

Aluminum Due For Surge, Says Novelis Exec

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MARCO ISLAND, Fla., Feb. 3 /PRNewswire/ -- The worldwide adoption of aluminum in industrial and consumer applications is nearing a tipping point and may be about to surge, according to Philip Martens, president and chief operating officer of Novelis, a global leader in aluminum rolled products and aluminum can recycling. Martens was the keynote speaker at the Platts Aluminum Symposium 2010 held here February 1-2.

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According to Martens, rapid urbanization in developing countries and a push for sustainability are the drivers that will increase demand for aluminum beyond current projections. "Beverage cans, food packaging, appliances, construction, transportation and personal technology all are on the verge of a new boom in emerging markets," said Martens. "In transportation alone - products like shipping containers, trucks, commuter trains and automobiles - the opportunity is bigger than most observers have recognized."

Light-weighting, said Martens, is the key. "Without compromising strength, aluminum allows for light-weighting in the design of anything that moves," he said. "In a world constrained by fuel supplies, and as alternative energy sources come online, aluminum is the most plausible option."

According to market researcher Ducker Worldwide, the percentage of aluminum in automobile design has been gradually climbing for decades - from two percent in the United States in 1975 to a projected 10 percent in 2020 - typically supplanting steel components. But heightened consideration of light-weighting driven by consumer demand and government regulation could quickly change the pace of adoption. "We may be about to see a sharp turn in the next few years that would make the aluminum industry's current projections of demand look very conservative," Martens told the Platts Aluminum Symposium. "We've been having talks with automobile manufacturers that are more than encouraging on this point."

Food packaging also will see a new wave of demand, said Martens. "In just the next few years, more than 2 billion people will cross the official threshold out of 'poverty' and adopt lifestyles the developed world would begin to recognize as working class," he said. "When you look at the global performance of beverage companies, it's clear that the capacity to manufacture aluminum beverage containers and other food packaging will struggle to keep pace with demand."

Aluminum also is advantaged by its recyclability. "What a remarkable business model we have," Martens told the industry conference. "What other industry can claim the ability to make virtually all its new product from its old product - and with such an energy and cost saving relative to raw material? Never has an economic agenda been so cleanly synchronized to an environmental agenda."

About Novelis

Novelis Inc. is the global leader in aluminum rolled products and aluminum can recycling. The company operates in 11 countries, has approximately 12,000 employees and reported revenue of \$10.2 billion in fiscal year 2009. Novelis supplies premium aluminum sheet and foil products to automotive, transportation, packaging, construction, industrial, electronics and printing markets throughout North America, South America, Europe and Asia. 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, please visit www.novelis.com.

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