



A world leader in its markets, Vallourec provides tubular solutions that are the benchmark reference for the energy sector and other applications that present the most demanding challenges. **Its tubes, connections and innovative services make the most complex projects possible**, from oil and gas wells in extreme environments to next-generation power plants to bold architecture and high-performance mechanical engineering.

In 2015, an oil crisis of unprecedented scale challenged the business models of the world's oil companies. To play a key role in the sector's transformation, **Vallourec is accelerating its own transformation**. The Group is improving the competitiveness of its industrial base and its offer and strengthening the fundamentals that have earned the trust of its customers.

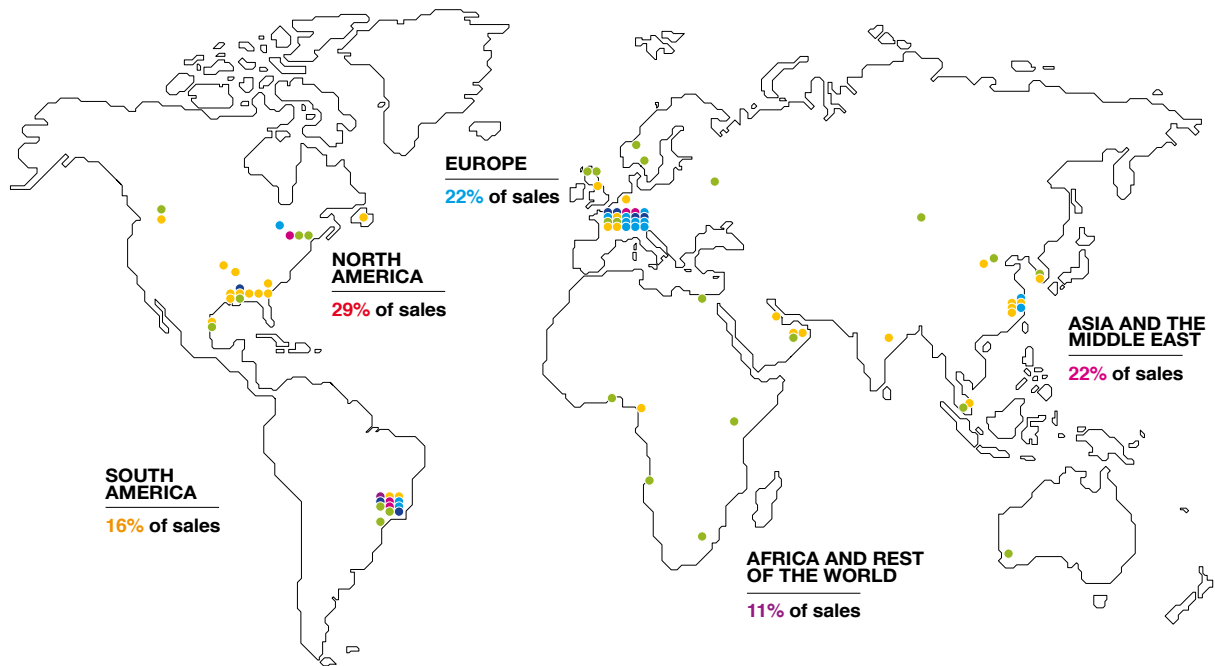
> 20,000
employees

€ 3.8 billion
in sales

1.4 million
metric tons shipped

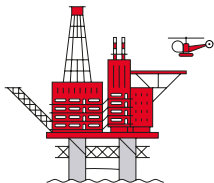
4.5/5
Evaluation of the quality
of Vallourec's services
by major customers

Welcome to the world of Vallourec



Steel mills ● Tube mills ● Finishing units ● Research centers ● Plantation and mine ● Sales and services ●

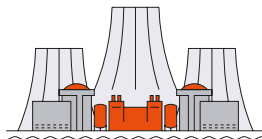
We are leader on three major markets



OIL & GAS

67%

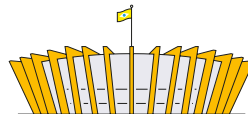
Premium tubular solutions (tubes, connections, accessories and services) covering the entire chain: exploration, operation, transport and processing of hydrocarbons.



POWER GENERATION

15%

The world's broadest portfolio of tubes for the power generation market, covering the needs of conventional and nuclear power plants.



INDUSTRY

18%

A range of tubular products for construction, mechanical engineering and all types of vehicles.

We innovate every day in all areas



6

research centers



500

researchers and technicians



€ 82 million

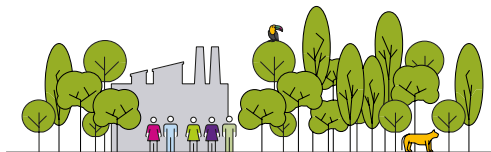
devoted to R&D in 2015



20

patents filed in 2015

Our CSR commitment also makes a difference



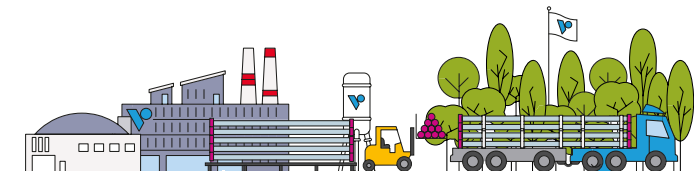
40%
of energy consumed
from renewable
sources

58%
of steel produced
from recycled scrap

94.8%
of waste recycled

47%
of production
from ISO 50001
certified sites

93%
of production
from ISO 14001
certified sites



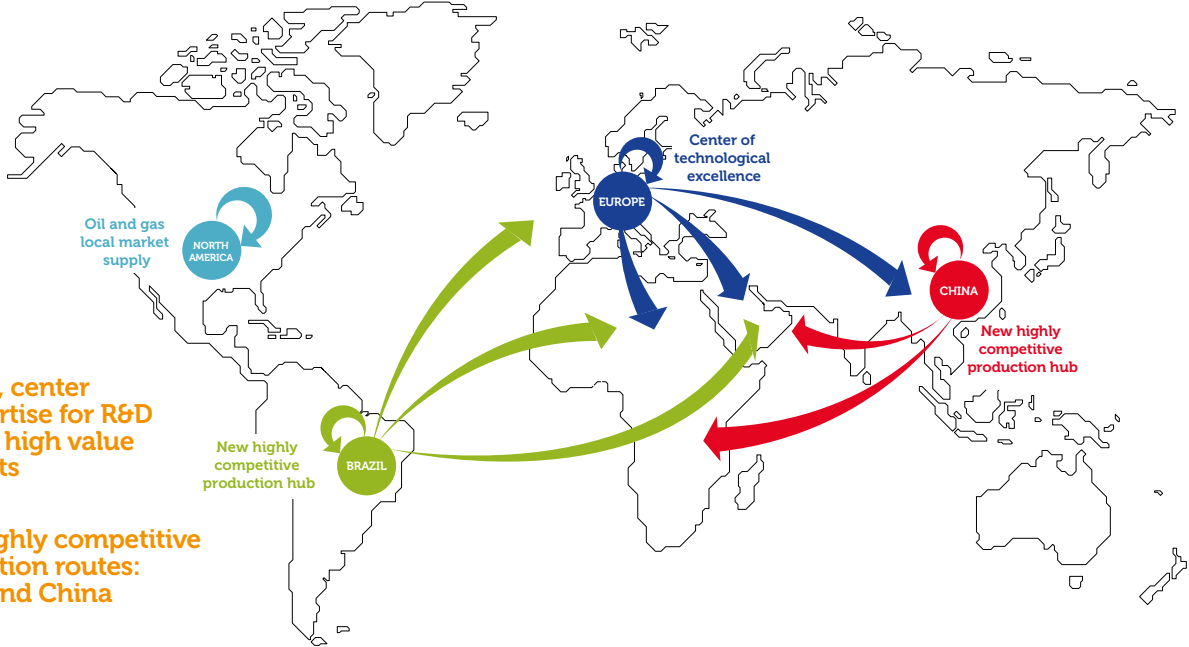
21%
of managers
are women

473,000
hours of professional
training
(Source: LMS)

€ 4.5 million
devoted to actions
to support local
communities

650
suppliers involved in
the process of evaluating
their CSR performance

WE ARE BUILDING A MORE COMPETITIVE VALLOUREC



Europe, center of expertise for R&D and for high value products

Two highly competitive production routes: Brazil and China

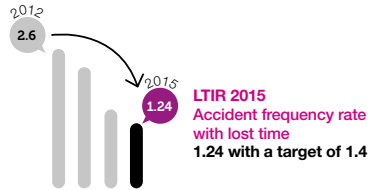
EXCELLENCE FOR OUR CUSTOMERS

Safety, foundation of excellence

Safety is a top priority for Vallourec.

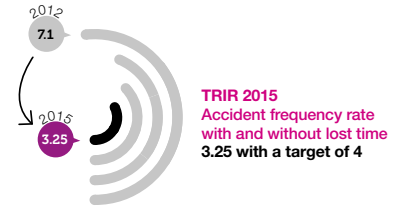
In 2015, all indicators are above objectives. It is the result of a sustained mobilization of teams at all sites, including:

- 32,000 workplace safety inspections conducted by managers;
- 300 continuous improvement groups dedicated to safety worldwide.



Giving the best of Vallourec

Quality and delivery deadlines are the leading criteria of customer satisfaction and Vallourec's second pillar of excellence. Product, service and process quality are subject to a specific structure to respond to the challenge: systematically report claims at all levels of the organization, standardized process of response and correction and a monitoring plan to detect visual appearance problems. In 2015, the committed efforts are bearing fruit, with a halving of the number of claims compared to 2014.



Offering a unique customer experience

The customer relationship is more valuable than ever. Vallourec approaches customers individually, with dedicated experts able to understand their needs in detail and respond with customized proposals. 15 key account managers support strategic customers across the world while 10 key customer development managers monitor high-potential customers. This advanced sales force mobilizes all of the Group's resources toward sustainable customer satisfaction.

INNOVATING AND ENGAGING TO MAKE A DIFFERENCE

3 innovation drivers

Premium steel grades, tubes and solutions:
strengthening Vallourec's leadership
by extending its technological lead.

Responding to emerging needs:
bring more value to customers
by reducing their total cost
of ownership (TCO) and
simplifying use.

Exploring new markets:
"subsea," renewable energy, energy
and waste storage, automation.



Being a responsible manufacturer

Vallourec is committed to reducing the impact of its activities in accordance with the principles formalized in 2011 in its Sustainable Development Charter. In 2015, on the strength of this commitment and its performance, the Group decided to set a new direction. The major areas for progress in its 2020 roadmap are strengthening governance on responsibility issues, integrating them more in Vallourec's business model and involving as many employees as possible in the process.

