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Novelis

## Novelis Investing \$30 Million to Improve and Expand Aluminum Operations in Brazil

SAO PAULO, Brazil, May 26 /PRNewswire/ -- Novelis Inc., the world leader in aluminum rolling and beverage can recycling, announced today that it will invest more than US\$30 million in its operations in Brazil over the next 18 months in a number of projects designed to increase production capacity and introduce new technology.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20070809/NOVELISLOGO> )

"These investments will allow us to continue to meet the demands of the rapidly growing markets in South America as well as provide a technology platform from which we can expand our offering of innovative, high-value products to our customers," said Martha Finn Brooks, president and chief operating officer for Novelis.

Close to \$21 million will be invested in process technology and equipment improvements at the company's aluminum rolling mill and recycling complex in Pindamonhangaba. The improvements will provide a double-digit increase in the plant's rolling capacity to 400,000 metric tons per year and will increase its annual capacity for aluminum recycling from 80,000 to 150,000 metric tons.

The company also announced that it will invest \$4.6 million at its Ouro Preto plant to install its Novelis Fusion(TM) solidification technology for the production of aluminum sheet ingots with multiple alloy layers. These multi-alloy ingots can be rolled into sheet products with previously unattainable product features.

The proprietary Novelis Fusion(TM) technology opens up new opportunities for aluminum sheet in market segments such as automotive, architecture, building and construction, durable goods, electronics and transportation. The Ouro Preto site will be the first plant in South America, and one of four globally, offering this breakthrough technology to Novelis customers. For more information on Novelis Fusion technology, please visit [www.novelis.com/fusion](http://www.novelis.com/fusion) .

In addition, the company said that it will invest \$4.7 million in an information technology project aimed at integrating and unifying its current operating systems in Brazil. The activity will serve as a global pilot project for Novelis and will later be implemented in the company's operations worldwide.

Novelis also confirmed that it is pursuing a project to expand its hydroelectric generating capacity in Brazil. Public hearings are currently under way on a proposed 23 MW development in Nova Brito, in the state of Minas Gerais.

Currently, Novelis produces about 60% of the energy it requires for its operations. In recent

years, Novelis has invested some R\$500 million in the construction of new power plants to meet the demands of its factories and to render its business more competitive. The company operates nine hydropower plants in the state of Minas Gerais with a total installed generating capacity of 117 MW.

"Together, all of these investments demonstrate the degree of confidence that our parent company, Hindalco Industries Limited, has towards business in Brazil and the company's commitment to maintain the standard of excellence in our operations and our products," said Tadeu Nardocci, President of Novelis South America.

#### About Novelis in Brazil

Novelis is the leading producer of aluminum rolled products in South America and is also involved in bauxite mining, alumina production, chemicals, primary aluminum production and recycling. The company employs approximately 2,000 people throughout Brazil. The company's main assets in the country are the aluminum smelters in Aratu (BA) and Ouro Preto (MG), aluminum rolling operations in Pindamonhangaba and Santo Andre (SP), and nine hydropower plants located throughout the state of Minas Gerais. For more information, visit <http://www.novelis.com.br>

#### About Novelis Inc.

Novelis Inc. is the global leader in aluminum rolled products and aluminum can recycling. The company operates in 11 countries, employs approximately 12,900 people and reports annual revenues of more than \$11 billion. Novelis supplies premium aluminum sheet and foil products to automotive, transportation, packaging, construction, industrial and printing markets throughout North America, South America, Europe and Asia. Novelis is a subsidiary of Hindalco Industries Limited, Asia's largest integrated producer of aluminum and a leading copper producer. Hindalco is the flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai, India. For more information on Novelis, visit [www.novelis.com](http://www.novelis.com).

Statements made in this news release which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Examples of forward-looking statements in this news release include those regarding our investment in our Brazilian operations and our ability to meet demand in growing markets, meet capacity expectations, and successfully implement Novelis Fusion(TM) in Brazil. We caution that, by their nature, forward-looking statements involve risk and uncertainty. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. 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 Novelis are included under the caption "Risk Factors" in Novelis' Annual Report on Form 10-K for the year ended December 31, 2006, as amended and filed with the U.S. Securities and Exchange Commission, and are specifically incorporated by reference into this news release.

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