

# At a glance 2017



What is the relationship between oil and gas wells in extreme environments, latest generation power plants, bold architectural projects and high-performing mechanical engines? **Vallourec**.

As a world leader in its markets, Vallourec supplies tubular solutions that make possible all of its customers' projects, even the most complex.

In 2016, the Group implemented a comprehensive transformation plan that optimizes its industrial footprint and increases its competitiveness while maintaining the highest safety and quality standards that make it world-renowned. —

1.28  
million tons shipped



19,000  
employees

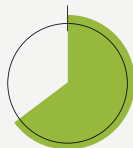


€2.9 Bn  
revenues

64.8%

**OIL AND GAS**

from onshore and offshore exploration to production to transportation and processing of hydrocarbons



16.4%

**POWER GENERATION**

for conventional power plants and nuclear power plants



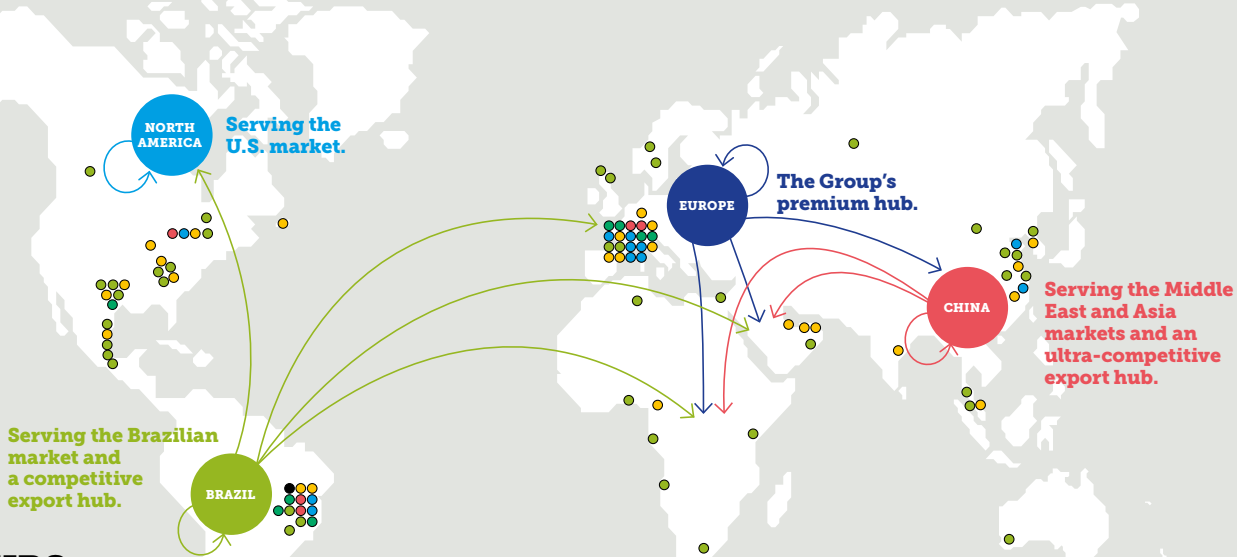
18.8%

**INDUSTRY**

for construction of infrastructure, machinery and vehicles



**Choosing the most competitive path.** Vallourec's industrial footprint features four regions with equivalent capacities and serves its markets through routes optimized for cost and time, from production to delivery. —



**4 HUBS**  
**4 X 25%**  
of rolling capacity

- Steel mills
- Pipe mills
- Finishing units
- R&D Centers
- Sales and services offices
- Forest and mine

**Returning to competitiveness.** 900 employee initiatives were carried out in all plants and on all subjects. The objective: to generate 400 million euros of savings between 2016 and 2020. Examples of the challenges. —

**GERMANY**

**DUSSELDORF-RATH**

Reconfigure the finishing line to make it compatible with all types of tubes.



**FRANCE**

**AULNOYE-AYMERIES**

Perform 100% non-destructive testing of tubes internally and without touching with hands.



**BRAZIL**

**BELO HORIZONTE**

Extend the service life of critical rolling mill modules by 6 to 9 months.



Discover in video on [www.vallourec.com](http://www.vallourec.com)



**UNITED STATES**

**HOUSTON**

Reduce the quenching circuit of tubes to a single water pump instead of two.



**Commitment to excellence of a major industrial company.** Safety, Quality, Lean, CSR: Vallourec focuses on standards for the benefit of all stakeholders. —

### **Safety, the Vallourec culture**

Neither the decline in activity nor the competitiveness initiatives undertaken have distracted attention from safety indicators. In 2016, Vallourec had no serious accidents, the accident rate with and without lost time was 2.61 and the rate of lost-time accidents was 1.41.

### **Quality, the 360° ambition**

Treatment of customer complaints at the root is bearing fruit. In one year, the number of claims was again halved, falling from 40 complaints per month in 2015 to 21 in 2016.

### **Lean, everyone involved**

Vallourec is continuing to step 2 of lean management, which aims to involve everyone and to capitalize on learning through production standards.

### **CSR: another means of excellence**

In 2016, Group purchases amounted to 2.22 billion euros, of which about 45% were local purchases, and support for local communities was around 3.3 million euros.



**Innovations that make the difference.** Making the most complex projects possible, reducing «Total Cost of Ownership» (TCO) for customers and opening new markets are Vallourec's three main areas of innovation.

Examples of flagship innovations. —



### **CLEANWELL®:**

#### Dry version 2

This coating applied at the plant on the threaded connections replaces the storage and running compounds. The result: a productivity gain on the oil platform estimated at 10% of the value of each tube.



### **Geothermal energy** in Bavaria (Germany)

The OCTG tubes of the Holzkirchen power station are resistant to temperatures above 180° C and external pressure of up to 743 bar, 5,000 m underground.



### **One Stop Shop** closer to the platforms

Vallourec hubs drive a pipeline's entire value chain and concentrate all services: inventory management, coatings, welding, testing, inspections, repairs, timely and cost-effective shipments.



### **Cleverscan:** high-precision alignment

This tool revolutionizes the welding of tubes of different diameters and relies on 720 points for checking tube alignment.

**Demonstrating confidence.** Making possible the most complex projects and the wildest dreams of its customers, that is Vallourec's mission, which communicated enthusiasm for the sector worldwide, with supporting evidence. —



### STORY#1 **POWER GENERATION**

The creation of an extraordinary steel use for example for Fortuna, the combined cycle gas turbine power plant built by Siemens in Düsseldorf, makes a world record possible: 85% natural gas fuel efficiency and 1 million tons of CO<sub>2</sub> avoided per year.



### STORY#2 **SERVICES**

Vallourec's unlimited support from plants to wells via its 11 service hubs enables customers to save 5 to 10% of the total cost of the tubes, making it possible to ultimately resume their major projects.



### STORY#3 **OFFSHORE GHANA**

Shared Odyssey in deep waters: 60 km from the coast, in a field of 500 km<sup>2</sup> at a depth of 1,000 to 2,000 meters, with 24 wells connected thanks to hundreds of kilometers of tubes delivered in continuous flow.

## AND OTHER STORIES AROUND THE WORLD

Wherever it is more beautiful, more impressive, more innovative, more useful...

- Paris, "haute couture" tubes for the Canopée des Halles
- The Paris-Orly footbridge, 800 tons of lightness
- 1,340 tons of profiles to support the great Egyptian Museum
- Orchestration of a multi-vendor delivery for the Mall of Qatar
- FineXcell® ribs for the giant umbrellas in Mecca
- A tube structure for the New York Wheel. —



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