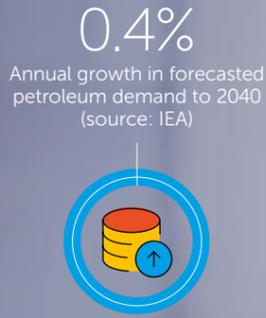
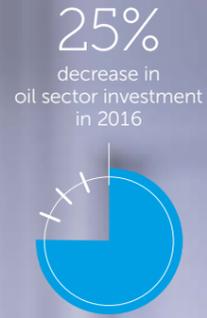


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SENIOR VICE
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SENIOR VICE PRESIDENT,
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— WE ARE IDEALLY PLACED TO REBOUND.

Coordination. Two transversal departments are now driving the industrial and commercial strategy around the world. Interview with Philippe Carlier, Senior Vice President for Technology & Industry (T&I), and Didier Hornet, Senior Vice President for Development & Innovation (D&I). —



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You lead two global departments. What is your key mission?

● — The Technology & Industry department is continuously improving Vallourec's cost base and competitiveness by creating sources of structural savings for the new industrial structure. The other major objective of the T&I department is to open new production routes, optimizing the allocation of orders between the world's regions. ● — The Development & Innovation department stimulates Vallourec's growth across all of its product lines. Above all, this means anticipating the needs of our customers and offering them

innovative solutions by accelerating time to market.

In your view, what is Vallourec's best asset?

● — Our regional industrial bases place Vallourec teams closer to our customers, their projects and their needs. And our ability to innovate, determinedly preserved, allows us to always go further in supporting them through coherent global development. ● — Our best asset is to combine and optimize our historic and new industrial bases. Having an optimized regional industrial footprint adapted to a local and global strategy is the best guarantee of agility and performance.

What is the future of Europe?

● — Europe is refocusing on the European market and on its strengths for high-end and small-scale production. Europe has two exclusive advantages: it masters the entire range and is Vallourec's historical knowledge base. European T&I experts support the regions on specific issues through process communities. Europe has lower volume but maintains the top spot for high value-added products, serving the global system.

What's happening in Vallourec's other activities, Power generation and industry?

● — These activities have different cycles. The Power generation

North America is restarting, and fast. This is an opportunity to test the new organization. How is it progressing?

● — Demand is indeed very strong, because it is twofold: in addition to the rising demand from oil and gas operators, there is a restocking of tubes by distributors. There are already more than 800 rigs in operation, twice as many as at the lowest point in May 2016, and today's rigs are performing better. All this accelerates short-term demand for tubes. ● — In the United States, the industrial structure remains focused on the variations in activity. At the height of the crisis, we fell to 20% use, i.e., 1 day of activity in 5, but we preserved the skills, which allowed us to re-build the teams in a very short time. To meet the current demand, we use the most competitive route by looking for additional production in Brazil, where we have available capacity.

sector is driven by growth in emerging countries where Vallourec remains well-positioned. The coal-fired power projects in China on the power generation side, the extended life of reactors and the construction of new nuclear power plants in Asia offer new prospects. Industry activity, which covers mechanical, construction and automotive, is linked to GNP and experiencing low growth. It represents 18% of Vallourec's revenues. We are maintaining plant load rates with achievements of which we are proud. Vallourec serves the machine tool industry, which contributed to the fame of German industry, for example, and has helped produce iconic structures such as the umbrellas of Mecca and the Paris-Orly footbridge.

What is your biggest challenge in 2017?

● — We will create a transversal commercial and industrial approach. Ensuring the overall optimization of sites that do not have the same industrial maturity and deploying Vallourec's quality and safety standards everywhere will be the major challenges of the Technology & Industry department. ● — Our challenge is to optimize our offers by product line throughout the different regions and, of course, through innovation. We focus on the operational efficiency of our products for our customers to improve their competitiveness, and solutions that push the limits of the possible to be ready for the day complex projects restart. —