



V A L L O U R E C

Annual General Meeting of 1 June 2006

- **Renewal of the appointments of members of the Supervisory Board**
- **Approval of the dividend and stock split**
- **Slight increase in forecast first half 2006 EBITDA / sales ratio**
- **Upgrade of gross capital expenditure budget**

Boulogne-Billancourt, 2 June 2006 - Vallourec, world leader in the production of seamless steel tubes and tubular products for specific industrial applications, held its Annual General Meeting late yesterday afternoon, comprising an Ordinary General Meeting and an Extraordinary General Meeting.

All the resolutions proposed at the Ordinary and Extraordinary General Meetings were adopted with a very large majority. In particular, the shareholders approved the renewal of the appointments of the members of the Supervisory Board that were about to expire. The appointment of Mr Jean-Paul Parayre, Chairman of the Supervisory Board, and the appointments of Messrs Patrick Boissier, Wolfgang Eging, Heinz Jörg Fuhrmann and Denis Gautier-Sauvagnac were all renewed.

The General Meeting also approved the payment of a dividend of € 11.20 per share in respect of the financial year 2005. Given the interim dividend of € 4.00 per share already paid on 12 October 2005, the balance, i.e. € 7.20 per share, will be paid on 5 July 2006.

Lastly, the General Meeting approved the 5:1 stock split of the Vallourec shares with effect from 18 July 2006. In practice, on this date each shareholder will be allocated five new Vallourec shares with a nominal value of € 4 each for one old share with a nominal value of € 20.

During the General Meeting, Mr Pierre Verluca, Chairman of the Management Board, confirmed that sales for the first half of 2006, as compared with those for the first half of 2005 (€ 1,975 million), are expected to achieve a level of growth close to the 41.8% achieved for the full year 2005. The Group has however slightly increased its forecast EBITDA / sales ratio for the first half of 2006: the ratio is now expected to be slightly higher than the 26.2% achieved for the second half of 2005 as compared with an earlier forecast of a ratio slightly higher than the 24.6% achieved for the full year 2005.



Pierre Verluca further announced that, given the good conditions in the energy markets, the Group had decided to increase its gross capital expenditure budget for 2006. Initially set to increase by 30% compared with 2005 (€ 192.4 million in 2005), the 2006 budget will reach approximately € 300 million, i.e. an increase of about 50%.

Calendar

- Consolidated sales for the second quarter of 2006 will be released on 27 July 2006.
- Consolidated results for the first half of 2006 will be released on 13 September 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: Euronext 100, SBF 120 and CAC Mid 100.

FTSE classification: engineering and machinery.

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