



Welded stainless steel and titanium tubes: Vallourec announces the creation of a joint venture in South Korea and increased production capacity in China

Boulogne-Billancourt, 27 May 2004 – Vallourec today announced the strengthening of its presence in Asia in the field of welded stainless steel and titanium tubes, with the creation of a new joint venture company in South Korea and increased production capacity in China.

Creation of a joint venture in South Korea

Valtimet, a Vallourec subsidiary specialized in welded stainless steel and titanium tubing, has just signed a joint venture agreement with Poongsan Corporation, a South Korean company specialized in copper products. The joint venture will manufacture in South Korea welded stainless steel and titanium tubes using technologies developed by Valtimet and designed mainly for the power generation and seawater desalination markets. The agreement has been submitted to the relevant authorities for approval.

This investment will enable Vallourec, through its subsidiary Valtimet, to strengthen its positions in Asia by adding the extra capacity required due to growth in Asian demand. The deal will at the same time enable Poongsan to improve its competitiveness in titanium tubing, a complementary activity to its copper tubes for the desalination market.

The newly created company, Poongsan Valinox, whose plant is located in Bupyung near Seoul, will be equally owned by the two partners and will, first and foremost, meet the needs of South Korea and the rest of Asia. Poongsan commercial network as well as the proximity of major Korean constructors and engineering companies will enable Poongsan Valinox to boost its positions in the rapidly expanding desalination market. Poongsan Valinox will also be particularly well positioned to meet the future needs of South Korea for tubes for its power generation plants.

Increased production capacity in China

The creation of Poongsan Valinox in South Korea complements Valtimet's development plan in Asia: Changzhou Valinox Great Wall, Valtimet's Chinese subsidiary, will effectively triple its production capacity in China.

The new equipment will be brought into service over the period from June to December 2004. It will enable Changzhou Valinox Great Wall to maintain its leading position on the booming market of condenser and feed-water heater tubing for Chinese power generation plants.

These developments in Asia complement the investments made by Valtimet in Europe and the USA to increase its production capacity in these regions for new stainless steel and titanium products developed for the automotive and industrial sectors. With those investments, Valtimet will have an equivalent production capacity on each of the three continents in which it operates (North America: Morristown - USA, Europe: Les Laumes - France, Asia: Changzhou - China and Bupyung - South Korea).



About Vallourec

Vallourec is a world leader in the production of seamless steel tubes and specific tubular products for industrial applications (oil and gas, power generation, chemicals and petrochemicals, automotive and mechanical engineering industries).

Vallourec is listed on the Euronext Paris Premier Marché (ISIN code: FR0000120354).

*Vallourec is included in the following indices: SBF 120, NEXT 150, MID CAC.
FTSE classification: engineering and industrial capital goods.*

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