Press Release

Vallourec reports Q4 and full year 2011 results

Boulogne-Billancourt, 22 February 2012 - Vallourec, world leader in premium tubular solutions, today announced its results for the fourth quarter and full year 2011. The consolidated financial statements were presented by Vallourec's Management Board to its Supervisory Board.

Key Figures

Q4 2011:

- **Sales volume of 589 thousand tonnes**
- **Sales up 19% versus Q3 2011 to € 1,553 million**
- **EBITDA up 12% versus Q3 2011 to € 254 million representing 16.4% of sales**

Full year 2011:

- **Sales volume up 19% to 2,251 thousand tonnes**
- **Sales up 18% to € 5,296 million**
- **EBITDA up 2% to € 940 million representing 17.7% of sales**
- **Net income, Group share of € 402 million**
- **Proposed dividend of € 1.30 per share**

2011 Highlights

- **Start up of new capacity at Valinox Nucléaire, France**
- **Inauguration of new Brazilian plant VSB**
- **Partnership with Tianda Oil Pipe to serve the Chinese Oil & Gas market**
- **Acquisition of Zamil Pipes in Saudi Arabia**

Information

Quarterly statements are unaudited. Audit procedures have been carried out for the full year consolidated financial statements. Final certification will take place before the Registration Document is filed with the AMF, mid-April 2012. Unless otherwise specified, the changes indicated are expressed in comparison with the previous year.

Summary of results for fourth quarter (Q4) and full year (FY) 2011

Comparison of Q4 2011 with Q3 2011 and Q4 2010; FY 2011 with FY 2010

In € million	**Q4 2011**	**Q3 2011**	***Change QoQ***	**Q4 2010**	***Change YoY***	**FY 2011**	**FY 2010**	***Change YoY***
Sales Volume[1] (k tonnes)	**589**	601	*-2%*	553	*+6%*	**2,251**	1,888	*+19%*
Sales	**1,553**	1,306	*+19%*	1,303	*+19%*	**5,296**	4,491	*+18%*
EBITDA	**254**	228	*+12%*	261	*-3%*	**940**	925	*+2%*
As % of sales	**16.4%**	17.4%		20.0%		**17.7%**	20.6%	
Total net income	**133**	105	*+28%*	120	*+11%*	**457**	453	*+1%*
Net income, Group share	**117**	91	*+29%*	108	*+9%*	**402**	410	*-2%*

Commenting these results, Philippe Crouzet, Chairman of the Management Board, stated:

"2011 was a year of strong growth in our activity, with both production and sales increasing by close to 20%. We benefited from a positive environment across most of our markets, notably for Oil & Gas and for Mechanical sales. Most of our plants operated at high utilisation rates, and a high degree of flexibility has been restored. Our CAPTEN+ programme generated gross cost savings of € 83 million. Despite the additional costs associated to the strategic projects, the EBITDA for the full year was above that of 2010.

Our major strategic projects reached different stages of completion this year. In France, the capacity expansion at Valinox Nucléaire was brought on line. In Brazil, our new plant VSB was inaugurated in September, its first tubes delivered in Q4, and the qualification and ramp-up process will continue through 2012. In the USA, the construction of our new pipe mill will soon be completed with first sales expected in the summer.

We continue to innovate and strengthen our R&D efforts in order to offer our customers the products they need to operate in the most technically challenging environments. The successful launch of our new premium connection, VAM 21® for high pressure and high temperature conditions, is a prime example. We are also expanding our research facilities in Brazil with the establishment of a new research centre in 2013, located in the Technological Park of Rio, close to the Petrobras research centre.

Looking forward, we expect sales to grow in 2012. The business environment for the Oil & Gas markets remains positive, driving demand for premium products. However, other industrial markets will be impacted by the slowdown in economic growth since the last months of 2011."

[1] Sales volume corresponds to the volume in metric tonnes of hot-rolled tubes produced and delivered by Vallourec's rolling mills.

MARKET ENVIRONMENT

In 2011, the Oil & Gas markets experienced a year of robust growth, whilst growth in other industrial markets has slowed down since the summer as a result of the European financial crisis.

High levels of E&P[1] spending, supported by high oil prices[2] which averaged $111/bbl versus $76/bbl in 2010, benefited the Oil & Gas activities of Vallourec. E&P was particularly strong in the USA as a surge in oil drilling, notably in shale basins, offset the weak gas market which continued to experience low prices. The rig count[3] increased by 19% in 2011 to 2,007 rigs at the end of December, with oil directed rigs up by 56% offsetting the 12% decline in gas directed rigs.

The international rig count[3] increased by 5.5% in 2011 to 1,180 at the end of December, with robust growth in Brazil, Europe and the Middle East. With oil prices expected to remain at high levels, E&P spending is forecast[4] to rise by a further 10% in 2012, with a strong focus on exploration activity.

In Europe, industrial production (IP) grew strongly during the first half of 2011, driven by the North European economies and strong demand for the German manufacturing sector. However, the financial crisis has weighed on business confidence since the summer. European distributors have been cautious and reduced orders for industrial products, and visibility for 2012 remains limited.

The Brazilian economy witnessed a slowdown in 2011, registering GDP growth below 3% and IP growth below 1%, versus 8% and 11% respectively in 2010. The strength of the Brazilian real impacted the competitiveness of its exports and encouraged low-cost imports, notably for the automotive and industrial segments; the effects of which are expected to continue in 2012.

Having risen strongly in 2011, raw material prices remain at high levels and are expected to stay volatile in 2012.

Currencies were volatile during 2011 with the euro strengthening against the US dollar during the first half of the year, then weakening during the second half. The Brazilian real strengthened against the US dollar and the average exchange rate was 5% above that of 2010 at BRL 1.67; the average exchange rate versus the euro was stable at BRL 2.33.

CONSOLIDATED SALES

Consolidated sales in Q4 2011 amounted to € 1,553 million, up 19% sequentially, primarily due to the positive price and mix effect of strong sales in the Oil & Gas and Power generation markets. Compared to Q4 2010, the sales increase was also 19%, of which 6% related to higher volume. For the full year 2011, consolidated sales increased by 18% to reach € 5,296 million compared to € 4,491 million in 2010, largely driven by the increase in sales volume (+19%).

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[1] Exploration & Production
[2] Brent prices
[3] Baker Hughes
[4] Barclays Capital – Global 2012 E&P Spending Outlook

SALES VOLUME

In Q4 2011, sales volume of rolled tubes amounted to 589 thousand tonnes, slightly below the level of Q3 (-2%), and up 6% versus prior year. For the full year 2011, sales volume increased by 19% to reach 2,251 thousand tonnes, versus 1,888 thousand tonnes in 2010. The utilisation rates of existing mills were at high levels.

SALES BY REGION

Comparison of Q4 2011 with Q3 2011 and Q4 2010; FY 2011 with FY 2010

In € million	**Q4 2011**	**Q3 2011**	***Change QoQ***	**Q4 2010**	***Change YoY***	**FY 2011**	**FY 2010**	***Change YoY***
Europe	420	341	*+23%*	329	*+28%*	1,426	1,183	+21%
North America	401	348	*+15%*	292	*+37%*	1,372	1,135	+21%
South America	308	290	*+6%*	310	*-1%*	1,138	1,099	+4%
Asia & Middle East	297	247	*+20%*	300	*-1%*	1,006	753	+34%
Rest of World	127	80	*+59%*	72	*+73%*	354	321	+10%
Total	1,553	1,306	*+19%*	1,303	*+19%*	5,296	4,491	+18%

In Europe, full year sales growth of 21% was largely driven by strong sales of mechanical products for the German manufacturing industry. In North America, the strong drilling activity in the shale basins drove demand for OCTG and line-pipe, increasing sales by 21%. Growth in Asia & the Middle East of 34% was driven by Oil & Gas and petrochemicals. In South America, sales increased by 4%. In Brazil, whilst demand for Oil & Gas products has been sustained, the activity was partly affected by the slowdown in industrial growth and increased competition.

SALES BY MARKET

Comparison of Q4 2011 with Q3 2011 and Q4 2010; FY 2011 with FY 2010

In € million	**Q4 2011**	**Q3 2011**	***Change QoQ***	**Q4 2010**	***Change YoY***	**FY 2011**	**FY 2010**	***Change YoY***
Oil & Gas	**880**	**681**	*+29%*	721	*+22%*	**2,841**	2,355	+21%
Power Generation	**220**	**173**	*+27%*	204	*+8%*	**707**	780	-9%
Petrochemicals	**93**	**100**	*-7%*	106	*-12%*	**373**	357	+4%
Total Energy	**1,193**	**954**	*+25%*	1,031	*+16%*	**3,921**	3,492	+12%
% of total sales	**77%**	**73%**		79%		**74%**	78%	
Mechanical	**186**	**161**	*+16%*	118	*+58%*	**657**	416	+58%
Automotive	**82**	**96**	*-15%*	86	*-5%*	**359**	318	+13%
Construction & Other	**92**	**95**	*-3%*	68	*+35%*	**359**	265	+35%
Total Non-Energy	**360**	**352**	*+2%*	272	*+32%*	**1,375**	999	+38%
% of total sales	**23%**	**27%**		21%		**26%**	22%	
Total	**1,553**	**1,306**	*+19%*	1,303	*+19%*	**5,296**	4,491	+18%

Energy

Total Energy sales increased by 25% sequentially and by 16% year on year to reach € 1,193 million in Q4 2011, representing 77% of total sales. For the full year 2011, total Energy sales increased by 12% to € 3,921 million, representing 74% of total sales, versus 78% in 2010 due to the strong mechanical sales in H1 2011.

Oil & Gas recorded very strong sales during Q4, up 29% sequentially and up 22% year on year to reach € 880 million. For the full year 2011 sales increased by 21% to € 2,841 million.

In the USA, sales benefited in Q4 from sustained drilling activity and the price increases announced in the previous quarters. The USA rig count[1] remained broadly stable during the quarter at around 2,000 rigs, with continued growth in oil drilling (+12%) offsetting the decline in gas drilling (-12%). At the end of December, 60% of rigs were drilling for oil and 40% for gas, which compares to a ratio of 55:45 at the end of September. The rig count is expected to remain at high levels during 2012, as activity shifts further from dry gas to wet gas and oil, supported by the expectations of sustained oil prices.

Throughout the year, Vallourec's finished goods programme (combined pipe and VAM premium connection) generated strong demand, notably for the shale oil and liquids-rich gas basins. Vallourec's mills in the USA operated at full capacity, supplemented by imports of small diameter tubes mainly from its European plants, to meet customer demand.

The Gulf of Mexico experienced an increase in activity during the fourth quarter, with a 22% increase in new well permits. The number of rigs rose to 41, up 8 since September and up 17 since the end of 2010, generating orders for Vallourec's advanced premium products.

In the rest of the world, Q4 sales increased strongly, benefiting from high deliveries and some advanced shipments. Throughout the year, sales benefited from a good level of international activity in the North Sea, the Middle East, West Africa, Asia and Brazil, with strong demand for offshore line pipe and premium products.

In the North Sea, numerous HP/HT[2] projects call for advanced premium products. The development of gas fields by the national oil companies in the Middle East has driven demand for sour service products. The issue of new licences for offshore development in West Africa has driven strong demand from Total and independent oil companies. In Brazil, sales benefited from increased demand from international oil companies in addition to the robust demand from Petrobras.

The successful commercial launch of VAM 21® illustrates its premium positioning in key growth markets, with orders booked for customers in the North Sea, Indonesia, Nigeria and Brazil. VAM 21® is the only connection qualified according to the new ISO 2011 testing protocol for HP/HT conditions.

Vallourec expects Oil & Gas sales to continue to grow in 2012, benefiting from higher volumes and the price increases implemented for new orders. The international backlog currently stands at around 6 months. However, the high level of advanced deliveries in Q4 will result in sequentially lower sales during Q1 2012.

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[1] Baker Hughes

[2] HP/HT = High pressure, high temperature

In **Power Generation**, sales amounted to € 220 million in Q4 2011, up 27% sequentially and up 8% year on year, mainly boosted by nuclear sales. For the full year 2011, sales totalled € 707 million, down 9% versus 2010 which benefitted from higher average prices and a richer mix.

Sales for conventional coal-fired power plants progressed throughout the year; nevertheless, they remain below the prior year level due to lower sales in China and India, where local competition for the supply of pipes has led to lower prices. Coal-fired power generation is expected to grow by 35% over the next 10 years, with China and India representing around 60% of planned capacity additions[1]. Other dynamic markets, in which Vallourec is well positioned, include Eastern Europe, South Africa and South Korea. Sales for maintenance represented close to 20% of total power generation sales.

Sales for nuclear power plants represented around 20% of total power generation sales. Following the Fukushima accident, several countries reviewed their nuclear energy strategy; 16 countries, including France and China, remain committed to developing their approved projects. The capacity expansion of Valinox Nucléaire was successfully completed in 2011, and as part of the EDF project to renovate its nuclear power plants in France, Areva recently awarded Vallourec a contract to supply steam generator tubing for two reactors of 1,300 MW.

Vallourec anticipates moderate growth in power generation sales in 2012, with nuclear power representing a higher proportion of total sales.

Petrochemicals sales amounted to € 93 million during Q4 2011 compared with € 100 million in Q3 and € 106 million in Q4 2010. For the full year 2011, sales totalled € 373 million, up 4% compared to 2010.

Sales were largely driven by growth in the USA and Asia and sustained activity in the Middle East, offset by lower sales in Europe. During the year, project sales included oil sands facilities in Canada, the Shaiba gas project in Saudi Arabia and the Amal steam project in Oman. Demand in the Middle East and Asia remains strong, with several hydrocarbon projects underway in Saudi Arabia, Kuwait and South Korea. This is expected to drive sales growth in 2012.

Non-Energy

The rate of growth in Non-Energy markets (**Mechanical, Automotive, Construction and other**) slowed down during Q4 2011. Sales amounted to € 360 million, up 32% compared to Q4 2011, but up 2% versus Q3 2011. The increase in mechanical sales was largely offset by lower industrial and automotive sales in Brazil. For the full year, Industry sales increased by 38% to € 1,375 million, representing 26% of total sales.

Mechanical sales were € 186 million in Q4 2011, up 16% sequentially and up 58% versus Q4 2010. For the full year, sales amounted to € 657 million, up 58% versus 2010, driven by strong demand for the German industry, notably during the first half of the year. The pace of growth slowed during the second half of the year and there was a significant drop in bookings during the second half as economic uncertainties in the Euro zone led distributors to reduce their inventory orders. This will result in lower sales during Q1 2012.

Automotive sales, which are largely concentrated in Brazil, declined during Q4 to € 82 million due to lower sales of light vehicles. For the full year, sales totalled € 359 million, up 13%.

[1] World Cumulative 2011-2035 GW Capacity additions - IEA November 2011

Construction and other sales were € 92 million in Q4, slightly below the Q3 level, but up 35% year on year. In 2011, sales amounted to € 359 million, up 35%. This segment includes sales of iron ore in Brazil, which benefited from high prices. Iron ore sales are forecast to decrease in 2012 due to a change in the iron ore mix and declining market prices.

RESULTS

Summary consolidated income statement

Comparison of Q4 2011 with Q3 2011 and Q4 2010; FY 2011 with FY 2010

In € million	Q4 2011	Q3 2011	*Change QoQ*	Q4 2010	*Change YoY*	FY 2011	FY 2010	*Change YoY*
Sales	**1,553**	1,306	*+19%*	1,303	*+19%*	**5,296**	4,491	+18%
Cost of sales[1](as % of sales)	**73.1%**	71.5%		69.1%		**70.7%**	67.7%	
SG&A costs[1] (as % of sales)	**9.6%**	10.7%		9.5%		**10.9%**	10.9%	
EBITDA	**254**	228	*+12%*	261	*-3%*	**940**	925	+2%
As % of sales	**16.4%**	17.4%		20.0%		**17.7%**	20.6%	
Net income, Group share	**117**	91	*+29%*	108	*+9%*	**402**	410	*-2%*

Analysis of Q4 2011 Results

Sales in Q4 rose by 19% sequentially reflecting high shipments and some advanced deliveries. The year on year increase was also 19%, reflecting higher volumes and a positive price/mix effect.

The cost of sales amounted to 73.1% of sales, higher than the corresponding prior quarter and prior year reflecting mostly a change in geographic and product mix. Sales, general and administrative costs (SG&A) were 9.6% of sales. EBITDA for Q4 rose by 12% sequentially to € 254 million, representing 16.4% of sales.

Depreciation of industrial assets amounted to € 51 million in Q4 2011, 6% above the previous quarter. Other amortization amounted to € 7 million.

Income tax charges were equivalent to 29% of income before equity in earnings of affiliates, compared to 32% in Q3 and 28% in Q4 2010.

Total net income was € 133 million in Q4 2011, up 28% sequentially and up 11% year on year. Income attributable to minority interests amounted to € 16 million, versus € 14 million in Q3 and € 12 million in Q4 2010, mainly derived from Vallourec's subsidiaries in the USA. Net income, Group share totalled € 117 million, up 29% sequentially and up 9% year on year.

Cash flow

Operations generated gross cash flow of € 166 million in Q4 2011, compared to € 206 million in Q3 and € 171 million in Q4 2010. Working capital decreased by € 135 million during Q4 mainly due to high end of year deliveries.

Capital expenditure reached € 293 million during the quarter, compared to € 228 million in the previous quarter and € 342 million prior year, as the new plant in Brazil is progressively ramping

[1] Before depreciation and amortization

up and the construction of the new mill in the USA nears completion. Financial investments of € 148 million include the acquisition of Zamil Pipes and the increased shareholding in TSA, an associate company in Brazil. Asset disposals and other elements include the proceeds of the capital increase reserved for employees.

Analysis of Full Year 2011 Results

Sales in 2011 totalled € 5,296 million, up 18% compared to 2010, largely driven by the increase in sales volume (+19%).

The cost of sales amounted to 70.7% of sales, higher than the corresponding prior year primarily due to higher raw material costs and a less favourable business and geographic mix. SG&A as a percent of sales were stable year on year at 10.9% partly reflecting a change in scope[1], start-up costs of VSB and other projects. The CAPTEN+ programme generated annual savings of € 83 million.

EBITDA for 2011 rose by 2% year on year to € 940 million, representing 17.7% of sales, versus 20.6% of sales in 2010.

Depreciation of industrial assets amounted to € 201 million versus € 184 million in 2010, reflecting the progressive capitalisation of new capacities started in 2011.

The financial results amounted to € -48 million versus € -28 million in 2010 in line with the evolution of net debt.

Income tax charges were equivalent to 30% of income before equity in earnings of affiliates, compared to 31% in 2010.

Total net income was € 457 million in 2011, compared to € 453 million in 2010. Income attributable to minority interests was € 55 million, an increase of 28%, primarily reflecting the higher results at our subsidiaries in the USA. Net income, Group share totalled € 402 million, down 2% year on year.

Cash flow

Operations generated gross cash flow of € 638 million in 2011, compared to € 708 million in 2010. Working capital increased by € 337 million, versus € 268 million in 2010, due to the strong growth in activity and ramp up of the new VSB mill.

Capital expenditure reached € 909 million in 2011 compared to € 873 million in 2010. Of this amount, € 622 million related to strategic projects, essentially VSB in Brazil and the new tube mill in Youngstown, USA. Capex for 2012 is now expected to be around € 750 million, taking into account all completion costs associated notably to the construction of the Youngstown mill.

Financial investments were € 223 million in 2011, versus € 161 million in 2010. They include the acquisitions of 19.5% of Tianda Oil Pipe, the acquisition of Zamil Pipes and the increased shareholding in TSA.

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[1] Acquisition of Serimax in 2010

Asset disposals and other elements include the cash payment received from Sumitomo Corporation for its 19.47% share in the investment of the new mill in the USA, together with the proceeds of the capital increase reserved for employees, Value 11.

Total cash outflow amounted to € 813 million in 2011 compared to € 787 million in 2010.

At 31 December 2011, the net debt amounted to € 1,194 million, representing 22.9% of equity (€5,210 million), versus €381 million at 31 December 2010 (7.9% of equity).

The Group's overdrafts and short term borrowings of € 906 million were closely aligned with its cash and cash equivalents of € 902 million. In December 2011, Vallourec successfully launched a € 650 million bond issue issued, maturing in February 2017. The bond issue will be used for the general financing purposes of the Group, enabling Vallourec to increase its financial flexibility, lengthen the maturity of its debt profile and diversify its financial resources. The Group also maintains its undrawn confirmed credit lines of around €1.5 billion which include a revolving credit facility of € 1 billion due to mature in February 2016.

STRATEGIC PROJECTS

Vallourec's new plant in Brazil, VSB, was inaugurated in September 2011 and the ramping-up phase, which involves the testing, quality control and customer qualification of every stage of production, will continue throughout 2012. The plant conforms to ISO 9000 and API standards and its very first standard tubes have been manufactured and delivered to customers. The electric steel plant is fully operational. The production in 2012 is targeting around 50% of capacity, subject to customer qualifications and the demand of VSB's two partners, with a product mix heavily weighed towards standard products.

The construction of the new pipe mill in Youngstown, USA, has advanced well during 2011 and is nearing completion. From 1 January 2012, the company has been merged with V&M Star in order to optimize manufacturing between the two facilities. The mill is on schedule to produce its first tube and is due to start commercial production in the summer 2012 and ramp up rapidly to its target capacity.

Other strategic projects include the capacity expansion of Valinox Nucléaire in Montbard, France which is now operational and loaded through to 2014. Production facilities are also under construction in Nansha, China, to serve the local construction of new nuclear power plants from 2013. In Changzhou, China, the expansion of V&M Changzhou, to serve local coal-fired power plants, is nearing completion.

To serve the Oil & Gas markets in North America and the Middle East, new premium threading facilities are currently under construction in the USA and in Saudi Arabia which will come on line progressively in 2012 and 2013.

OUTLOOK

2012 will be another year of growth, mainly driven by the ongoing positive trends in Oil & Gas activities and the price increases achieved in 2011. Vallourec expects its sales to grow by approximately 10%.

The global economic uncertainties will however affect its other businesses as evidenced by the low bookings recorded for industrial segments in Europe in the second half of 2011, which, together with the seasonal effects, will lead to a weak performance in the first quarter. The

Group will also face a less favourable environment for its domestic non Oil & Gas activities in Brazil.

The two new plants coming on stream in Brazil and the USA will start generating sales although their net contribution to EBITDA will remain negative during this ramping up phase with a dilutive effect on the margin of the Group. Vallourec expects therefore its EBITDA margin in 2012 to be below that of 2011.

In 2012, Vallourec will pursue its transformation process aimed at enhancing its competitiveness and local presence on a global scale.

PROPOSED DIVIDEND

The General Meeting of Shareholders to be held on 31 May 2012 will be asked to approve the payment of an ordinary dividend of € 1.30 per share for the financial year 2011, identical to the payment of last year, payable in cash or in shares at the shareholders' option. This proposed dividend corresponds to a payout ratio of 39.3 % of net income, Group share.

ABOUT VALLOUREC

Vallourec is a world leader in premium tubular solutions primarily serving the energy markets, as well as other industrial applications.

With over 22,000 employees, integrated manufacturing facilities, advanced R&D, and presence in more than 20 countries, Vallourec offers its customers innovative global solutions to meet the growing energy challenges of the 21st century.

Listed on NYSE Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System, Vallourec is included in the following indices: MSCI World Index, Euronext 100 and CAC 40.

In the United States, Vallourec has a sponsored Level 1 American Depository Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). The ratio of Vallourec ADR to ordinary shares is 5:1.

www.vallourec.com

PRESENTATION OF Q4 AND FULL YEAR 2011 RESULTS

Wednesday 22 February

- Analyst conference call at 6:30 pm (CET) to be held in English
  To participate in the call, please dial:
  0800 694 0257 (UK), 0805 632 056 (FR), 1866 966 9439 (USA),
  +44 1452 555 566 (other countries)
  Conference code: 47180630

- Replay will be available until 28 February 2012:
  0800 953 1533 (UK), 0805 111 337 (FR), 1866 247 4222 (USA),
  +44 1452 550 000 (other countries)
  Access code: 47180630#

Thursday 23 February

- Analyst meeting in Paris (in French) at 10:00 am (CET)
  La Maison des Centraliens
  8 rue Jean Goujon – 75008 Paris

  Slides of the presentation and live audiocast of the meeting (with simultaneous translation in English) will be available on the Group website www.vallourec.com

CALENDAR 2012

- 10 May: Release of Q1 2012 Results
- 31 May: Shareholders' General Assembly
- 26 July: Release of Q2 and Half Year 2012 Results
- 27 – 28 September: Investor Days in the USA
- 7 November: Release of Q3 2012 Results

FOR FURTHER INFORMATION, PLEASE CONTACT

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APPENDICES

Documents accompanying this release:

- Data on sales volume (metric tonnes)
- Summary consolidated income statement
- Summary consolidated balance sheet
- Summary cash flow statement

Sales volume

Sales volume corresponds to the volume in metric tonnes of hot-rolled tubes produced and delivered by Vallourec's rolling mills.

In thousands of tonnes	2011	2010	2011 / 2010
Q1	**500.7**	**344.0**	**+45.6%**
Q2	**561.2**	**484.2**	**+15.9%**
Q3	**600.8**	**507.2**	**+18.5%**
Q4	**588.6**	**553.0**	**+6.4%**
Total	**2,251.3**	**1,888.4**	**+19.2%**

Summary consolidated income statement

VALLOUREC (in € million)	**Q4 2011**	**Q3 2011**	**Change Q4'11 / Q3'11**	**Q4 2010**	**Change Q4'11 / Q4'10**
Sales	**1,552.5**	1,305.5	*+18.9%*	1,302.9	*+19.2%*
Cost of sales[1]	**-1,134.8**	-933.1	*+21.6%*	-899.9	*+26.1%*
Selling, general and administrative costs[1]	**-148.7**	-139.3	*+6.7%*	-124.1	*+19.8%*
Other income (expense), net[1]	**-14.7**	-5.4		-17.9	
EBITDA	**254.3**	227.7	*+11.7%*	261.0	*-2.6%*
EBITDA as % of sales	***16.4%***	*17.4%*		*20.0%*	
Depreciation of industrial assets	**-51.2**	-48.4	*+5.8%*	-52.6	*-2.7%*
Other (amortization, impairment & restructuring)	**-6.7**	-13.9		-16.7	
OPERATING INCOME	**196.4**	165.4	*+18.7%*	191.7	*+2.5%*
FINANCIAL INCOME	**-12.1**	-12.0		-12.7	
INCOME BEFORE TAX	**184.3**	153.4	*+20.1%*	179.0	*+3.0%*
Income tax	**-53.9**	-48.3		-50.5	
Net income of equity affiliates	**2.9**	-0.6		-8.6	
CONSOLIDATED NET INCOME	**133.3**	104.5	*+27.6%*	119.9	*+11.2%*
NET INCOME, GROUP SHARE	**117.1**	90.5	*+29.4%*	107.7	*+8.7%*

[1] Before depreciation and amortization

Summary consolidated income statement

(in € million)

VALLOUREC (in € million)	**FY 2011**	***as a % of sales***	**FY 2010**	***as a % of sales***	**2011 / 2010**
Sales	**5,295.9**		4,491.3		+17.9%
Cost of sales	**-3,744.7**	*70.7%*	-3,039.5	*67.7%*	+23.2%
Selling, general and administrative costs[1]	**-576.5**	*10.9%*	-487.5	*10.9%*	+18.3%
Other income (expense), net[1]	**-35.0**	*0.7%*	-39.5	*0.9%*	
EBITDA	**939.7**	*17.7%*	924.8	*20.6%*	+1.6%
Depreciation of industrial assets	**-200.5**	*3.8%*	-184.0	*4.1%*	+9.0%
Other (amortization, impairment & restructuring)	**-46.0**		-58.4		
OPERATING INCOME	**693.2**	*13.1%*	682.4	*15.2%*	+1.6%
FINANCIAL INCOME	**-48.5**		-27.8		
INCOME BEFORE TAX	**644.7**	*12.2%*	654.6	*14.6%*	-1.5%
Income tax	**-191.6**		-199.5		
Net income of equity affiliates	**3.7**		-2.3		
CONSOLIDATED NET INCOME	**456.8**	*8.6%*	452.8	*10.1%*	+0.9%
NET INCOME, GROUP SHARE	**401.6**		409.6		-2.0%

[1] Before depreciation and amortization

Summary consolidated balance sheet

VALLOUREC

(in € million)

	31/12/11	31/12/10		31/12/11	31/12/10
Intangible assets, net	277.0	266.5	Shareholders' equity [1]	4,830.3	4,556.4
Goodwill	519.8	506.4	Minority interests	380.0	267.2
Net tangible fixed assets	4,066.3	3,354.4	**Total equity**	**5,210.3**	**4,823.6**
Biological assets	184.3	130.0			
Investments in equity affiliates	146.7	64.6			
Other non-current assets	289.0	235.2			
Deferred tax assets	140.8	59.8	Bank loans and other borrowings	1,189.2	813.7
Total non-current assets	**5,623.9**	**4,616.9**	Employee benefits	116.7	122.3
			Deferred tax liabilities	198.8	136.6
			Other long-term liabilities	102.1	59.5
			Total non-current liabilities	**1,606.8**	**1,132.1**
Inventories and work-in-progress	1,388.9	1,190.3	Provisions	120.3	148.2
Trade and other receivables	1,057.9	863.6	Overdrafts and other short-term bank borrowings	906.2	220.7
Derivatives - assets	39.7	35.7	Trade payables	668.7	647.4
Other current assets	182.5	188.3	Derivatives-liabilities	115.7	29.7
Cash and cash equivalents	901.9	653.8	Other current liabilities	566.8	546.9
Total current assets	**3,570.9**	**2,931.7**	**Total current liabilities**	**2,377.7**	**1,592.9**
TOTAL ASSETS	**9,194.8**	**7,548.6**	**TOTAL LIABILITIES**	**9,194.8**	**7,548.6**

Net debt	1,193.5	380.6	[1] Net income, Group share	401.6	409.6

Summary consolidated cash flow statement

(in € million)	Q4'11	Q3'11	Q4'10	FY'11	FY'10
Gross cash flow from operations	**166.2**	205.7	170.7	**638.3**	708.0
Change in gross WCR [+ decrease, - increase]	**+135.4**	-173.4	+25.7	**-337.4**	-268.2
Operating cash flows	**301.6**	32.3	196.4	**300.9**	439.8
Gross capital expenditure	**-293.0**	-227.5	-342.4	**-909.1**	-872.6
Financial Investments	**-147.8**			**-223.1**	-161.1
Dividends paid	**-3.7**	-84.0	-12.6	**-105.5**	-104.6
Asset disposals & other elements	**88.1**	19.8	-82.6	**123.9**	-88.7
Change in net debt [+decrease, -increase]	**-54.8**	-259.4	-241.2	**-812.9**	-787.2