

Vallourec pursues its employee shareholding policy

Boulogne-Billancourt, 25 July 2013 - Vallourec announces the implementation of a new employee share ownership offering for the sixth consecutive year.

This offering, called “Value 13”, concerns a maximum of 1,875,000 newly-issued shares representing 1.48 % of the company’s share capital on the date of this press release. It will be open to Vallourec employees in 9 countries¹, representing approximately 95 % of the employees of the Group.

The five previous “Value” offerings generated a high participation rate among Group employees and were all very successful. Employee shareholders today hold 6.28% of Vallourec’s share capital and are represented on the Supervisory Board.

Based on the indicative calendar for the offering, the share reservation period will be open to employees from 16 September 2013 to and including 4 October 2013. The subscription price should be determined on 8 November 2013. The subscription/revocation period is scheduled to take place from 12 to 14 November 2013 inclusive and the capital increase on 10 December 2013.

Details of the “Value 13” operation are described hereafter.

¹ Brazil, Canada, China, France, Germany, Mexico, the United Arab Emirates, the United Kingdom and the United States

Details of the conditions for the “Value 13” employee share ownership offering

Beneficiaries

Subject to any locally required authorizations, the “Value 13” offering will be open to employees (and beneficiaries and similar parties) of Vallourec and of those of its subsidiaries over which it holds, directly or indirectly, the majority of the share capital and which have registered offices in one of the following countries: Germany, Brazil, Canada, China, the United Arab Emirates, the United States, France, Mexico, United Kingdom, i.e. approximately 95 % of the Group’s current employees.

Indicative calendar for the offering

Based on the indicative calendar, the reservation period will be open from 16 September 2013 to and including 4 October 2013. The subscription price will be equal to the average opening price of Vallourec’s shares on the NYSE Euronext Paris during the twenty trading days preceding the date on which the subscription/revocation period is established, discounted by 20% for the classic formula and 15 % for the leverage formula, and rounded up to the nearest euro cent. The dates of the subscription/revocation period and the subscription price are expected to be determined on 8 November 2013. The subscription/revocation period would be open from 12 November 2013 to and including 14 November 2013. The capital increase should take place on 10 December 2013.

Share offering

The “Value 13” is an offering of a maximum of 1,875,000 ordinary shares, representing close to 1.48% of the company’s share capital on the date of this press release. The new shares will be entitled to dividends as from 1 January 2013.

Subscription procedures

Two formulas will be offered in France: a classic formula (i.e. share subscription with a 20% discount, supplemented by an employer contribution through an FCPE), and a leverage formula (i.e. share subscription with a 15% discount, supplemented by an employer contribution through an FCPE). Outside of France, only a leverage formula will be offered.

The leveraged formula proposed within the framework of the “Value 13” offering is intended to guarantee the employee’s personal contribution and the net employer’s contribution (for those countries in which the contribution is made by means of a cash payment) which he/she receives under the terms of the “Value 13” offering (subject to the effects of foreign exchange rate fluctuations, any applicable tax and social security contributions and the consequences of a potential unwinding of the exchange transaction) and to allow him/her to benefit from a multiple of the protected average increase of the share price compared to the reference price between the date of the capital increase and 3 July 2018. The structure of this formula will differ from one jurisdiction to another in order to comply with local regulations and/or to take advantage of specific tax provisions that may be more favourable for employee subscriptions, while ensuring comparable economic advantages to all eligible employees (in particular through a specific leveraged FCPE or a direct subscription for shares (or a cash deposit by the employee) supplemented by the grant of stock appreciation rights (SARs) by the employer). In France, Germany, Brazil, the United Arab Emirates, Mexico and the United Kingdom, the leveraged formula will be supplemented by an employer contribution in cash also invested in the specific leveraged FCPEs, and in China, the United States and Canada, by a grant of free shares, newly issued or existing shares (up to a maximum of 15,000 shares), or a deferred cash bonus. Eligible employees will be informed of the terms and conditions that apply in their jurisdiction.

Lock-up period

Shares or FCPE units subscribed for by the employees or the cash deposits made by employees, as the case may be, will be unavailable until 1 July 2018 inclusive except in cases of early release. The Supervisory Board of each FCPE holding shares will exercise the voting rights associated with such shares. The financial institution has undertaken to vote in the same manner as the Supervisory Board of the leveraged FCPE being offered to French, UK and German employees.

Hedging

The financial mechanisms underlying the leverage formula require hedging transactions to be carried out on the open market by the financial institutions that structure the formula. These hedging transactions may be carried out by these institutions as from the publication of this press release and during the duration of the transaction. Based on Vallourec's subscription assumptions, the impact of such transactions on the price of Vallourec shares is expected to be limited.



About Vallourec

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

With over 23,000 employees, integrated manufacturing facilities, advanced R&D and a presence in more than 20 countries, Vallourec offers its customers innovative global solutions to meet the energy challenges of the 21st century.

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

In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

www.vallourec.com

Calendar

09/26/2013 Investor day
26-27 Sept. 2013
Pittsburgh - USA
(register now)

11/07/2013 Release of third quarter 2013 results

For further information, please contact

Investor relations

Etienne Bertrand
Tel: +33 (0)1 49 09 35 58
etienne.bertrand@vallourec.fr

Press relations

Caroline Philips
Tel: +33 (0)1 41 03 77 50
caroline.philips@vallourec.fr