



VALLOUREC SHARE SPLIT

As a result of Vallourec's strong performance, the share price more than quadrupled in 2005 and has more than doubled since the beginning of 2006. This very significant rise in the Vallourec share price is a reflection of the confidence shown by an increasing number of investors in the Group's future. One consequence of the rise, however, is that the Vallourec share price has become one of the highest on the Paris stock exchange. Indeed, no other share in the SRD deferred settlement system currently trades at such a level and Vallourec is therefore the exception.

Because the high share price could hinder exchanges and may dissuade certain potential investors from purchasing Vallourec shares, it has been decided to carry out a share split. This form of transaction is not at all unusual on the stock markets and will take the Vallourec share price to more usual market levels. The share split will, of course, have no impact on either the value of the Company or on the value of investors' holdings in Vallourec.

Terms of the transaction

The proposal to divide the value of the share by five was approved by the shareholders during the Extraordinary General Meeting of 1 June 2006. The transaction will take place on 18 July 2006, on which date the number of Vallourec shares will be multiplied by a factor of five.

In material terms, on 18 July 2006 each Vallourec shareholder will be allocated five new shares in exchange for each existing share held.

Shareholders need take no action. Euroclear France will carry out the share split and the number of shares shown on shareholders' accounts following closure of the stock market on 17 July 2006 will be multiplied by five and, on opening of the market the following morning, i.e. on 18 July 2006, the share price will automatically be divided by five.

Consequences of the transaction

The share split will have no impact on either Vallourec's market capitalization or on the Company's value. Nor will the transaction have any effect on the overall value of investors' holdings in the Company. It will have no tax effect, and does not affect the dividend, the balance of which in respect of the 2005 financial year was paid on 5 July 2006.

By way of example, for an investor holding 10 Vallourec shares before the share split at an indicative price of € 950 per share:

Example:	Before share split	After share split
Number of shares	10	50
Indicative value per share (<i>in euros</i>)	950	190
Value of shareholding (<i>in euros</i>)*	9,500	9,500

* assuming the overall price does not change

For further information, please contact Vallourec's Shareholder Relations department by telephone on +33 (0)1 49 09 38 86 or by e-mail to dir.comm@vallourec.fr