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Novelis Breaks Ground on First Aluminum Auto Sheet Plant in China

Expansion Driven by Growing Global Demand for Next Generation of Lighter, More Fuel-Efficient Automobiles

SHANGHAI, Nov. 14, 2012 /PRNewswire/ -- Novelis, the world leader in aluminum rolling and recycling, officially broke ground today on the company's first aluminum manufacturing plant in China. The \$100 million investment is designed to meet the rapidly growing demand for rolled aluminum used in the design of a new generation of lighter, more fuel-efficient vehicles.

The wholly owned plant under construction in Changzhou in the Jiangsu Province, will have a capacity of 120,000 metric tons per year, further strengthening Novelis' position as the world's largest producer of aluminum sheet products used to create vehicle structures and body panels. Startup of the new facility, the industry's first automotive sheet plant in China, is planned for late 2014.

Located in the heart of the Changzhou National Hi-Tech District, the new facility will be close to vital rail lines, the Changzhou deep water port on the Yangtze River and other world-class business and commercial infrastructure. The company plans to ship rolled aluminum coils manufactured at its South Korean operations to the new facility in Changzhou for heat treatment and finishing before delivery to automotive customers within China as well as to export markets.

James Liu, Managing Director for Novelis China, says the expansion is in direct response to customer demand. "Our close relationships with world class automakers are driving our long term strategy to support their vehicle production expansions around the globe. We expect demand for automotive aluminum sheet in China to exceed the 25 percent compound annual growth rate expected across the globe over the next five years, as auto manufacturers strive for improved fuel efficiency and reduced emissions."

Sustainable manufacturing is a core focus for Novelis' entrance into China, and the company is designing its new facility according to rigorous environmental design, construction and operational standards.

"The new Novelis plant in China embraces the latest environmental features, including world class energy managements systems, solar hot water heating, CO₂ control and best-in-class water efficiency," noted Shashi Maudgal, President, Novelis Asia. "These efforts are consistent with the carbon neutral objectives of government leaders in China, and we are pleased to partner with them on creating a sustainable business operation."

Sustainability Benefits of Aluminum for Automotive

Every kilogram of aluminum substituted for traditional steel in a vehicle saves more than nine kilograms of CO₂ emissions over the lifetime of a vehicle. That could translate to 3,000 liters of fuel savings over the lifecycle. Additionally, Novelis will recover aluminum scrap from the car makers' stamping process to recycle and recreate aluminum sheet for new vehicles. The company has a global target to increase its recycled content across all products to 80% by the year 2020.

About Novelis

Novelis Inc. is the global leader in aluminum rolling and recycling. For fiscal year 2012, the company operated in 11 countries, had more than 11,000 employees and reported revenue of \$11.1 billion. Novelis supplies premium aluminum sheet and foil products to automotive, transportation, packaging, construction, industrial, electronics and printing markets 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 and follow us on Twitter at twitter.com/Novelis.

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 the anticipated start-up date of the new facility and its projected projection capacity. 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 Annual Report on Form 10-K for the year ended March 31, 2012 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.

SOURCE Novelis