

May 27, 2010

Novelis

## Novelis to Invest \$300 Million to Expand Rolling Operations in Brazil

ATLANTA, May 27 /PRNewswire/ -- Novelis announced today that it will invest approximately \$300 million to expand its aluminum rolling operations in Pindamonhangaba, Brazil, in response to the growing demand for its products in South America.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20100527/CL11716LOGO> )

The expansion will increase the plant's capacity by more than 50 per cent to over 600,000 metric tonnes of aluminum sheet per year. The project, which includes the addition of a third cold rolling mill, a new ingot casting center, a new pusher furnace for the hot rolling mill and various ancillary improvements, is expected to come on stream in late 2012.

"We are experiencing strong demand for our products in South America, particularly for beverage can sheet," said Phil Martens, President and Chief Operating Officer, Novelis Inc. "Growing per capita income and changes in consumer behavior are driving double-digit growth in demand for beverage cans. Many of our South American customers are accelerating their investments in can making plants and our expansion at Pindamonhangaba will allow us to stay ahead of that demand."

According to Abralatas (*Brazilian Association of Highly Recyclable Cans Manufacturers*), can sales in Brazil grew by 11.7 percent in 2009, representing a consumption of 14.8 billion units or 40.5 million aluminum cans per day.

"This is the largest single capital investment Novelis has made since the company was launched five years ago," said Martens. "This is a reflection of the company's strengthened financial position, enabling us to make significant strategic investments to support future growth."

Novelis is the leading producer of flat rolled aluminum products in South America. The Pindamonhangaba facility is an integrated hot rolling, cold rolling and recycling complex located in the state of Sao Paulo mid-way between the major cities of Sao Paulo and Rio de Janeiro. Novelis also operates a foil mill at Santo Andre, Brazil, two aluminum smelters at Ouro Preto and Aratu, and nine hydroelectric plants located throughout the state of Minas Gerais.

The aluminum can is also a recycling success story in Brazil where the recycling rate is currently estimated at better than 91 percent, placing Brazil among the world leaders in beverage can recycling. Novelis is South America's largest recycler of cans, processing about 8 billion cans in 2009, providing both economic and environmental benefits.

"Novelis has had a long and mutually beneficial presence in Brazil," said Alexandre Almeida, Senior Vice President of Novelis Inc. and President, Novelis South America. "This investment is further evidence of our commitment to the region and our continued

partnership with Brazil as it grows in economic prosperity."

### **About Novelis**

Novelis is the global leader in aluminum rolled products and aluminum can recycling. The company operates in 11 countries, has approximately 12,000 employees and reported revenue of \$10.2 billion in fiscal year 2009. Novelis supplies premium aluminum sheet and foil products throughout North America, South America, Europe and Asia. In Brazil, the company operates four plants and nine hydroelectric facilities. Novelis is a subsidiary of Hindalco Industries Limited (BSE: HINDALCO), one of Asia's largest integrated producers of aluminum and part of the multinational Aditya Birla Group. For more information, please visit [www.novelis.com](http://www.novelis.com).

### **Forward-Looking Statements**

Statements made in this news release which describe Novelis' intentions, expectations or predictions may be forward-looking statements within the meaning of securities laws. Examples of forward-looking statements in this news release include references to Novelis' ability to expand the capacity of the Pindamonhangaba plant by more than 50 percent. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Important risk factors which could impact outcomes are included under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended December 31, 2009, and in our Annual Report on Form 10-K for the year ended March 31, 2009.

SOURCE Novelis