



## **VALLOUREC INCREASES ITS STAKE IN VALTIMET TO 95% THROUGH THE ACQUISITION OF TIMET'S 43.7% INTEREST**

### **VALTIMET RENEWS ITS TITANIUM SUPPLY AGREEMENT WITH TIMET**

*Boulogne-Billancourt, 2<sup>nd</sup> January 2007* - Vallourec, world leader in the production of seamless steel tubes and tubular products for specific industrial applications, announces that, on 28 December 2006, it signed an agreement with US Group Timet to acquire Timet's 43.7% interest in Valtimet, a joint venture formed in 1997 in which Vallourec has a 51.3% controlling interest. Vallourec's stake in Valtimet will therefore reach 95%, the remaining 5% being owned by Vallourec's long-standing partners Sumitomo Corp. and Sumitomo Metal Industries, Ltd. The price agreed for the transaction is US \$ 75 million.

As part of the deal, the long-term agreement by which Timet supplies titanium strip to Valtimet has been renewed. Such contract was entered into in 1997 and renewed a first time in 2002. This contract secures the access of Valtimet to titanium, a metal presently in tight supply.

Valtimet is a manufacturer of welded stainless steel and titanium tubing with operations in the United States, France, China, India and South Korea. Valtimet has 6 plants operating 31 welding lines and high technology finishing equipment. Valtimet expected consolidated sales figure for the year 2006 is approximately US \$ 250 million <sup>(1)</sup>. Valtimet and its subsidiaries employ around 620 people.

---

<sup>(1)</sup> Data given on a fully-consolidated basis excluding South Korean operations (Poongsang Valinox Corp.).

Valtimet is the world leader in the production of stainless steel and titanium welded tubes for conventional and nuclear power plants. Valtimet has expertise in manufacturing titanium and stainless steel tubes for condensers as well as tubes for feedwater heaters and moisture separator reheaters. Valtimet is also present in the desalination and chemical processing markets.

Pierre Verluca, Chairman of the Vallourec Management Board, said: "We are extremely pleased to take almost full ownership of our subsidiary Valtimet whilst having secured the renewal of our titanium long-term supply agreement with Timet. This transaction will further enhance Vallourec's presence in the power generation market."

**Calendar**

- Consolidated sales for the fourth quarter of 2006 will be released on 1 February 2007.
- Results for the year ended 31 December 2006 will be released on 7 March 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, 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.*

**For further information please contact :**

**Corporate Secretary and  
External Communications**

Henri REDIG  
Vallourec  
Tél : +331 49 09 38 28  
Mail : henri.redig@vallourec.fr

**Investor Relations**

Etienne BERTRAND  
Vallourec  
Tél : +331 49 09 35 58  
Mail : etienne.bertrand@vallourec.fr

**Press Relations**

Fabrice BARON  
Gavin Anderson & Co.  
Tél : +331 53 32 61 27  
Mail : fbaron@gavinanderson.fr

**[www.vallourec.com](http://www.vallourec.com)**

