

## Activities



### → OIL AND GAS

Tubes, connections and premium solutions for exploring and operating oil and gas deposits:

- ▶ OCTG\*: tubes and connections to complete oil and gas wells (casing, tubing, VAM® premium connections, accessories)
- ▶ Drill pipe, bottom hole assembly, VAM® premium connections and accessories for drill strings
- ▶ Line pipe and accessories for on- and offshore hydrocarbon transport
- ▶ Super duplex welded tubes for umbilicals
- ▶ Pipe and fittings for hydrocarbon processing units
- ▶ VAM® Global Solutions: products and services offer (well design, customer training, logistics, on-site services and repairs...)
- ▶ Welding solutions and services for on- and offshore projects



### → POWER GENERATION

The entire range of tubes needed to build conventional and nuclear power plants.

- ▶ Seamless tubes for boiler applications
- ▶ Seamless tubes for nuclear power plants
- ▶ Welded tubes for heat exchangers



### → INDUSTRY

Hollow sections, tubes and hollow bars for:

- ▶ Mechanical engineering: cranes, hydraulic cylinders, agricultural machinery...
- ▶ Automotive: light and heavy vehicles
- ▶ Construction: bridges, stadiums, airport terminals, exhibition halls...

\* Oil Country Tubular Goods.  
VAM® is a registered trademark of the Vallourec Group.

## Our teams

Its 23,000 employees worldwide are Vallourec's most valuable resource. By placing respect, fairness and skills development at the heart of relationships with its teams, Vallourec fosters employees' trust and loyalty.

### → Safety: the N°1 priority

The CAPTEN+ Safe program launched in 2008 mobilizes all teams at all levels worldwide and has resulted in the reduction of 72% in the number of accidents with lost time between 2008 and 2012.

### → « Vallourec Way », the Group's Code of ethics

Vallourec promotes the development of a corporate culture shared by everyone, based on five principles:

- ▶ integrity and transparency
- ▶ high standards and professionalism
- ▶ performance and responsiveness
- ▶ respect for people
- ▶ joint commitment

### → Renewed confidence in the Groups' long term strategy

**65%**  
participation rate in the « Value 12 » employee share ownership scheme

**7.1%**  
of Vallourec's capital held by employees at 12/31/2012



### → Talent management

Through an array of programs, Vallourec works to develop a common culture of excellence, enhance the expertise of its teams and anticipate future recruitment and training needs in all the countries in which it operates.

▶ « Vallourec University » trains and unites Group employees around strategic themes such as innovation, leadership, customer focus and project management.

▶ The Experts program offers individualized paths in excellence areas related to the Group's businesses.

Group Communications – July 2013 – Photo Credits: Stephan Caso, Thiago Fernandes, Joe Rudinec, Vallourec Media Library



## Profile

Sales  
**€5,326 million**

Sales volume  
**2,092**  
thousand metric tons

EBITDA  
**€786 million**

Net profit Group share  
**€217 million**

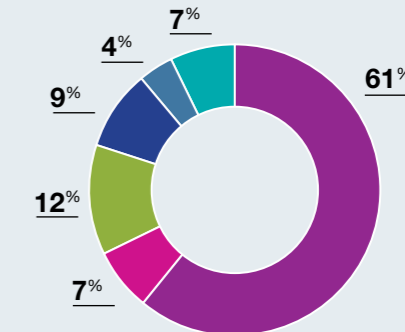
A **CAC 40**  
company  
2012 figures

Vallourec is a world leader in premium tubular solutions primarily serving the energy markets (oil and gas, power generation).

Its expertise also extends to the industry sector (including mechanical engineering, automotive and construction). **With more than 23,000 employees, sales of €5.3 billion in 2012 – 78% generated outside Europe –, integrated manufacturing facilities in more than 20 countries** and cutting-edge R&D, Vallourec provides customers with innovative global solutions that respond to the energy challenges of the 21<sup>st</sup> century.

Vallourec shares are listed on NYSE Euronext Paris and on the US over-the-counter (OTC) market as ADR (5 ADR represent 1 share of common stock).

### → 2012 sales breakdown by activity



Nearly **70%** of Group sales in the oil and gas and petrochemicals activities.

- Oil and Gas
- Petrochemicals
- Power Generation
- Mechanical Engineering
- Automotive
- Construction and other

## Strategy

The increasing complexity of accessing available hydrocarbon reserves to meet the world's growing energy needs is driving development of ever more advanced solutions. Improving energy efficiency also requires cutting-edge technology for electrical power plants.

Vallourec's innovative products and services respond to the specific challenges of the oil and gas, power generation and industrial markets.

The company applies its business model based on innovation, local presence and ongoing competitiveness improvement while closely monitoring any impacts from its operations on people and ecosystems.

### Our threefold strategy:

#### → More premium

- › Added value
- › Technology
- › Service

#### → More local

- › Customer intimacy
- › Local leadership
- › Local content

#### → More competitive

- › New capabilities
- › Economies of scale
- › Operational excellence

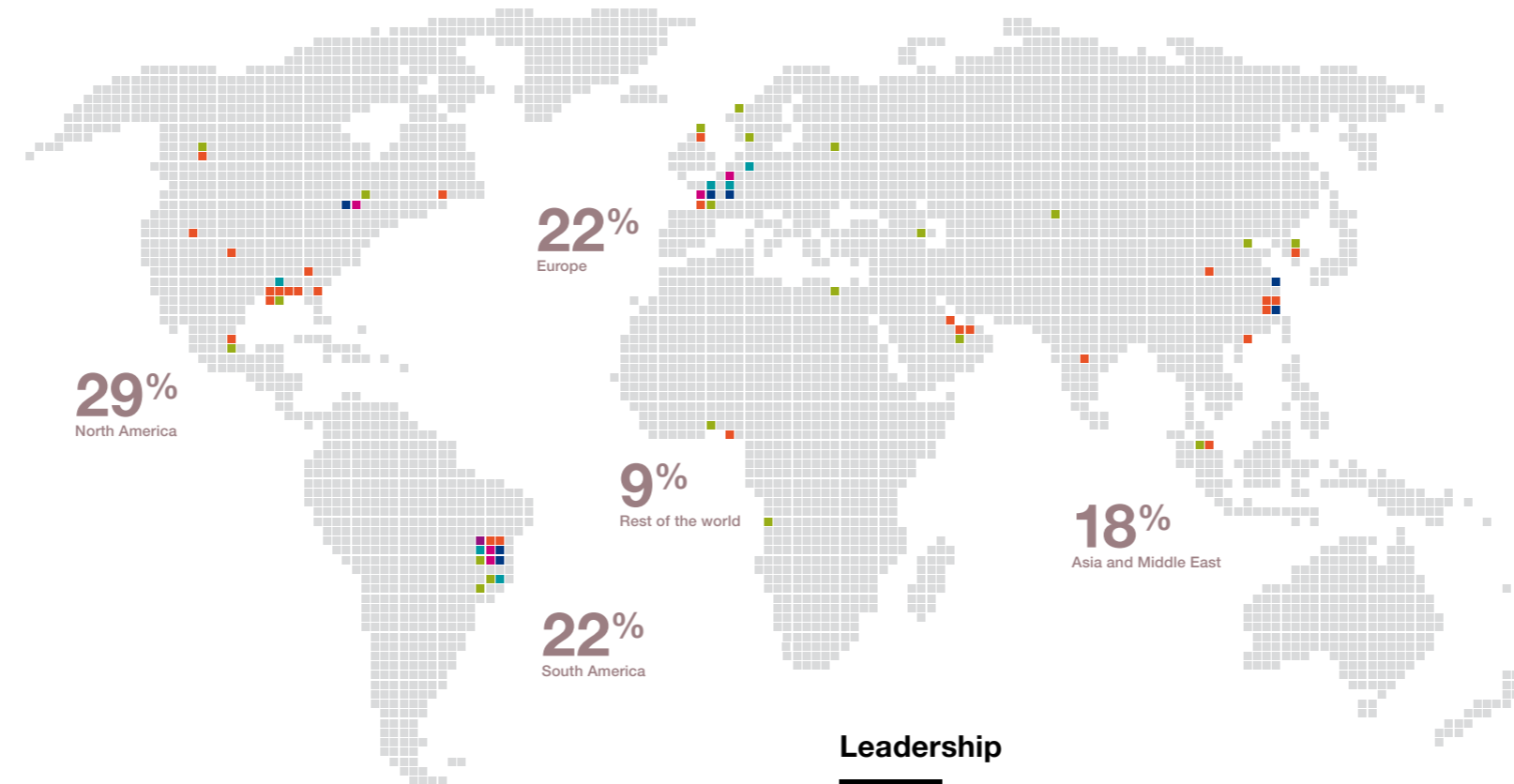


## International presence

Main Vallourec locations:

- Steel mills
- Tube mills
- Finishing units
- R&D centers
- Plantation and mine
- Sales and services offices

% Sales breakdown by geographical area



## Leadership

- › More than **50** manufacturing facilities around the world
- › Presence in more than **20** countries
- › **23,200** employees worldwide

› The broadest range of seamless tubes and pipe in the world

› World leader in premium connections with the VAM® product line

› World leader in integrated welding solutions for offshore projects

› World N° 2 on the offshore line pipe market, specializing in deep and ultra-deep wells

› World leader and only supplier to offer the entire range of tubing for power plants

› European leader in seamless tubes for mechanical applications

## Innovation

Thanks to its ambitious innovation policy, Vallourec develops safe and efficient solutions to support its clients and help them meet their technological challenges.

› **Increasing complexity of oil and gas deposits:** deep offshore, HP/HT, pre-salt fields, unconventional oil and gas, arctic, sour service, extended reach drilling.

› **Improving power plants' efficiency and extending their lifespan:** new steel grades for high efficiency power plants, enhancement of tubes' heat exchange surface...

› **Perfecting mechanical properties:** mechanical machinery efficiency, lightweight structures.

## Sustainable development

Vallourec measures its progress by monitoring namely five indicators which correspond to its social and environmental commitments.

- › Ensure the safety and protect the health of its employees
- › Train and motivate its employees
- › Meet shareholders' expectations over time
- › Improve the energy efficiency of its equipment and reduce the carbon emissions of production processes
- › Respect the environment and protect biodiversity

**€93 million** expenses in R&D in 2012 (+19% compared to 2011)

**6** international research centers

**500** R&D engineers and technicians

Nearly **40%** of the energy consumed is renewable

**65%** of the steel used in the manufacturing process comes from recycled scrap

**91%** of process waste is reused

Vallourec is committed to the United Nations Global Compact

