

Novelis to Invest \$30 Million to Expand High-End Production Capacity in Asia

ATLANTA, March 23 /PRNewswire-FirstCall/ -- Novelis Inc. (NYSE: NVL) (TSX: NVL) today announced that it will invest \$30 million over the next two years to expand its capacity to produce aluminum rolled products at its 68%- owned plant in Yeongju, Republic of Korea. This investment is an important action in executing Novelis' strategy to focus on economically attractive and technologically sophisticated rolled aluminum products globally.

Martha Brooks, Chief Operating Officer of Novelis, said, "Our investment in Yeongju represents a key step in executing our business strategy, allowing us to expand capacity to enhance our high-end product portfolio in the fastest growing region in the world while continuing to manage our capital expenditures and use cash to serve our deleveraging commitment."

Specifically, this investment will be used to add a fourth stand on the Yeongju plant's continuous hot rolling mill and to enhance a single-stand cold rolling mill, coil coating line, and associated finishing equipment. These improvements will increase the plant's ability to manufacture coated end stock for aluminum beverage cans and other high-value applications used in electronics and construction industries. As a result of these changes, Novelis expects that by 2008 its overall capacity in Korea will increase by 100,000 metric tons and its ability to provide coated end and tab stock will triple. Novelis' shipments in the Asian region were approximately 500,000 tons in 2004.

Novelis, the leading producer of can sheet worldwide as well as in Asia, continues to strengthen its portfolio. The Yeongju investment will help position the company to take full advantage of attractive growth in developing markets and give it the opportunity to displace imports within the Asian region. The global aluminum can sheet market continues to expand, with high asset utilization, line conversions from steel to aluminum in Europe, and innovation in can shapes, sizes and decoration fueling new growth. Growth in developing markets is primarily in the aluminum can sector, with estimates for China showing significant growth over the next few years.

"Reflecting the high performance of our employees and assets, we have made steady improvements in quality, service, and technology utilization enabling Novelis Korea to double its output over the last five years to become the largest supplier of aluminum rolled products and can body stock in Asia," said Jack Morrison, President of Novelis Asia. "Investing now in targeted equipment and processes will allow us to further expand our capability in support of customers in can stock, electronic and construction markets with technologically advanced products such as coated end stock and sheet used in flat-screen display units."

The Yeongju facility is part of Novelis Korea Limited, a joint venture of Novelis Inc. (68%), Taihan Electric Wire Co. Ltd. (31%), and the Hyundai Group (1%). Its plants in Yeongju and Ulsan, along with its main office in Seoul, were originally commissioned in 1993 to meet the growing demand for rolled aluminum products principally in Korea, China, and Southeast Asia. Novelis Korea has more than 1,200 employees and can supply a broad range of high-end aluminum rolled products.

Novelis Inc. is the global leader in aluminum rolled products and aluminum can recycling. The company operates in 11 countries and has approximately 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/transportation, beverage/food packaging, construction/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.

SOURCE Novelis Inc.

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