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Novelis to Close Aluminum Smelter in Aratu, Brazil

ATLANTA, Dec. 6, 2010 /PRNewswire/ -- Novelis Inc. announced today that it will cease operations at its primary aluminum smelter in Aratu, Brazil, by December 31, 2010. The decision is in response to high operating costs and the lack of a competitively priced energy supply. The plant's small scale, outdated technology and logistical factors also impair its operating efficiency. The closure will affect approximately 300 employees.

(Logo: <https://photos.prnewswire.com/prnh/20100527/CL11716LOGO>)

The 60,000-tonnes-per-year facility has been operating at a loss for nearly two years despite management efforts to improve performance. High energy prices and other structural costs will keep the plant unprofitable at expected aluminum prices for the foreseeable future.

"We made significant efforts to improve performance at the smelter, including restructuring the workforce, installing new plant leadership and adjusting production levels," said Alexandre Almeida, president of Novelis South America. "Unfortunately, we could not achieve profitability for the plant."

"This was a very difficult decision for us to make especially in light of its impact on our employees," continued Almeida. "I want to thank them for their support while we tried to find a sustainable solution for the plant. We will offer the employees a severance package, extended health benefits and job search assistance."

The shutdown of the plant will not impact Novelis' other operations in Brazil, including its other aluminum smelter at Ouro Preto. Novelis will retain its focus on the company's core business of aluminum rolling, and customer deliveries will not be affected.

About Novelis

Novelis Inc. is the global leader in aluminum rolled products and beverage can recycling. The company operates in 11 countries, has approximately 11,600 employees and reported revenue of \$8.7 billion in fiscal year 2010. Novelis supplies premium aluminum sheet and foil products throughout North America, Europe, Asia and South America. Novelis is a subsidiary of Hindalco Industries Limited (BSE: HINDALCO), one of Asia's largest integrated producers of aluminum and a leading copper producer. Hindalco is a flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai, India. For more information, visit www.novelis.com.

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