

Novelis To Establish Aluminium Can Collection Programme In Germany To Enhance Value For Deposit Operators

Göttingen, June 27, 2006 — Novelis, the world's leading aluminium rolled products company and aluminium can recycler, is establishing a programme in Germany that will assist retailers and other can collectors to maximise value from the country's new deposit recycling system.

“Novelis is the largest and most efficient aluminium can recycler in Europe,” said Dieter Walter, sales and marketing director for Novelis can operations in Europe. “We operate the continent's only dedicated aluminium can recycling plant, where cans are recycled back into the material for new cans.

“We have the capacity to recycle every aluminium can in Germany in this ‘closed loop’ system,” Walter added, “and the recycled cans return to supermarket shelves in as little as eight weeks. Aluminium cans are by far the most valuable material in the German beverage deposit scheme – and they are easy to flatten, bale and transport. Novelis will facilitate a system to help retailers realise the value of used aluminium cans.”

In order to help retailers and recyclers get the best value from aluminium can recycling in the new deposit scheme, Novelis will develop a package of solutions including:

- Novelis will establish and publish a clear and transparent price for used aluminium beverage cans. The company undertakes to pay attractive prices for good quality material and is able to do this in the long run because of its closed loop recycling system. Today, Novelis' price for German-sourced cans meeting the Novelis quality specification and delivered to one of its German aggregation centres is 1,350 euros per tonne for baled cans, and 1,280 euros per tonne for loose, flattened cans. This price is market based and subject to change. Current prices and the quality specification will be posted on www.novelisrecycling.de.
- Novelis will set up delivery aggregation centres in three key German regions to make it easy for recyclers anywhere in Germany to sell to the company. The centres will accept sorted aluminium cans in baled, densified, flattened or whole form. The first centre will be in Herten in the Ruhr area and will be operational as of July 1, 2006. Further centres will be announced shortly on www.novelisrecycling.de.
- Novelis operates an efficient payment system, paying the recycler directly and promptly.
- Novelis will provide aluminium can processing and logistical advice. The company has many years of processing cans in other parts of Europe and would be pleased to offer any support needed.

Novelis recycles cans back into new can sheet material, infinitely, without any loss of quality. This closed loop recycling is very efficient environmentally and economically. The process saves up to 95% energy compared to primary production, which also means that up to 95 percent of related greenhouse gas emissions are avoided. Proprietary de-coating technology makes the Novelis can recycling process highly efficient.

As the world's largest recycler of aluminum cans, Novelis recycled more than 35 billion used aluminium cans in 2005 – enough to circle the earth more than 100 times if laid end to end.

Novelis is also the world's leading supplier of aluminum sheet for the manufacture of new cans. In Europe, Novelis produces can sheet at the world's largest aluminium rolling mill in Neuss and also at its plant in Göttingen.

Novelis Inc. is the global leader in aluminum rolled products. The company operates in 11 countries and has more than 13,000 employees. Novelis offers 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 on Novelis, visit www.novelis.com.

This press release, which describes Novelis' expectations, predictions and strategies, contains forward looking statements within the meaning of the securities laws. Novelis cautions that by their nature, forward looking statements involve risk and uncertainty and that Novelis' actual results could differ materially from those expressed or implied in such statements. Examples of forward-looking statements in this press release include, among other matters, Novelis' projection that the aluminum can recycling programme will maximize the value of the recycling system for other retailers and can collectors. Important factors which could cause a difference in results includes a decreased market for the recycling programme, instability in the aluminum market, problems with the programme's implementation and any delays to the centres opening date. Reference should be made to Novelis' registration statement on Form S-4 filed with the United States Securities and Exchange Commission for a discussion of major risk factors.

Media contact:

John Gardner

+41 44 386 2155

john.gardner@novelis.com