

Vallourec pursues its employee shareholding policy

Boulogne-Billancourt, 30 July 2015 - Vallourec announces the implementation of a new employee share ownership offering for the eighth consecutive year.

This offering, called "Value 15", concerns a maximum of 2,000,000 newly-issued shares representing 1.50% of the company's share capital on the date of this press release. It will be open to Vallourec employees in 12 countries¹, representing approximately 95% of the employees of the Group.

The seven previous "Value" offerings generated a high participation rate among Group employees and were all very successful. Employee shareholders today hold 6.53% 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 14 September 2015 to and including 2 October 2015. The subscription price should be determined on 9 November 2015. The subscription/revocation period is scheduled to take place from 11 to 16 November 2015 inclusive and the capital increase on 15 December 2015.

Details of the conditions for the "Value 15" employee share ownership offering

Beneficiaries

Subject to any locally required authorizations, the "Value 15" 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, India, Malaysia, Mexico, the United Kingdom and Singapore, 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 14 September 2015 to and including 2 October 2015. The subscription price will be equal to the average opening price of Vallourec's shares on the 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 subscription price is expected to be determined on 9 November 2015. The subscription/revocation period would be open from 11 November 2015 to and including 16 November 2015. The capital increase should take place on 15 December 2015.

Share offering

The "Value 15" is an offering of a maximum of 2,000,000 ordinary shares, representing close to 1.50% 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 2015.

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 15" offering is intended to guarantee the employee's personal contribution and the net employer's contribution (for those countries in which the

¹ Germany, Brazil, Canada, China, the United Arab Emirates, the United States, France, India, Malaysia, Mexico, the United Kingdom and Singapore.

contribution is made by means of a cash payment) which he/she receives under the terms of the "Value 15" 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 1st July 2020. 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 favorable 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, India, 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 Canada, China, the United States, Malaysia and Singapore 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 30 June 2020 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, who subscribes for shares under the SAR formula, 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.

"U.S. Person" advertisement

FCPE units cannot be offered or sold, either directly or indirectly in the United States of America (including its territories and possessions) or to or for the benefit of a "U.S. Person", as defined in the U.S. Regulations and available on the web site of the management company: www.amundi.com.

Persons wishing to subscribe for FCPE units certify that they are not "U.S. Persons". Any Unit holder must immediately inform the management company in the event he will become a "U.S. Person".

The management company may impose restrictions on (i) the holding of FCPE units by a "U.S. Person" and in particular compulsorily redeem or (ii) transfer any units held by a U.S. Person. This power would also extend to any person (a) who appears to be directly or indirectly in breach of the laws and regulations of any country or governmental authority, or (b) who could, in the view of the management company, cause damage to the FCPE that otherwise it would not have suffered.



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 in 2014, 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 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 SBF 120.

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.

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