



Salzgitter AG and Vallourec finalize the sale of Vallourec's precision tubes activities to Salzgitter

Boulogne-Billancourt, 2nd July 2007 – Salzgitter AG and Vallourec have signed on 22 June 2007 a definitive agreement regarding the sale to Salzgitter of Vallourec Précision Etirage (VPE), France, a 100% subsidiary of Vallourec. Since all of the conditions precedent had been met, in particular the obtaining on 26 June 2007 of clearance from the European competition authorities, the transaction will be carried out and effective as from 2 July 2007. From that date the company VPE will be deconsolidated from Vallourec's financial statements and consolidated into Salzgitter's.

VPE's cold finishing operations will complement Salzgitter's existing precision tubes activities operated by its German subsidiary MHP Mannesmann Präzisrohr (MHP) and its Dutch subsidiary, Mannesmann Robur (ROB).

As initially planned, Salzgitter also acquired from Vallourec the German hot-rolling tube mill in Zeithain (Saxony), thus enabling the combined businesses of MHP, ROB and VPE to be largely autonomous regarding their supply of seamless tubes hollows as feed stock.

VPE is specialised in the manufacture of cold drawn precision tubes. In 2006, VPE sales reached € 220 million, two thirds being dedicated to the automotive industry and one third to other specific industrial applications. The VPE operations include five production plants in France and employ 1,210 people.

Zeithain, which employs 350 people, was already supplying MHP, ROB and VPE with hollows. Its annual output of 170,000 tonnes might exceed 200,000 tonnes in the mid term.

When they announced their preliminary agreement on 13 December 2006, Salzgitter and Vallourec together outlined their conviction of the need for consolidation in the European precision tube market.

The integration of VPE into Salzgitter's existing precision tubes activities will expand the future potential for the combined entities. Whilst MHP has a strong German client base, VPE enjoys an excellent market position in France. Additionally, the transaction shall generate considerable industrial and R&D synergies.

Calendar

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

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: MSCI World Index, Euronext 100, CAC 40 and SBF 120. FTSE classification: engineering and machinery.

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No changes to the existing telephone numbers