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Novelis Announces Additional Actions in Restructuring of European Operations

ATLANTA, March 15 /PRNewswire-FirstCall/ -- Novelis Inc. (NYSE: NVL) (TSX: NVL) today announced additional actions in the restructuring of its European operations, with the sale of its aluminum rolling mill in Annecy, France to private equity firm American Industrial Acquisition Corporation and the reorganization of its plants in Ohle and Ludenscheid, Germany, including the closure of two non-core business lines.

Novelis determined that the businesses it is exiting at Annecy, Ohle and Ludenscheid are unprofitable and are not consistent with the company's global portfolio strategy and its focus on producing high-end, technologically sophisticated products that constitute the company's competitive advantage.

Novelis had previously designated the Annecy facility as non-core and announced in October 2005 that it was considering divestment options. This facility, a former Pechiney plant, manufactures two main products - aluminum circles, which are used primarily in the production of cookware, and painted rolled products. The plant currently employs 200 people.

In addition, Novelis is ending its production of plastic containers and manufactured sealing machines in its Ludenscheid and Ohle plants, located in Germany's Sauerland region. As a result, the company will eliminate 100 jobs, streamline support functions, and reduce overhead costs in these plants. Implementation of these actions should be essentially complete by year-end 2006. Ludenscheid and Ohle will continue to manufacture specialist aluminum foil, foil containers and foil technical products for packaging, automotive and industrial applications. Novelis is the European cable foil market leader, and its Ohle facility is the largest foil container plant in Europe.

Novelis will record a pre-tax accounting charge of approximately \$14 million in connection with the sale of the Annecy plant, and a pre-tax accounting charge in the \$10 million to \$12 million range for the restructuring of the Sauerland operations. These charges include redundancy costs and the write-off of assets on the balance sheet.

"The sale of the Annecy facility and the restructuring of the Sauerland businesses are important steps in Novelis' drive to become more focused and competitive in our European operations," said Chris Bark-Jones, President of Novelis Europe. "With each step, we are able to dedicate additional attention and resources to growing profitability in strategic and economically attractive markets where we enjoy technological leadership."

Novelis is the global leader in aluminum rolled products and aluminum can recycling. The company has 35 operating facilities in 11 countries and approximately 13,000 employees. Novelis has the unrivalled 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. 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. Important factors which could cause such differences include: the price of aluminum; global supply and demand conditions for rolled aluminum products; changes in the relative value of various currencies; demand and pricing within the principal markets for the Company's products; changes in government regulations, particularly those affecting environmental, health or safety compliance; economic developments; relationships with (and financial or operating conditions of) customers and suppliers; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; the level of our indebtedness and ability to generate cash; and other factors relating to the Company's ongoing operations. Additional important factors that could cause such differences in actual results include: the materiality of items identified during the review and restatement process; the timing to complete the review and restatement; the agreement of the lenders and regulatory authorities to the requested extensions to the referenced filing deadlines; and preliminary estimates of debt reduction, cash balances and quarter-over- quarter improvement in regional income. The financial information provided in this news release was prepared by management and has not been audited. Reference should be made to Novelis' registration statement on form S-4 filed with the Securities and Exchange Commission for a discussion of major risk factors.

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CONTACT: Media, John Gardner, + 41 44 386 2287, or john.gardner@novelis.com, or
Investors, Holly Ash, +1-404-814-4212, or holly.ash@novelis.com,
both of Novelis Inc.