

Novelis And Prefa Sign Multi-Year Supply Agreement

European partnership will develop new aluminum roofing solutions

Feb 02, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Novelis Inc. (NYSE: NVL) (TSX: NVL), the global leader in aluminum rolled products, and Prefa, one of Europe's leading manufacturers and marketers of aluminum roofing, today announced the signing of a long-term contract for the supply of pre-painted aluminum sheet to Prefa. Details of the multi-million dollar supply agreement were not released.

In addition, Novelis and Prefa announced that they will collaborate on initiatives to expand the use of pre-painted aluminum sheet in roofing applications. The companies will partner on extended supply chain initiatives to meet the service requirements of architects, builders and installers. As well, they will work jointly to develop innovative paint systems to enhance the aesthetics, durability and life-cycle benefits of their roofing products.

Novelis has also awarded Prefa a license for the distribution of Falzonal®, a pre-painted, standing-seam quality aluminum sheet produced by Novelis for a wide range of roofing and façade architecture (www.falzonal.com). Under the terms of the license, Prefa becomes sole distributor of Falzonal® in a number of European countries, most notably Germany and Austria. The material will be marketed alongside the full range of Prefa roofing systems and products, offering customers "one-stop shopping" for their roofing needs.

"We are delighted that this strengthening of our co-operation with Novelis will provide a solid platform for innovation and growth, which will help develop our overall offer to the thriving market for aluminum roofing," said Walter Pacher, Prefa managing director.

Erwin Mayr, president of Novelis' Automotive, Painted and Specialties business unit, added: "Novelis firmly believes in the value of working closely with its customers. This agreement with Prefa will provide many opportunities for joint work on product development and supply chain initiatives. Prefa's extensive experience in aluminum roofing, together with Novelis' materials and coatings expertise, will be a powerful combination in developing roofing solutions of the future."

Novelis is the global leader in aluminum rolled products and aluminum can recycling. The company has 36 operating facilities in 11 countries and more than 13,000 employees. Novelis has the unrivalled capability to provide its customers with a regional supply of technically 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.

Prefa is one of Europe's fastest growing aluminum roofing manufacturers and marketers. With production facilities in Marktl, Austria, and Wasungen, Germany, as well as sales offices throughout Europe, the company has over 50 years' experience in the fabrication of aluminum roofing. For more information on Prefa, visit www.prefa.com.

Statements made in this news release that 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 an increase in the price of aluminum (or premiums associated with such price), an increase in the price of derivative instruments, a default under the new can sheet contracts, an increase in energy costs, 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, and the level of our indebtedness and ability to generate cash and other factors relating to the Company's ongoing operations. Reference should be made to Novelis' registration statement on Form S-4, as amended, filed with the Securities and Exchange Commission for a discussion of major risk factors.

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