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Novelis Obtains Commitments For Backstop Financing Facilities From Citigroup

ATLANTA, Aug. 1 /PRNewswire-FirstCall/ -- Novelis Inc. (NYSE: NVL) (TSX: NVL) today announced that it has obtained commitments for backstop financing facilities totaling \$2.855 billion from Citigroup Global Markets Inc. Novelis previously reported that it had received a notice of default on July 21 from the trustee for its 7-1/4% Senior Notes due 2015. This action resulted from the recent financial restatement and review by Novelis and the subsequent delay in filing its financial statements which created a breach of its bond covenants. The notice of default triggers a 60-day period within which the Company can cure the default by filing the delayed reports. Novelis has stated that it is working towards this goal; however, there can be no assurance of achievement and, therefore, the Company has taken the step of securing commitments for the backstop agreement from Citigroup.

As previously disclosed, the notice of default also accelerates the deadlines for filing the delayed reports under the Company's existing Credit Agreement waiver to 30 days from the date of receipt of the notice. Novelis has said that it will request a waiver from its Credit Agreement lenders to extend the deadline for filing these financial reports.

In the event that Novelis is not able to file its delayed reports by the deadlines defined in the notice of default and in its Credit Agreement waiver, the backstop financing facilities would provide the funding necessary to retire the Senior Notes and, if needed, replace the Company's existing term loan and revolving credit facility. The commitments by Citigroup under the commitment letter are subject to the satisfaction of customary conditions precedent for financings of this type.

Novelis is the global leader in aluminum rolled products and aluminum can recycling. The company operates in 11 countries and has approximately 13,000 employees. Novelis has the unrivaled capability to provide its customers with a regional supply of technologically sophisticated rolled aluminum products throughout Asia, Europe, North America and South America. Through its advanced production capabilities, the company supplies aluminum sheet and foil to the automotive and transportation, beverage and food packaging, construction and industrial, and printing markets. For more information, visit www.novelis.com.

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, among other matters, Novelis' ability to file its delayed reports within the referenced cure period, to obtain waivers from its credit agreement lenders, and to meet the conditions precedent to complete the backstop financing facility. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty. Several factors which could cause Novelis to not finalize the

commitments by Citigroup under the Commitment Letter include, among other matters, the failure by Novelis to deliver definitive documentation or otherwise fail to satisfy customary conditions precedent with respect to the new credit facilities, the agreement of lenders and regulatory authorities to waivers to be requested to extend the referenced filing deadlines, the filing of its delayed reports within the referenced cure period, and a subsequent decision to extend or renew the bond solicitation. 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. Please refer to the risk factors that are included under the caption "Risk Factors" in our registration statement on Form S-4, as amended and filed with the SEC, and may be discussed in subsequent filings with the SEC. The risk factors included in our registration statement on Form S-4, as amended, are specifically incorporated by reference into this news release.

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