

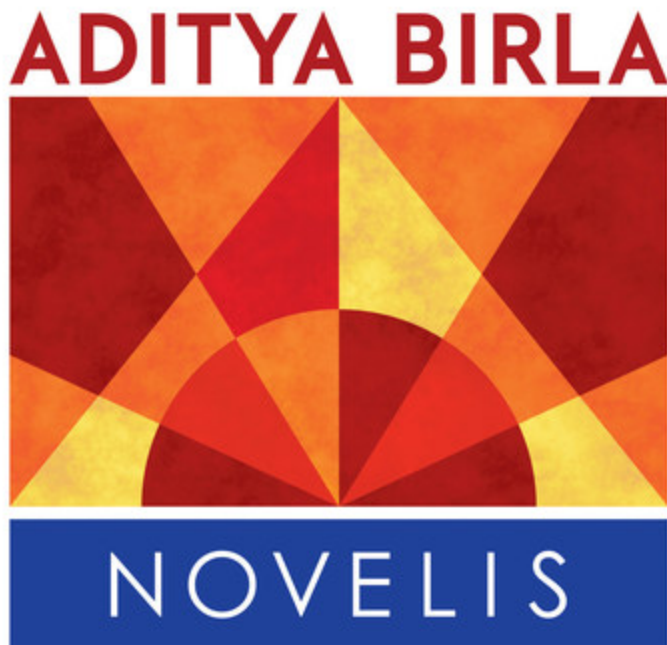
September 4, 2019

Novelis

# Novelis Reaffirms Commitment to Acquisition of Aleris

## Acquisition Will Strengthen Aluminum Industry's Ability to Compete Against Steel in U.S. Automotive Body Sheet Market

ATLANTA, Sept. 4, 2019 /PRNewswire/ -- Novelis Inc., the world leader in aluminum rolling and recycling, today reaffirmed its full commitment to closing its proposed acquisition of Aleris Corporation, notwithstanding the U.S. Department of Justice (DOJ) lawsuit to block the transaction.



Novelis intends to vigorously defend against the DOJ's challenge, which it believes is without merit.

### DOJ Suit Ignores The Full Scope Of Automotive Body Sheet Competition

The DOJ lawsuit is based on the contention that the only relevant competition among automotive body sheet providers is that among aluminum manufacturers such as Novelis and Aleris. It ignores competition from steel automotive body sheet, even though steel automotive body sheet is currently used for nearly 90 percent of the market.

"The day-to-day reality of the automotive body sheet market is aluminum automotive body

sheet striving to take share from steel, and the steel automotive body sheet companies fighting back," said Steve Fisher, President and CEO, Novelis Inc. "We are disappointed that the DOJ has missed this, but also confident that in the next phase of this process the full scope of the competition we face will be recognized appropriately. Our merger with Aleris threatens no one, and to the contrary will strengthen our ability to compete against steel, meet growing customer demand for aluminum, achieve our recycling goals, and bolster our sustainability platform worldwide."

To prevail in its lawsuit, the DOJ will need to prove that there is a distinct "relevant market" for aluminum automotive body sheet, which means that steel automotive body sheet does not significantly constrain the price and quality of aluminum automotive body sheet. The DOJ does not deny that steel automotive body sheet usually competes with aluminum automotive body sheet, but instead contends that the constraint from steel is absent from some procurements (where an automotive manufacturer has supposedly already decided between steel and aluminum). Novelis believes that by focusing on just a small slice of steel-aluminum competition and ignoring the broader competitive process, the DOJ's theory contravenes well-established principles of market definition.

The DOJ also disregards the extraordinary bargaining power of the automotive manufacturers and their ability to generate bid processes that will ensure competitive pricing for automotive body sheet.

### **No Expected Effect On Closing**

Due to the agreement reached with the DOJ on a timetable and process for resolving this dispute, Novelis is confident that the DOJ suit is not an impediment to closing the transaction by the January 21, 2020, outside date under the merger agreement, even if a remedy is required to address the DOJ's competitive concerns.

The company is confident that the transaction will ultimately receive all necessary regulatory approvals in the U.S. and in other relevant jurisdictions.

### **About Novelis**

Novelis Inc. is driven by its purpose to shape a sustainable world together. As a global leader in innovative products and services and the world's largest recycler of aluminum, we partner with customers in the automotive, beverage can and specialties industries to deliver solutions that maximize the benefits of sustainable lightweight aluminum throughout North America, Europe, Asia and South America. The company is headquartered in Atlanta, Georgia, operates 23 facilities in 9 countries, has approximately 11,000 employees and recorded \$12.3 billion in revenue for its 2019 fiscal year. Novelis is a subsidiary of Hindalco Industries Limited, an industry leader in aluminum and copper, and metals flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai, India. For more information, visit [novelis.com](http://novelis.com) and follow us on Facebook at [facebook.com/Novelis](https://facebook.com/Novelis) and Twitter at [twitter.com/Novelis](https://twitter.com/Novelis).

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