issuance of ordinary shares	0.6	—	—	—	—	—	0.6
Treasury shares	—	44.5	—	—	(23.3)	—	21.2
Net sales of ordinary shares for employee benefit trust	—	1.3	—	—	—	—	1.3
Share-based compensation	—	—	—	—	24.7	—	24.7
Other	—	(6.6)	—	—	7.5	12.1	13.0
BALANCE AS OF JUNE 30, 2017	**467.2**	**(5.3)**	—	—	**12,999.7**	**(1.9)**	**13,459.7**

3.6 – NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are expressed in millions of U.S. dollars and all values are rounded to the nearest thousand, unless specified otherwise. The condensed interim consolidated financial statements have been approved by the Board of Directors as of August 1, 2017.

Merger completion of FMC Technologies and Technip

On January 17, 2017, TechnipFMC (NYSE and Euronext: FTI) announced that it is operating as a unified, combined company following completion of the Merger. The Merger has created a global leader in oil and gas projects, technologies, systems, and services that will enhance the performance of the world's energy industry.

TechnipFMC has since then traded on the New York Stock Exchange and on the Euronext Paris Stock Exchange under the symbol FTI. Under the terms of the Merger, FMC Technologies shareholders received one share of the combined company for each existing share of FMC Technologies, and Technip shareholders received two shares of the combined company for each existing share of Technip. See Note 2 to our condensed consolidated financial statements included in Section 3.6 of this Half-Year Financial Report for a detailed description of the Merger and the purchase consideration.

Note 1 – Accounting principles

(a) Interim condensed information

The condensed interim consolidated financial statements for the six-month period ended June 30, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting, standard of the IFRS framework as issued by the International Accounting Standards Board and as adopted by the European Union. International Financial Reporting Standards are available on the website of the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm). The condensed interim consolidated financial statements only include a selection of disclosures and notes and thus must be read in conjunction with the Annual Report.

(b) Accounting framework

The accounting policies applied in the condensed interim consolidated accounts for the six-month period ended June 30, 2017 are in conformity with those we applied and detailed in the Annual Report as of December 31, 2016 with the exceptions of changes of presentation adopted by TechnipFMC to align the Group’s financial performance with the U.S. GAAP financial statements presentation and better reflect our financial performance:

- Reclassification of foreign exchange gains and expenses from Financial income and expenses to Other income and expenses for a net loss of $38.5 million as of June 30, 2016.
- Reclassification of a redeemable financial liability from Financial instruments to Other current liabilities and Other non-current liabilities for $33.7 million and $142.3 as of December 31, 2016 respectively.

In these condensed interim consolidated accounts, we are reporting the results of our operations for six months ended June 30, 2017, which consist of the combined results of operations of Technip and FMC Technologies, Inc.. Due to the Merger, FMC Technologies’ results of operations have been included in our financial statements for periods subsequent to the consummation of the Merger on January 16, 2017.

Since TechnipFMC is the successor company to Technip, we are presenting the results of Technip’s operations for six months ended June 30, 2016 and as of December 31, 2016. Refer to Note 2 for further information related to the merger of FMC Technologies and Technip.

Standards Effective after June 30, 2017

TechnipFMC financial statements as of June 30, 2017 do not include the possible impact of standards published as of June 30, 2017 but which application is mandatory as from financial years subsequent to 2017.

Standards adopted by the European Union as of June 30, 2017

IFRS 9 “FINANCIAL INSTRUMENTS”

On July 24, 2014, the IASB released the final version of the IFRS 9 with respect to financial instruments, which should be applicable as of January 1, 2018. Aiming at replacing IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

IFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS”

Applicable by the IASB as of January 1, 2018, this new standard sets general accounting principles relating to revenue recognition. IFRS 15 supersedes the current standards on revenue recognition, particularly IAS 18 “Revenue”, IAS 11 “Construction Contracts” and the corresponding interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

Standards non-adopted by the European Union as of June 30, 2017

IFRS 16 “LEASES”

Released on January 13, 2016, the new standard IFRS 16 on lease accounting will be mandatorily applicable for the financial years starting January 1, 2019 and should supersede the current IAS 17 and its related interpretations.

We are currently assessing the potential impacts of these three latest standards on its consolidated financial statements. Due to the completion of the merger between Technip and FMC Technologies on January 16, 2017, preliminary assessments will be re-evaluated in context of TechnipFMC's combined operations and contracts with its customers.

Standards effective in 2017

The adoption of new standards, amendments and interpretations that had mandatory application for periods starting after January 1, 2017, had no significant impact on our financial situation and performance.

(c) Accounting rules and estimates

Interim condensed consolidated financial statements have been prepared in accordance with the IFRSs: fair presentation, consistency, going concern, relative extent and business combinations.

The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Ultimate results could differ from our estimates.

Note 2 – Scope of consolidation

Year ended June 30, 2017 – Significant changes

Description of the Merger of FMC Technologies and Technip

On June 14, 2016, FMC Technologies and Technip entered into a definitive business combination agreement providing for the business combination among FMC Technologies, FMC Technologies SIS Limited, a private limited company incorporated under the laws of England and Wales and a wholly-owned subsidiary of FMC Technologies, and Technip. On August 4, 2016, the legal name of FMC Technologies SIS Limited was changed to TechnipFMC Limited, and on January 11, 2017, was subsequently re-registered as TechnipFMC plc, a public limited company incorporated under the laws of England and Wales.

On January 16, 2017, the business combination was completed. Pursuant to the terms of the definitive business combination agreement, Technip merged with and into TechnipFMC, with TechnipFMC continuing as the surviving company (the "Technip Merger"), and each ordinary share of Technip (the "Technip Shares"), other than Technip Shares owned by Technip or its wholly-owned subsidiaries, were exchanged for 2.0 ordinary shares of TechnipFMC, subject to the terms of the definitive business combination agreement. Immediately following the Technip Merger, a wholly-owned indirect subsidiary of TechnipFMC ("Merger Sub") merged with and into FMC Technologies, with FMC Technologies continuing as the surviving company and as a wholly-owned indirect subsidiary of TechnipFMC (the "FMCTI Merger"), and each share of ordinary stock of FMC Technologies (the "FMCTI Shares"), other than FMCTI Shares owned by FMC Technologies, TechnipFMC, Merger Sub or their wholly-owned subsidiaries, were exchanged for 1.0 ordinary share of TechnipFMC, subject to the terms of the definitive business combination agreement.

Under the acquisition method of accounting, Technip was identified as the accounting acquirer and acquired a 100% interest in FMC Technologies.

The Merger has created a larger and more diversified company that is better equipped to respond to economic and industry developments and better positioned to develop and build on its offerings in the subsea, surface, and onshore/offshore markets as compared to the former companies on a standalone basis. More importantly, the Merger will bring about the ability of the combined company to (i) standardize its product and service offerings to customers, (ii) reduce costs to customers, and (iii) provide integrated product offerings to the oil and gas industry with the aim of innovating the markets in which the combined company operates.

We incurred $32.4 million in merger transaction and integration costs for the six months ended June 30, 2017. No similar costs were incurred for the comparable prior year quarter.

Description of FMC Technologies as accounting acquiree

FMC Technologies is a global provider of technology solutions for the energy industry. FMC Technologies designs, manufactures and services technologically sophisticated systems and products, including subsea production and processing systems, surface wellhead production systems, high pressure fluid control equipment, measurement solutions and marine loading systems for the energy industry. Subsea systems produced by FMC Technologies are used in the offshore production of crude oil and natural gas and are placed on the seafloor to control the flow of crude oil and natural gas from the reservoir to a host processing facility. Additionally, FMC Technologies provides a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Surface wellhead production systems, or trees, are used to control and regulate the flow of crude oil and natural gas from the well and are used in both onshore and offshore applications.

Consideration transferred

The acquisition-date fair value of the consideration transferred consisted of the following:

(In millions of U.S. dollars and shares)	
Total FMC Technologies, Inc. shares subject to exchange as of January 16, 2017	228.9
FMC Technologies, Inc. exchange ratio (1)	0.5
Shares of TechnipFMC issued	114.4
Value per share of Technip as of January 16, 2017 (2)	71.40
Total purchase consideration	**8,170.7**

(1) As the calculation is deemed to reflect a share capital increase of the accounting acquirer, the FMC Technologies, Inc. exchange ratio (1 share of TechnipFMC for 1 share of FMC Technologies, Inc. as provided in the business combination agreement) is adjusted by dividing the FMC Technologies exchange ratio by the Technip exchange ratio (2 shares of TechnipFMC for 1 share of Technip as provided in the business combination agreement), i.e., $1/2 = 0.5$ in order to reflect the number of shares of Technip that FMC Technologies shareholders would have received if Technip was to have issued its own shares.

(2) Closing price of Technip's ordinary shares on Euronext Paris on January 16, 2017 in Euro converted at the Euro to U.S. dollar exchange rate of $1.0594 on January 16, 2017.

Assets acquired and liabilities assumed

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed at the acquisition date. The Company's purchase price allocation is subject to revision as additional information about fair value of assets and liabilities becomes available. Additional information that existed as of the acquisition date but at that time was unknown to the Company may become known to the Company during the remainder of the measurement period. The final purchase price allocation will be based on final appraisals and other analysis of fair values of acquired assets and liabilities.

(In millions of U.S. dollars)	
Assets:	
Cash	1,479.2
Accounts receivable	1,247.4
Inventory	764.8
Income taxes receivable	139.2
Other current assets	282.2
Property, plant and equipment	1,616.3
Intangible assets	1,390.3
Deferred income taxes	67.0
Other long-term assets	167.3
Total identifiable assets acquired	7,153.7
Liabilities:	
Short-term and current portion of long-term debt	319.5
Accounts payable, trade	386.0
Advance payments	467.0
Income taxes payable	92.1
Other current liabilities	530.9
Long-term debt, less current portion	1,774.2
Accrued pension and other post-retirement benefits, less current portion	195.5
Deferred income taxes	418.5
Other long-term liabilities	166.9
Total liabilities assumed	4,350.6
Net identifiable assets acquired	2,803.1
Goodwill	5,367.6
Net assets acquired	**8,170.7**

Segment allocation of goodwill

Goodwill is preliminary due to the draft status of the purchase valuation. The allocation to the reporting segments based on the draft valuation is as follows:

(In millions of U.S. dollars)	Allocated Goodwill
Subsea	2,622.9
Onshore/Offshore	1,689.4
Surface Technologies	1,055.3
Total	**5,367.6**

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected revenue and cost synergies of the combined company, which are further described above. Goodwill recognized as a result of the acquisition is not deductible for tax purposes.

Acquired identifiable intangible assets

The identifiable intangible assets acquired include the following:

(In millions of U.S. dollars, except estimated useful lives)	Fair Value	Estimated Useful Lives
Acquired technology	240.0	10
Backlog	175.0	2
Customer relationships	285.0	10
Tradenames	635.0	20
Software	55.3	Various
Total identifiable intangible assets acquired	**1,390.3**	

FMC Technologies' results of operations have been included in our financial statements for periods subsequent to the consummation of the Merger on January 16, 2017. FMC Technologies contributed revenue and a net loss of $1,603.8 million and $150.6 million, respectively, for the period from January 17, 2017 through June 30, 2017.

Pro forma impact of the merger (unaudited)

The following unaudited supplemental pro forma results present consolidated information as if the Merger had been completed as of January 1, 2017. The pro forma results do not include any potential synergies, cost savings or other expected benefits of the Merger. Accordingly, the pro forma results should not be considered indicative of the results that would have occurred if the Merger had been consummated as of January 1, 2017, nor are they indicative of future results.

(In millions of U.S. dollars)	Six Months Ended June 30, 2017 Pro forma
Revenue	7,345.8
Net income attributable to TechnipFMC adjusted for dilutive effects	66.4

Year ended December 31, 2016 – Significant changes

On March 31, 2016, we sold the totality of its fully owned subsidiaries Technip Germany Holding GmbH and Technip Germany GmbH to Atop Beteiligungs GmbH. A net loss of $23.9 million was recorded on the consolidated accounts as of December 31, 2016 as regards this disposal.

On October 28, 2016, we acquired 20% of Serimax Holdings, a world leader in offshore & onshore welding solutions, from Vallourec Tubes. This acquisition follows the agreement signed on January 11, 2016 between TechnipFMC and Serimax in order to achieve a strategic partnership in the domain of pipeline welding, combine expertise and deploy the Serimax welding technology at TechnipFMC' spoolbases and S-lay vessels.

During the six months ended December 31, 2016, we obtained voting control interests in legal onshore/offshore contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. Prior to the amendments of the contractual terms that provided us with voting interest control, we accounted for these entities under the equity method of accounting based on our previously held interests in each of these entities. Since nearly all substantive processes to perform and execute the obligations of the underlying contract are conducted by TechnipFMC and the noncontrolling interest holders, we accounted for these entities as an asset acquisition upon our obtaining control and recognized a net loss of $4.6 million during 2016. As of December 31, 2016, total assets, liabilities and equity related to these entities were consolidated onto our balance sheet and our results of operations for the six months ended June 30, 2017 reflect the consolidated results of operations related to these entities.

On December 16, 2016, TechnipFMC participated in DCNS Energies' capital increase by subscribing newly issued shares. DCNS Energies, majority owned by DCNS and 36% by the SPI fund ("Société de Projets Industriels" / Industrial Projects Company) of Bpifrance, will devote its activity to the industrial and commercial development of three technologies for the

production of electricity from Marine Renewable Energies (MRE): tidal turbine power that uses the kinetic energy of sea currents, Ocean Thermal Energy Conversion (OTEC) and offshore wind energy via semi-submersible floats. DCNS Energies positions itself as a turnkey constructor of MRE plants for the French and export markets.

As a consequence of these main variations in the consolidation scope, a total amount of $3.5 billion of cash, net of acquisition costs, was acquired and therefore disclosed in our consolidated statement of cash flows.

Note 3 – Segment information

Management's determination of our reporting segments was made on the basis of our strategic priorities within each segment and the differences in the products and services we provide, which corresponds to the manner in which our chief operating decision maker reviews and evaluates operating performance to make decisions about resources to be allocated to the segment.

Upon completion of the Merger, we reorganized our reporting structure and aligned our segments and the underlying businesses to execute the strategy of TechnipFMC. As a result, we report the results of operations in the following segments: Subsea, Onshore/Offshore and Surface Technologies.

Our reportable segments are:

- Subsea—manufactures and designs products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in deepwater exploration and production of crude oil and natural gas.
- Onshore/Offshore—designs and builds onshore facilities related to the production, treatment and transportation of oil and gas; and designs, manufactures and installs fixed and floating platforms for the production and processing of oil and gas reserves for companies in the oil and gas industry.
- Surface Technologies—designs and manufactures systems and provides services used by oil and gas companies involved in land and offshore exploration and production of crude oil and natural gas; designs, manufactures and supplies technologically advanced high pressure valves and fittings for oilfield service companies; and also provides flowback and well testing services for exploration companies in the oil and gas industry.

The item related to segment result hereby disclosed in the business segment information is the "Income (loss) before income tax". As a result, the segment result does not include the provision for income taxes.

	1st Half-Year 2017				
In millions of U.S. dollars	**Subsea**	**Onshore / Offshore**	**Surface Technologies**	**Corporate and Non Allocable**	**Total**
Revenue	3,107.0	3,576.9	548.4	0.7	7,233.0
INCOME (LOSS) BEFORE INCOME TAXES	290.3	346.5	(19.6)	(307.3)	309.9

	1st Half-Year 2016				
In millions of U.S. dollars	**Subsea**	**Onshore / Offshore**	**Surface Technologies**	**Corporate and Non Allocable**	**Total**
Revenue	3,064.4	1,711.8	—	—	4,776.2
INCOME (LOSS) BEFORE INCOME TAXES	**424.7**	**127.7**	—	**(218.5)**	**333.9**

Note 4 – Income Tax

As a result of the Merger described in Note 2, TechnipFMC plc is a public limited company incorporated under the laws of England and Wales. Therefore, our earnings are subject to the United Kingdom statutory rate of 19.3% beginning on the effective date of the Merger. Previously, our earnings were subject to the French statutory rate of 34.4%.

Our income tax provision (benefit) for the six months ended June 30, 2017 and 2016 reflected effective tax rates of 52.3% and 20.8%, respectively. The year-over-year increase in effective tax rate was primarily due to a change in the forecasted country mix of earnings and valuation allowances due to additional losses generated for which no tax benefit is expected to be realized. In addition, individual tax items, combined with lower profitability in the current period, had a greater impact on the effective rate in the three and six months ended June 30, 2017 as compared to the same periods in 2016. The income tax expense breaks down as follows:

In millions of U.S. dollars	1st Half-Year 2017	1st Half-Year 2016
Current income tax credit (expense)	(176.9)	(158.0)
Deferred income tax credit (expense)	14.8	88.6
INCOME TAX CREDIT (EXPENSE) AS RECOGNIZED IN STATEMENT OF INCOME	**(162.1)**	**(69.4)**
Tax rate	**52.3%**	**20.8%**

Note 5 – Earnings per Share

Reconciliation between earnings per share before dilution and diluted earnings per share is as follows:

In millions of U.S. dollars	1st Half-Year 2017	1st Half-Year 2016
Net income attributable to TechnipFMC plc	150.1	264.8
After-tax interest expense related to dilutive shares	—	9.1
NET INCOME ATTRIBUTABLE TO TECHNIPFMC PLC ADJUSTED FOR DILUTIVE EFFECTS	**150.1**	**273.9**
In millions of shares		
Weighted average number of shares outstanding	466.7	118.9
Dilutive effect of restricted stock units	0.1	—
Dilutive effect of stock options	0.2	—
Dilutive effect of performance shares	1.2	0.4
Dilutive effect of convertible bonds	—	5.2
TOTAL SHARES AND DILUTIVE SECURITIES	**468.2**	**124.5**
In U.S. dollar		
Basic earnings per share attributable to TechnipFMC plc	0.32	2.23
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO TECHNIPFMC PLC	**0.32**	**2.20**

Note 6 – Goodwill and intangible assets

The main variation on goodwill over the six-months period ended June 30, 2017 is due to the Merger as described in Note 2 – scope of consolidation.

There was no other significant change over the six-month period ended June 30, 2017. During the first half of 2017, no meaningful event occurred which might have caused to impair the value of goodwill or other intangible assets. Therefore, no impairment test was performed as of June 30, 2017.

There was no other significant change over the six-month period ended June 30, 2016. During the first half of 2016, no meaningful event occurred which might have caused to impair the value of goodwill or other intangible assets. Therefore, no impairment test was performed as of June 30, 2016.

Note 7 – Construction contracts

The breakdown of construction contracts is as follows:

In millions of U.S. dollars	June 30, 2017	December 31, 2016
Construction contracts - amounts in assets	1,363.9	485.8
Construction contracts - amounts in liabilities	(3,720.9)	(3,363.9)
TOTAL NET CONSTRUCTION CONTRACTS	**(2,357.0)**	**2,878.1)**
Costs and margins recognized at the percentage of completion	40,546.9	25,175.7
Payments received from clients	(42,795.0)	(27,916.9)
Accruals for losses at completion	(147.1)	(136.9)
TOTAL NET CONSTRUCTION CONTRACTS	**(2,357.0)**	**(2,878.1)**

Note 8 – Shareholders' equity

(a) Changes in TechnipFMC's ordinary shares and treasury shares

As of June 30, 2017, TechnipFMC share capital was 50,001 non-voting redeemable shares and 467,221,709 ordinary shares. The changes can be analyzed as follows:

In millions of shares	Ordinary shares	Ordinary shares held in employee benefit trust	Treasury shares
Shares as of December 31, 2015	**119.0**	—	**0.8**
Share awards	0.1	—	(0.3)
Dividend payment in shares	3.2	—	—
Shares as of June 30, 2016	**122.3**	—	**0.5**
Shares as of December 31, 2016	**119.2**	—	**0.3**
Net capital increases due to the Merger of FMC Technologies and Technip	347.4	—	—
Share awards	0.6	—	—
Treasury shares cancellation due to the Merger of FMC Technologies and Technip	—	—	(0.3)
Net shares purchased for (sold from) employee benefit trust as per merger	—	0.1	—
SHARES AS OF JUNE 30, 2017	**467.2**	**0.1**	—

(b) Dividends

There were no cash dividends declared during the six months ended June 30, 2017. On April 26, 2017, we announced that our Board of Directors approved a capital allocation plan that includes the authorization of a share repurchase program of up to $500.0 million of our ordinary shares to be completed by the end of 2018 and planning for a quarterly dividend following third quarter 2017 results. We implemented a court-approved reduction of our capital for $10,177.5 million, which was completed on June 29, 2017, in order to create distributable profits to support the payment of possible future dividends or future share repurchases.

On the first half 2016, dividends paid for the year ended December 31, 2015 amounted to €236.6 million (*i.e.* 2.00 euros per share, total $263.9 million equivalent) of which €100.8 million in cash (total $112.3 million equivalent), compared to €88.9 million (*i.e.* 2.00 euros per share, total $98.7 million equivalent) paid on the first half 2015.

(c) Share-based compensation

On January 11, 2017, we adopted the TechnipFMC plc Incentive Award Plan (the "Plan"). The Plan provides certain incentives and awards to officers, employees, non-employee directors and consultants of TechnipFMC and its subsidiaries. The Plan allows our Board of Directors to make various types of awards to non-employee directors and the Compensation Committee (the "Committee") of the Board of Directors to make various types of awards to other eligible individuals. Awards may include stock options, stock appreciation rights, performance units, restricted stock units, restricted stock or other awards authorized under the Plan. All awards are subject to the Plan's provisions, including all stock-based grants previously issued by FMC Technologies and Technip prior to consummation of the Merger. Under the Plan, 24.1 million ordinary shares were authorized for awards.

We recognize compensation expense and the corresponding tax benefits for awards under the Plan. Stock-based compensation expense for nonvested stock units was $24.7 million for the six months ended June 30, 2017.

In the first year-half 2016, no new plan was granted. We recorded a total charge related to share subscription and share purchase options of $2.4 million as of June 30, 2016 and a total charge related to performance share grants of $7.0 million as of June 30, 2016.

Note 9 – Financial debts (current and non-current)

Financial debts can be analyzed as follows:

In millions of U.S. dollars	June 30, 2017	December 31, 2016
Revolving credit facility	—	—
Commercial paper	1,074.9	210.8
Synthetic bonds due 2021	459.3	428.0
Convertible bonds due 2017	—	524.5
2.00% Notes due 2017	300.0	—
3.45% Notes due 2022	500.0	—
5.00% 2010 Private placement due 2020	222.5	209.7
3.40% 2012 Private placement due 2022	167.5	158.0
3.15% 2013 Private placement due 2023	144.3	136.1
3.15% 2013 Private placement due 2023	139.4	131.4
4.00% 2012 Private placement due 2027	83.7	79.0
4.00% 2012 Private placement due 2032	107.3	101.2
3.75% 2013 Private placement due 2033	108.0	101.8
Bank borrowings	432.3	452.1
Capital leases	328.6	—
Other	33.5	20.3
Total debt	**4,101.3**	**2,552.9**
Total short-term debt and current portion of long-term	**(1546.2)**	**(894.4)**
TOTAL LONG-TERM DEBT, LESS CURRENT PORTION	**2,555.1**	**1,658.5**

Revolving credit facility—On January 17, 2017, we acceded to a new $2.5 billion senior unsecured revolving credit facility agreement ("facility agreement") between FMC Technologies, Inc. and Technip Eurocash SNC (the "Borrowers") with JPMorgan Chase Bank, National Association, as agent and an arranger, SG Americas Securities LLC as an arranger, and the lenders party thereto.

The facility agreement provides for the establishment of a multicurrency, revolving credit facility, which includes a $1.5 billion letter of credit subfacility. Subject to certain conditions, the Borrowers may request the aggregate commitments under the facility agreement be increased by an additional $500.0 million. The facility expires in January 2022.

Borrowings under the facility agreement bear interest at the following rates, plus an applicable margin, depending on currency:

- U.S. dollar-denominated loans bear interest, at the Borrowers' option, at a base rate or an adjusted rate linked to the London interbank offered rate ("Adjusted LIBOR");
- sterling-denominated loans bear interest at Adjusted LIBOR; and
- euro-denominated loans bear interest at the Euro interbank offered rate ("EURIBOR").

Depending on the credit rating of TechnipFMC, the applicable margin for revolving loans varies (i) in the case of Adjusted LIBOR and EURIBOR loans, from 0.820% to 1.300% and (ii) in the case of base rate loans, from 0.000% to 0.300%. The "base rate" is the highest of (a) the prime rate announced by JPMorgan, (b) the greater of the Federal Funds Rate and the Overnight Bank Funding Rate plus 0.5% or (c) one-month Adjusted LIBOR plus 1.0%.

The facility agreement contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type, including financial covenants.

Bilateral credit facilities—We have access to four bilateral credit facilities in the aggregate of €340.0 million. The bilateral credit facilities consist of:

- two credit facilities of €80.0 million each expiring in May 2019;
- a credit facility of €80.0 million expiring in June 2019; and
- a credit facility of €100.0 million expiring in May 2021.

Each bilateral credit facility contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type.

Commercial paper—Under our commercial paper program, we have the ability to access $1.0 billion and €1.0 billion of short-term financing through our commercial paper dealers, subject to the limit of unused capacity of our facility agreement. Our commercial paper borrowings were classified as current debts in the condensed consolidated balance sheets as of June 30, 2017 and December 31, 2016. Commercial paper borrowings are issued at market interest rates. As of June 30, 2017, our commercial paper borrowings had a weighted average interest rate of 1.52% on the U.S. dollar denominated borrowings and (0.28)% on the euro denominated borrowings.

Synthetic bonds—On January 25, 2016, we issued €375.0 million principal amount of 0.875% convertible bonds with a maturity date of January 25, 2021 and a redemption at par of the bonds which have not been converted. On March 3, 2016, we issued additional convertible bonds for a principal amount of €75.0 million issued on the same terms, fully fungible with and assimilated to the bonds issued on January 25, 2016. The issuance of these non-dilutive cash-settled convertible bonds ("Synthetic Bonds"), which are linked to our ordinary shares were backed simultaneously by the purchase of cash-settled equity call options in order to hedge our economic exposure to the potential exercise of the conversion rights embedded in the Synthetic Bonds. As the Synthetic Bonds will only be cash settled, they will not result in the issuance of new ordinary shares or the delivery of existing ordinary shares upon conversion. Interest on the Synthetic Bonds is payable semi-annually in arrears on January 25 and July 25 of each year, beginning July 26, 2016. Net proceeds from the Synthetic Bonds were used for general corporate purposes and to finance the purchase of the call options. The Synthetic Bonds are our unsecured obligations. The Synthetic Bonds will rank equally in right of payment with all of our existing and future unsubordinated debt.

The Synthetic Bonds issued on January 25, 2016 were issued at par. The Synthetic Bonds issued on March 3, 2016 were issued at a premium of 112.43802% resulting from an adjustment over the 3-day trading period following the issuance resulting in a share reference price of €48.8355.

A 40.0% conversion premium was applied to the share reference price of €40.7940. The share reference price was computed using the average of the daily volume weighted average price of our ordinary shares on the Euronext Paris market over the 10 consecutive trading days from January 21 to February 3, 2016. The initial conversion price of the bonds was then fixed at €57.1116.

The Synthetic Bonds each have a nominal value of €100.0 thousand with a conversion ratio of 3,558.2757 and a conversion price of €28.1035. Any bondholder may, at its sole option, request the conversion in cash of all or part of the bonds it owns, beginning November 15, 2020 to the 38th business day before the maturity date.

Convertible bonds—On December 15, 2011, we issued 5,178,455 bonds convertible (the "2011-2017 Convertible Bonds") into and/or exchangeable for new or existing shares ("OCEANE") for approximately €497.6 million with a maturity date of January 1, 2017. Net proceeds from the issuance were used to partially restore our cash balance position following the acquisition of Global Industries, Ltd. in December 2011 for a cash consideration of $936.4 million.

At maturity, all outstanding amounts under the 2011-2017 Convertible Bonds were repaid.

Senior Notes—On February 28, 2017, we commenced offers to exchange any and all outstanding notes issued by FMC Technologies for up to $800.0 million aggregate principal amount of new notes issued by TechnipFMC and cash. In conjunction with the offers to exchange, FMC Technologies solicited consents to adopt certain proposed amendments to each of the indentures governing the previously issued notes to eliminate certain covenants, restrictive provisions and events of defaults from such indentures.

On March 29, 2017, we settled the offers to exchange and consent solicitations (the "Exchange Offers") for (i) any and all 2.00% senior notes due October 1, 2017 (the "2017 FMC Notes") issued by FMC Technologies for up to an aggregate principal amount of $300.0 million of new 2.00% senior notes due October 1, 2017 (the "2017 Senior Notes') issued by TechnipFMC and cash, and (ii) any and all 3.45% senior notes due October 1, 2022 (the "2022 FMC Notes") issued by FMC Technologies for up to an aggregate principal amount of $500.0 million in new 3.45% senior notes due October 1, 2022 (the "2022 Senior Notes") issued by TechnipFMC with registration rights and cash. Pursuant to the Exchange Offers, we issued approximately $215.4 million in aggregate principal amount of 2017 Senior Notes and $459.8 million in aggregate principal amount of 2022 Senior Notes (collectively the "Senior Notes"). Interest on the 2017 Senior Notes is payable on October 1, 2017. Interest on the 2022 Senior Notes is payable semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2017.

The terms of the Senior Notes are governed by the indenture, dated as of March 29, 2017 between TechnipFMC and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented by the First Supplemental Indenture between TechnipFMC and the Trustee (the "First Supplemental Indenture") relating to the issuance of the 2017 Notes and the Second Supplemental Indenture between TechnipFMC and the Trustee (the "Second Supplemental Indenture") relating to the issuance of the 2022 Notes.

At any time prior to their maturity in the case of the 2017 Notes, and at any time prior to July 1, 2022, in the case of the 2022 Notes, we may redeem some or all of the Senior Notes at the redemption prices specified in the First Supplemental Indenture and Second Supplemental Indenture, respectively. At any time on or after July 1, 2022, we may redeem the 2022 Notes at the redemption price equal to 100% of the principal amount of the 2022 Notes redeemed. The Senior Notes are our senior unsecured obligations. The Senior Notes will rank equally in right of payment with all of our existing and future unsubordinated debt, and will rank senior in right of payment to all of our future subordinated debt.

Private Placement Notes—On July 27, 2010, we completed the private placement of €200.0 million aggregate principal amount of 5.0% notes due July 2020 (the "2020 Notes"). Interest on the 2020 Notes is payable annually in arrears on July 27 of each year, beginning July 27, 2011. Net proceeds of the 2020 Notes were used to partially finance the 2004-2011 bond issue, which was repaid at its maturity date on May 26, 2011. The 2020 Notes contain contains usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2020 Notes may be redeemed early by any bondholder, at its sole discretion. The 2020 Notes are our unsecured obligations. The 2020 Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

In June 2012, we completed the private placement of €325.0 million aggregate principal amount of notes. The notes were issued in three tranches with €150.0 million bearing interest at 3.40% and due June 2022 (the "Tranche A 2022 Notes"), €75.0

million bearing interest of 4.0% and due June 2027 (the "Tranche B 2027 Notes") and €100.0 million bearing interest of 4.0% and due June 2032 (the "Tranche C 2032 Notes" and, collectively with the "Tranche A 2022 Notes and the "Tranche B 2027 Notes", the "2012 Private Placement Notes"). Interest on the Tranche A 2022 Notes and the Tranche C 2032 Notes is payable annually in arrears on June 14 of each year beginning June 14, 2013. Interest on the Tranche B 2027 Notes is payable annually in arrears on June 15 of each year, beginning June 15, 2013. Net proceeds of the 2012 Private Placement Notes were used for general corporate purposes. The 2012 Private Placement Notes contain usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2012 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2012 Private Placement Notes are our unsecured obligations. The 2012 Private Placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

In October 2013, we completed the private placement of €355.0 million aggregate principal amount of senior notes. The notes were issued in three tranches with €100.0 million bearing interest at 3.75% and due October 2033 (the "Tranche A 2033 Notes"), €130.0 million bearing interest of 3.15% and due October 2023 (the "Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% and due October 2023 (the "Tranche C 2023 Notes" and, collectively with the "Tranche A 2033 Notes and the "Tranche B 2023 Notes", the "2013 Private Placement Notes"). Interest on the Tranche A 2033 Notes is payable annually in arrears on October 7 each year, beginning October 7, 2014. Interest on the Tranche B 2023 Notes is payable annually in arrears on October 16 of each year beginning October 16, 2014. Interest on the Tranche C 2023 Notes is payable annually in arrears on October 18 of each year, beginning October 18, 2014. Net proceeds of the 2013 Private Placement Notes were used for general corporate purposes. The 2013 Private Placement Notes contain contains usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2013 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2013 Private Placement Notes are our unsecured obligations. The 2013 Private Placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

Term loan—In December 2016, we entered into a £160.0 million term loan agreement to finance the Deep Explorer, a diving support vessel ("DSV"), maturing December 2028. Under the loan agreement, interest accrues at an annual rate of 2.813%. This loan agreement contains usual and customary covenants and events of default for loans of this type.

Foreign committed credit—We have committed credit lines at many of our international subsidiaries for immaterial amounts. We utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend upon the local national market.

Capital leases—In 2014 we entered into construction and operating lease agreements to finance the construction of manufacturing and office facilities located in Houston, TX. In January 2016, construction of the facilities was completed and rental payments under the operating lease commenced. Upon expiration of the lease term in September 2021, we have the option to renew the lease, purchase the facilities or re-market the facilities on behalf of the lessor, including certain guarantees of residual value under the re-marketing option.

Note 10 – Other liabilities (current and non-current)

Other current liabilities consisted of the following:

(In millions of U.S. dollars)	June 30, 2017	December 31, 2016
Accruals on completed contracts	305.4	271.9
Current accounts on contracts under joint arrangements	22.8	23.3
Deferred income on contracts	403.3	407.6
Contingencies related to contracts	415.2	370.1
Other taxes payable	283.3	143.5
Social security liability	113.9	66.3
Redeemable financial liability	59.8	33.7
Other	689.1	475.3
TOTAL OTHER CURRENT LIABILITIES	**2,292.8**	**1,791.7**

During the six months ended December 31, 2016, we obtained voting control interests in legal onshore/offshore contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. Prior to the amendments of the contractual terms that provided us with voting interest control, we accounted for these entities under the equity method of accounting based on our previously held interests in each of these entities. Since nearly all substantive processes to perform and execute the obligations of the underlying contract are conducted by TechnipFMC and the noncontrolling interest holders, we accounted for these entities as an asset acquisition upon our obtaining control and recognized a net loss of $(4.4) million during 2016. As of December 31, 2016, total assets, liabilities and equity related to these entities were consolidated onto our balance sheet and our results of operations for the six months ended June 30, 2017 reflect the consolidated results of operations related to these entities.

In addition to the recognition of an intangible asset related to the acquired asset in the underlying entities, a mandatorily redeemable financial liability of $176.0 million was recognized as of December 31, 2016 to account for the fair value of the non-controlling interests. Changes in the fair value of the financial liability are recorded as interest expense on the condensed consolidated statements of income.

Note 11 – Off-balance sheet commitments

In the ordinary course of business, we enter into standby letters of credit, performance bonds, surety bonds and other guarantees with financial institutions for the benefit of our customers, vendors and other parties. The majority of these financial instruments expire within five years. Management does not expect any of these financial instruments to result in losses that, if incurred, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Note 12 – Legal proceedings and other matters

Legal proceedings

On March 29, 2016, Dong Energy ("Dong") terminated, on the grounds of an alleged material breach, a contract signed on February 27, 2012 with a consortium of Technip France and Daewoo Shipping & Marine Engineering Co., Ltd. This contract covered engineering, procurement, fabrication, hook-up and commissioning assistance for a fixed wellhead and process platform and associated facilities for the Hejre field offshore Denmark. Dong announced that it will not complete and does not intend to take possession of the platform. On May 4, 2017, the parties announced they had entered into a settlement agreement regarding the dispute, including the arbitral claims, related to the Hejre contract, and TechnipFMC will have no further responsibilities or liabilities with regard to the platform.

We are involved in various pending or potential legal actions or disputes in the ordinary course of our business. Management is unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Other matters

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice ("DOJ") related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign Corrupt Practices Act ("FCPA"). We are cooperating with the DOJ's and U.S. Securities and Exchange Commission's inquiries. On March 29, 2016 Technip S.A. also received an inquiry from the DOJ related to Unaoil. We are cooperating with the DOJ's inquiry.

In late 2016, Technip S.A. was contacted by the DOJ, regarding offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant. The DOJ has also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We are cooperating with the DOJ in its inquiry into potential violations of the FCPA in connection with these projects.

We are involved in various pending or potential legal actions or disputes in the ordinary course of our business, and management is unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidation financial position, results of operations or cash flows.

Note 13 – Market risk

We are subject to financial market risks, including fluctuations in foreign currency exchange rates and interest rates. In order to manage and mitigate our exposure to these risks, we may use derivative financial instruments in accordance with established policies and procedures. We do not use derivative financial instruments where the objective is to generate profits solely from trading activities. As of June 30, 2017, substantially all of our derivative holdings consisted of foreign currency forward contracts and foreign currency instruments embedded in purchase and sale contracts.

These forward-looking disclosures only address potential impacts from market risks as they affect our financial instruments and do not include other potential effects that could impact our business as a result of changes in foreign currency exchange rates, interest rates, commodity prices or equity prices.

Foreign currency exchange rate risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We primarily use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the balance sheet, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

Occasionally, we enter into contracts or other arrangements containing terms and conditions that qualify as embedded derivative instruments and are subject to fluctuations in foreign exchange rates. In those situations, we enter into derivative foreign exchange contracts that hedge the price or cost fluctuations due to movements in the foreign exchange rates. These derivative instruments are not designated as cash flow hedges.

For certain committed and anticipated future cash flows and recognized assets and liabilities which are denominated in a foreign currency we may choose to manage our risk against changes in the exchange rates, when compared against the functional currency, through the economic netting of exposures instead of derivative instruments. Cash outflows or liabilities in a foreign currency are matched against cash inflows or assets in the same currency such that movements in exchanges rates will result in offsetting gains or losses. Due to the inherent unpredictability of the timing of cash flows, gains and losses in the current period may be economically offset by gains and losses in a future period. All gains and losses are recorded in our consolidated statements of income in the period in which they are incurred. Gains and losses from the remeasurement of assets and liabilities are recognized in other income (expense).

Interest rate risk

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations. Based on our portfolio as of June 30, 2017, we have material positions with exposure to interest rates in the United States, Canada, Australia, Brazil, the United Kingdom, Singapore, the European Community and Norway.

Note 14 – Subsequent events

On August 1, 2017, the Compensation Committee of our Board of Directors approved entering into Executive Severance Agreements with our executive officers other than our Executive Chairman. The Executive Severance Agreements provide for "double trigger" severance benefits if an executive officer's employment is terminated without cause or constructively terminated within the twenty-four months following a change in control. The severance benefits are equal to (i) a multiple of each executive's base salary (multiple of three for our Chief Executive Officer and Chief Financial Officer; multiple of two for all other executive officers); (ii) a multiple of the greater of the executive's annual target cash bonus or the executive's prior three-year average annual cash bonus (multiple of three for our Chief Executive Officer and Chief Financial Officer; multiple of two for all other executive officers); (iii) accrued but unpaid base salary and unused paid time off pay; (iv) a pro-rated payment equal to the amount of the executive's annual target cash bonus for the year the executive is terminated; and (v) an amount equal to the monthly premium payable for the executive under the Company's health care, life, accidental death and dismemberment insurance and long-term disability insurance coverage for twenty-four months, or in the case of our Chief Executive Officer and Chief Financial Officer, for thirty-six months. However, if the executive is party to a similar agreement with Technip or FMC Technologies entered into prior to the Merger (a "legacy agreement"), then the executive's severance benefits will not be less than the severance benefits he or she would have received under his or her legacy agreement until July 16, 2018 for officers who had agreements with Technip and January 16, 2019 for officers who had agreements with FMC Technologies, at which time the legacy agreements will terminate. Receipt of the severance benefits under the Executive Severance Agreements is subject to the executive signing a release of claims. The severance benefits may also be reduced to the extent payment of such benefits would not be deductible by reason of Section 280G of the U.S. Internal Revenue Code. Following termination, the executive would also no longer be subject to any stock ownership or retention requirements.

4 STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST HALF-YEAR FINANCIAL INFORMATION

Independent review report to TechnipFMC Plc

Report on the interim condensed consolidated financial statements

Our conclusion

We have reviewed TechnipFMC Plc's interim condensed consolidated financial statements (the "interim financial statements") in the half-year financial report of TechnipFMC Plc for the 6-month period ended June 30, 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated statement of financial position as at June 30, 2017;
- the condensed consolidated statement of income and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-year financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-year financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

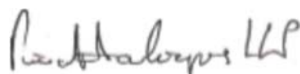
Our responsibility is to express a conclusion on the interim financial statements in the half-year financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants
London
August 3, 2017

a) The maintenance and integrity of the TechnipFMC plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TechnipFMC plc

Ordinary shares of 467,221,709 U.S. dollars

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