



V A L L O U R E C

Vallourec signs a preliminary agreement regarding the sale of Vallourec Précision Soudage and Vallourec Composants Automobiles Vitry

Boulogne-Billancourt, 20 July 2007 – Vallourec announces that it has signed a preliminary agreement regarding the sale to ArcelorMittal of two French companies – Vallourec Précision Soudage (“VPS”) and Vallourec Composants Automobiles Vitry (“VCAV”), both fully owned subsidiaries of Vallourec.

VPS is specialised in the production of welded precision tubes for the automotive industry for the manufacture of suspension and body in white components, cars seats, and cold drawn products. It produces around 100,000 tonnes of welded tubes per year and annual sales are around € 100 million. ArcelorMittal is one of the main suppliers of coils to VPS. VPS employs 320 people in its factories in Hautmont and Chevillon, France.

Involved at the very early stages of design and production of tubular components, in partnership with the automakers engineering office, VCAV is specialised in chassis functions and passive safety solutions (suspension and crash components). Annual sales are around € 45 million. VPS is the supplier of welded tubes to VCAV. VCAV employs 230 people in its factory at Vitry-Le-François, France.

The planned combination of VPS and VCAV with ArcelorMittal will enable both of these companies to benefit from the strong presence of ArcelorMittal within the European automotive industry.

The project will be presented to the relevant employee representative bodies for consultation. Completion of the transaction is conditional upon a clearance decision by the competent competition authorities.



About Vallourec

Vallourec is a world leader in the production of seamless steel tubes and tubular products for specific industrial applications (oil and gas, power generation, petrochemicals, automotive and mechanical engineering industries).

Vallourec is listed on the Euronext Paris Eurolist (ISIN code: FR0000120354), is eligible for the deferred settlement system and is included in the following indices: MSCI World Index, Euronext 100, CAC 40 and SBF 120. FTSE classification: engineering and machinery.

Calendar

- Results for the first half of 2007 will be released on 31 July 2007.

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