

PRESS RELEASE



V A L L O U R E C

2005 Q3 consolidated sales up 40.2%

Outlook:

➤ 2005 Q4 sales higher than Q3

➤ 2005 second half EBITDA / sales ratio close to the first half

Boulogne-Billancourt, 27 October 2005 - Vallourec, world leader in the production of seamless steel tubes and tubular products for specific industrial applications, today announced that its consolidated sales for the third quarter of 2005 amounted to € 1,067.5 million, up 40.2% compared with the third quarter of 2004 (€ 761.6 million).

During the first nine months of the year, sales reached € 3,042.9 million, up 42.2% compared to the same period last year.

<i>In € million</i>	2004	2005	Change 2005/2004
1st quarter	637.6	900.8	+41.3%
2nd quarter	741.2	1 074.6	+45.0%
3rd quarter	761.6	1 067.5	+40.2%
Total first nine months	2,140.4	3,042.9	+42.2%

The sales growth rate in the third quarter of 2005 remained at a level similar to that of the first two quarters despite the fact that:

- the third quarter of 2005 was adversely affected by a planned halt in production in Brazil, to enable capacity to be increased;
- the third quarter of 2004 had already begun to benefit significantly from price increases negotiated in 2004 (this benefit was not felt during the first two quarters of 2004).

The performance in the third quarter was, in all respects, in line with the Group's expectations.

Demand remains very strong, particularly in the sectors linked to energy (tubes for oil and gas drilling and electric power plants).



After taking into account the above, Vallourec confirms that its sales in the second half of 2005 will be higher than in the first half of 2005 with sales in the fourth quarter, if all goes according to plan, exceeding sales in the third.

The Group also confirms that the EBITDA / sales ratio for the second half of 2005 is expected, barring unforeseen circumstances, to be close to that for the first half of 2005 (22.8%).

Calendar

- Consolidated sales for the fourth quarter of 2005 will be released on 1 February 2006.
- Consolidated results for the financial year 2005 will be released on 8 March 2006.

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, chemicals and 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: SBF 120, CAC Mid 100 and NEXT 150.

FTSE classification: engineering and machinery.

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