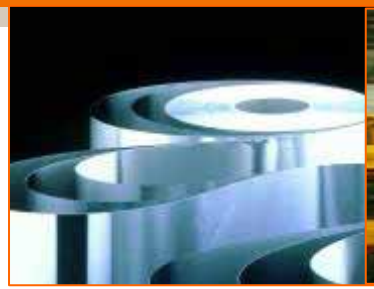
Korea Nonferrous Metal Association Seminar

(세계 알루미늄 동향)

Kyungmee Park
Director, Business Development
Novelis Korea Limited

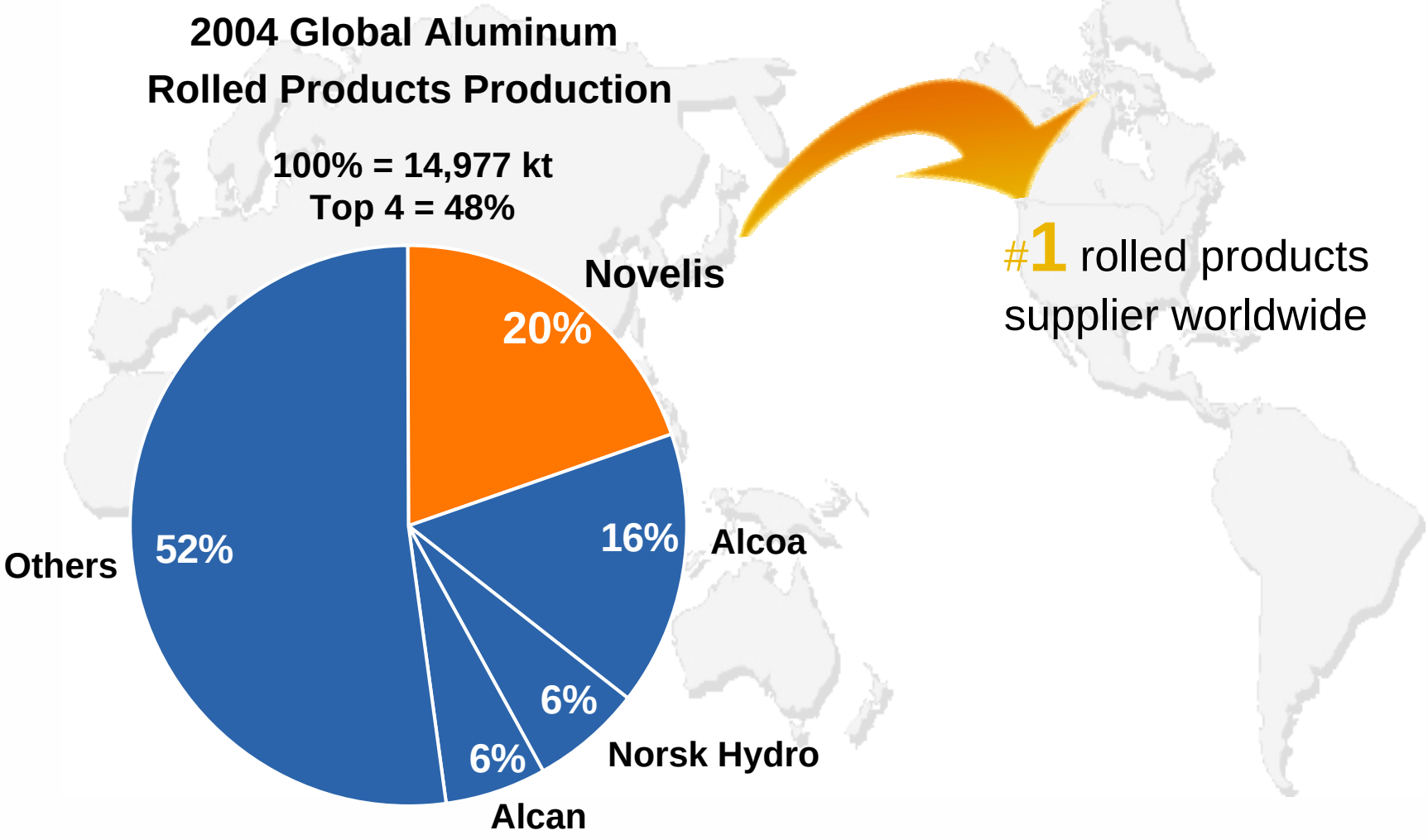
November 29, 2005







Global Leader in Rolled Aluminum

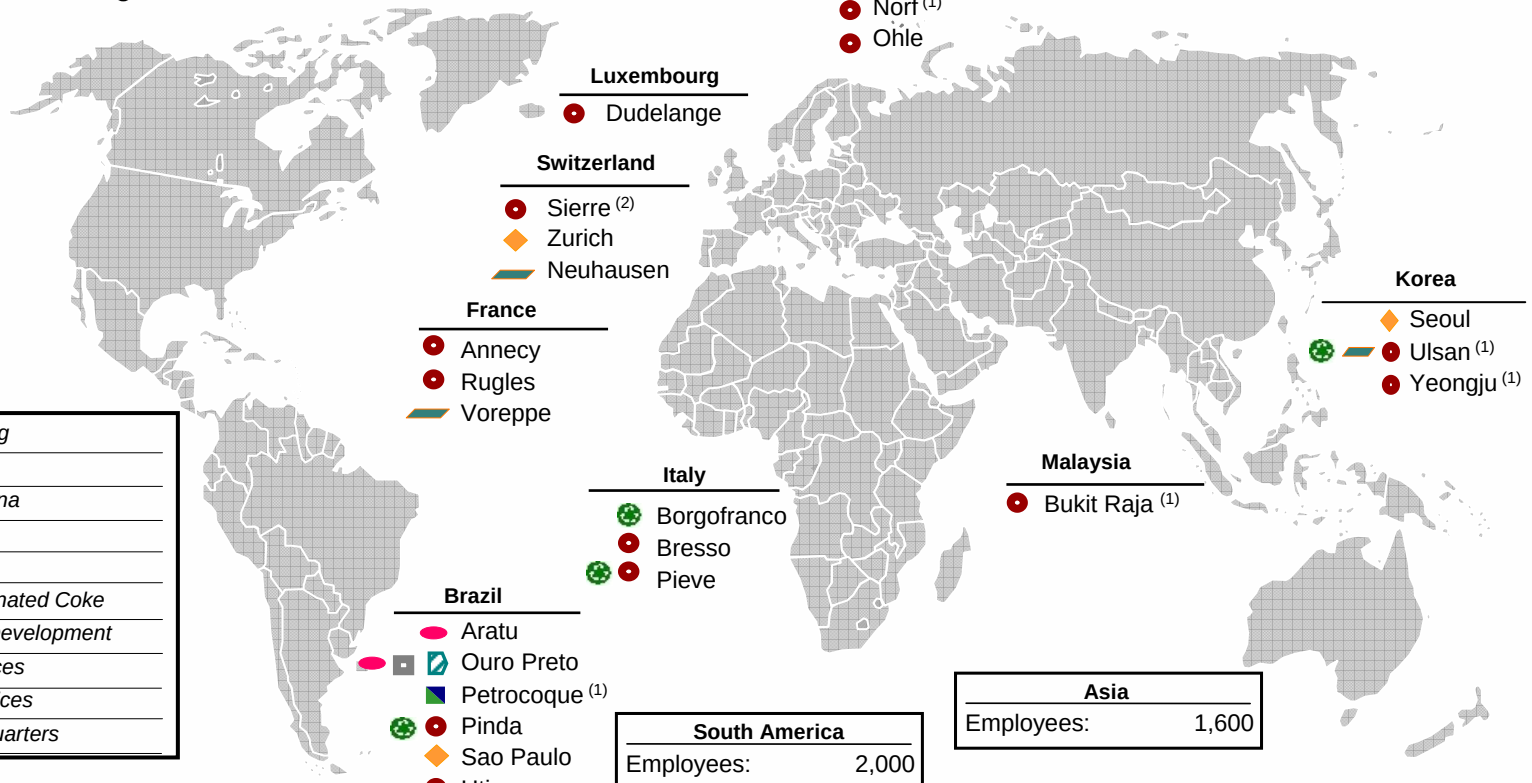


#1 rolled products supplier worldwide

Source: CRU, based on production data.

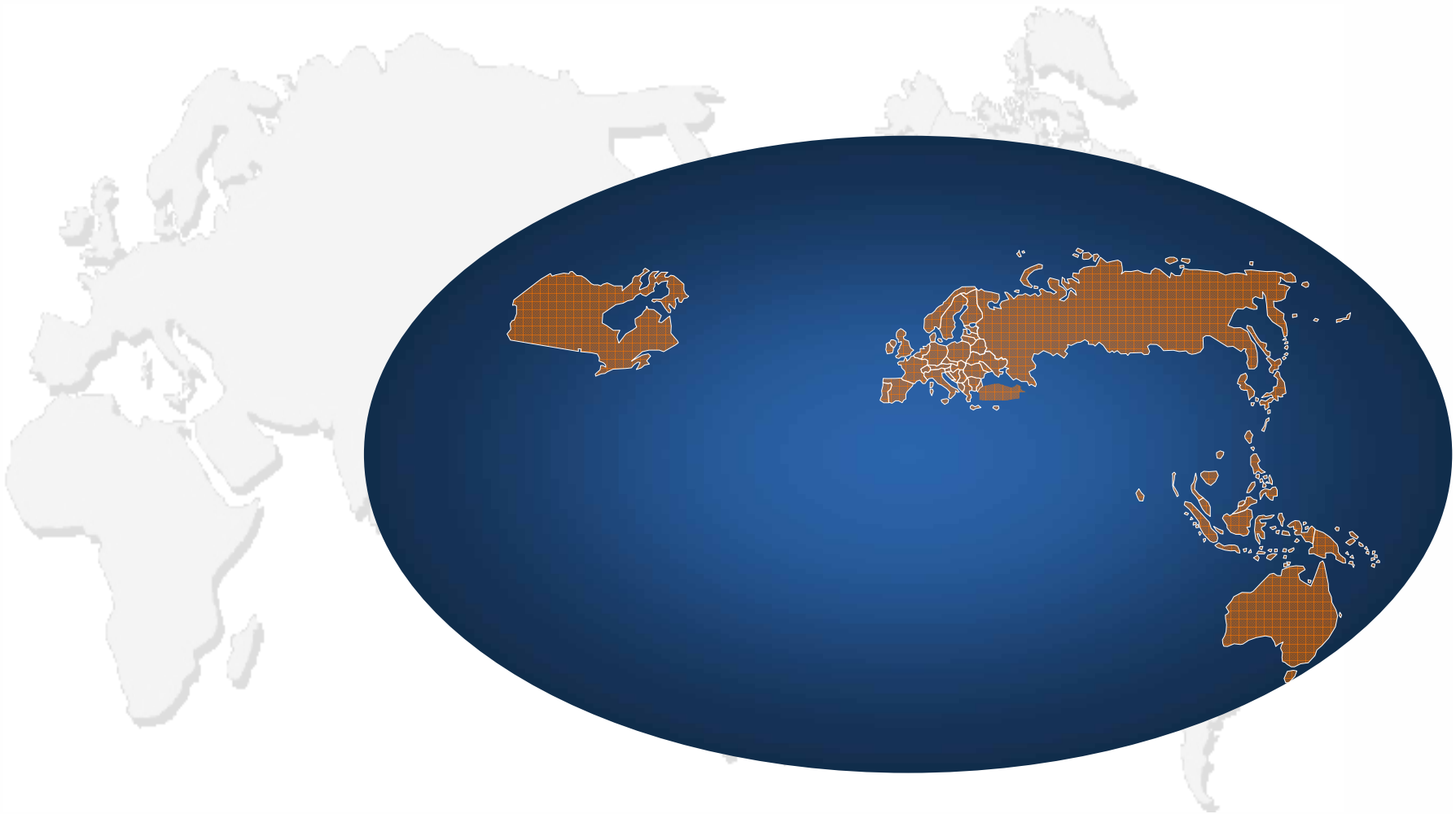
Technologically Sophisticated Assets Globally Positioned

36 Plants, 13,000+ Employees in 11 Countries



Notes: (1) Jointly owned companies or facilities.
(2) Long-term lease.

Novelis Worldwide



Formula for Success

FOCUSSED BUSINESS MODEL

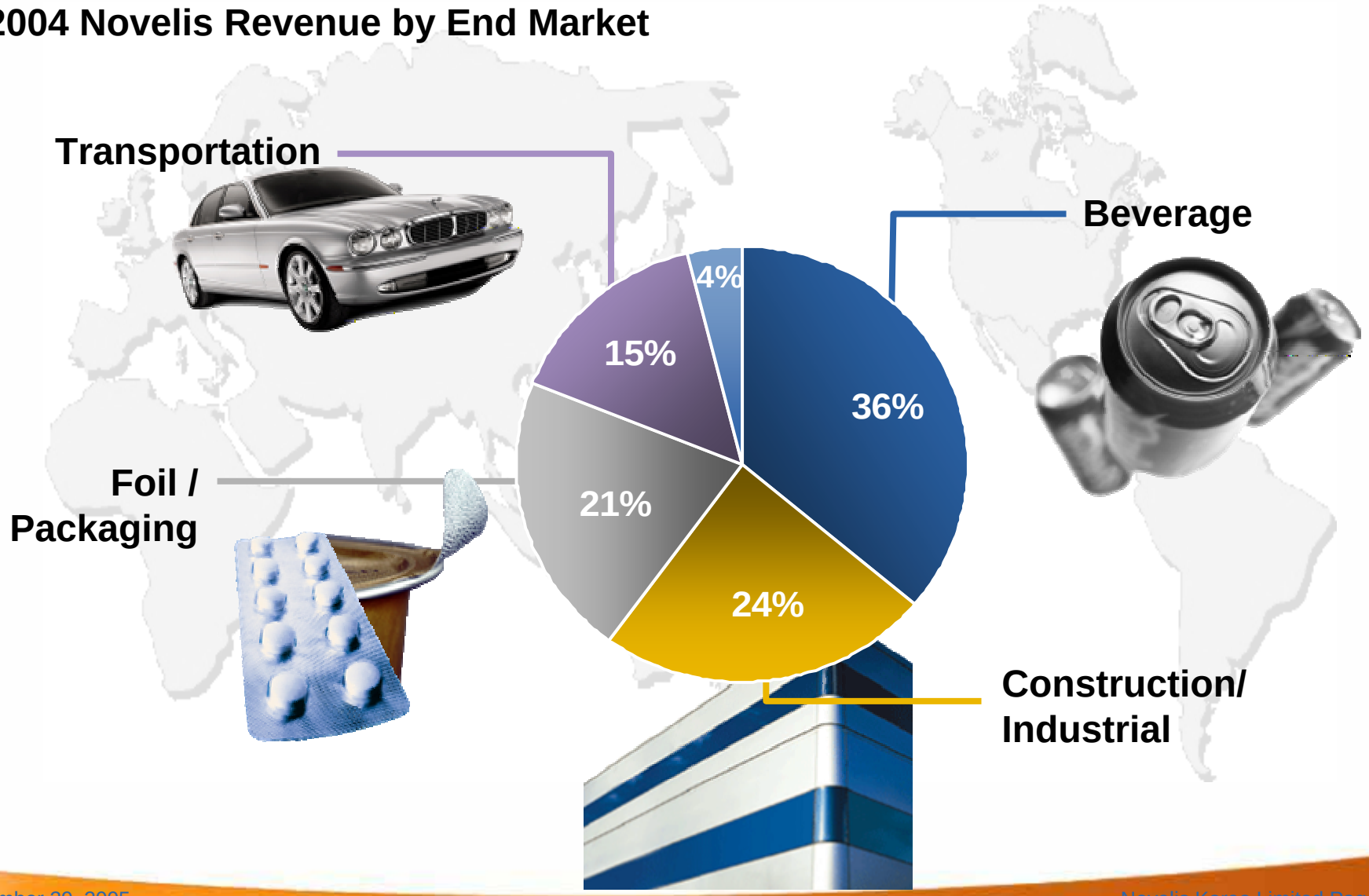
Innovation + Agility + Precision

=

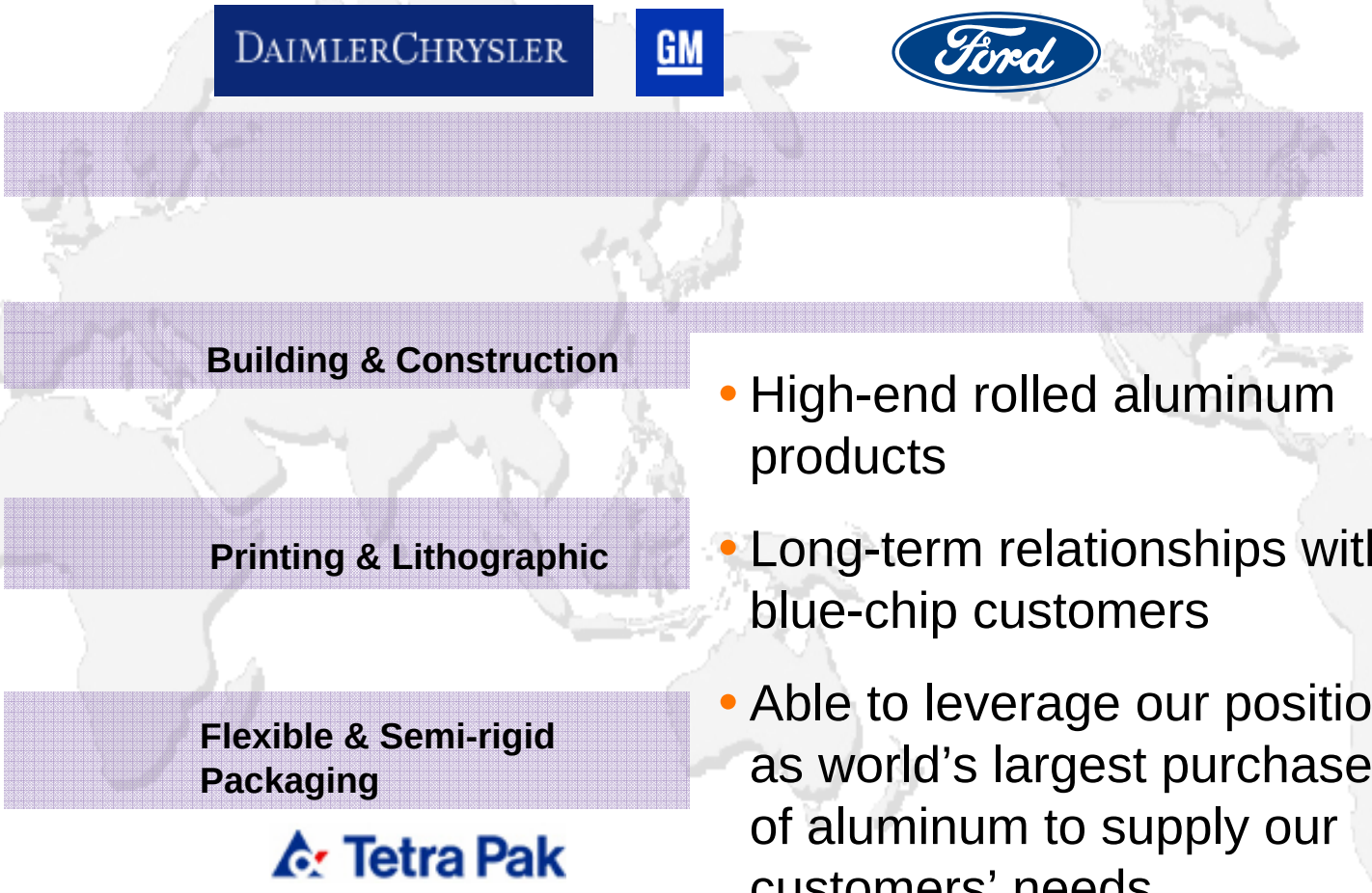
Success

High-end Diversified Product Portfolio

2004 Novelis Revenue by End Market



Novelis Supplies World Leaders



- High-end rolled aluminum products
- Long-term relationships with blue-chip customers
- Able to leverage our position as world's largest purchaser of aluminum to supply our customers' needs

Novelis Automotive Products



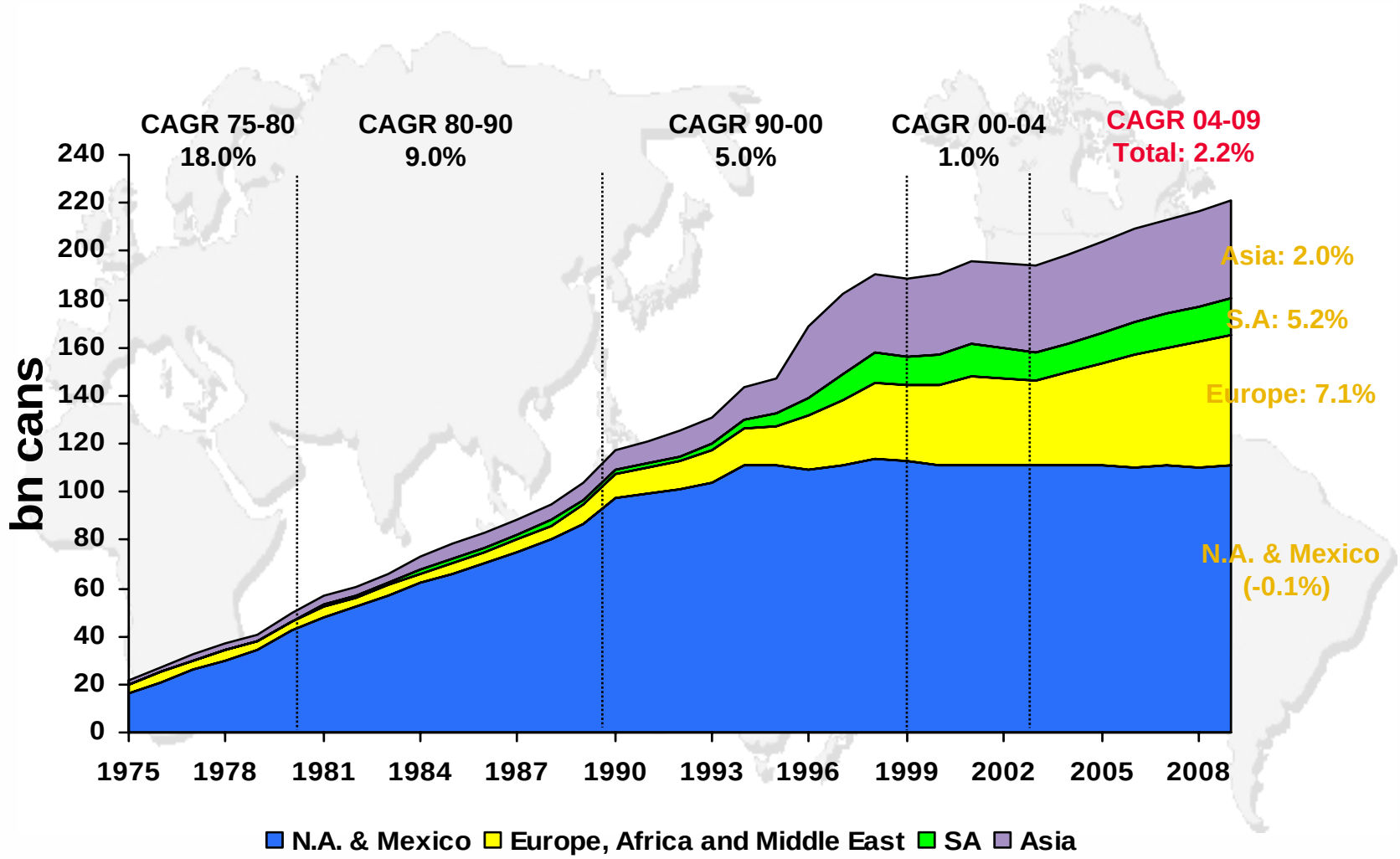


More than 4 millions vehicles, manufactured in 2004, were assembled with 1 or more Novelis Aluminum sheet.





Aluminum Can History & Forecast



Note: Asia Includes Oceania

Source: CRU

Our Commitment to Recycling



Novelis is a world leader in aluminum recycling:

- We recycled over 30 billion cans in 2004
- Recycling saves 95% of the energy it takes to make aluminum
- Each can recycled saves enough energy to power a television for three hours

The Infinite Lifecycle

It takes less than 60 days to

Produce → sell → consume → recover → recycle → reproduce

an aluminum can



Novelis Korea

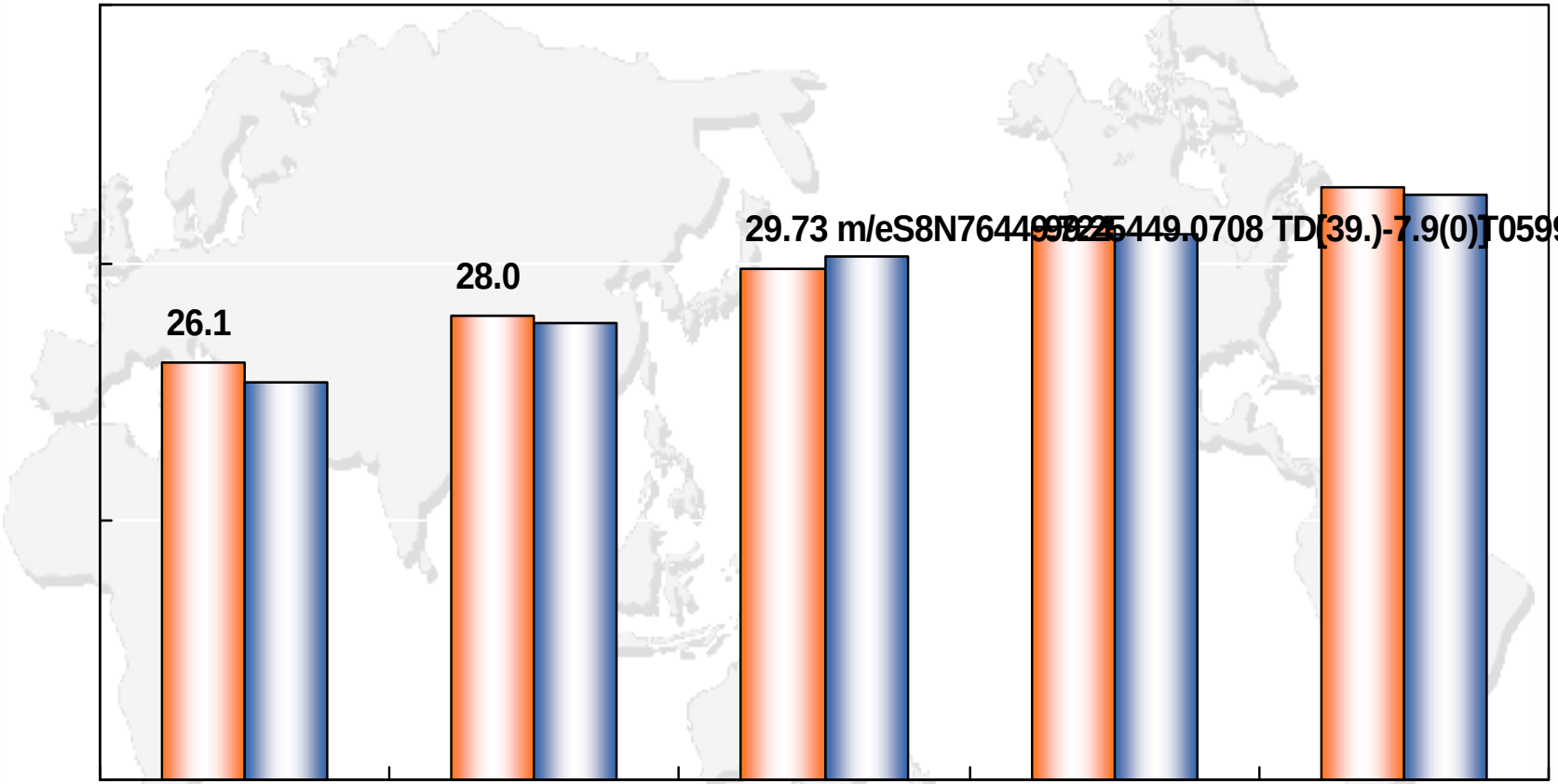
Overall Novelis Korea 2004
Revenues : U$1,135 Million, Employees : 1,250 , Overseas offices : Hong Kong, Singapore, Beijing, Tokyo

Production

- ***Can***
  - ***Body Stock,***
  - ***End/Tab Stock***
- ***Light Gauge***
  - ***Reroll Stock***
- ***Industrial Products***
  - ***Building***
  - ***Transportation***
  - ***Durable***
  - ***Machinery***
  - ***Electric/Electronic***
  - ***Others***
- ***Casting Alloy for Auto***
  - ***Engine***
  - ***Wheel***
  - ***Control Arm***

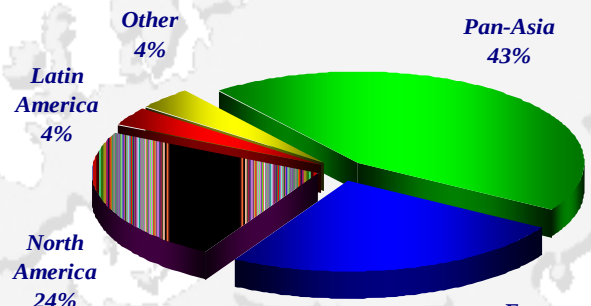


Global Primary Aluminum Supply/Demand



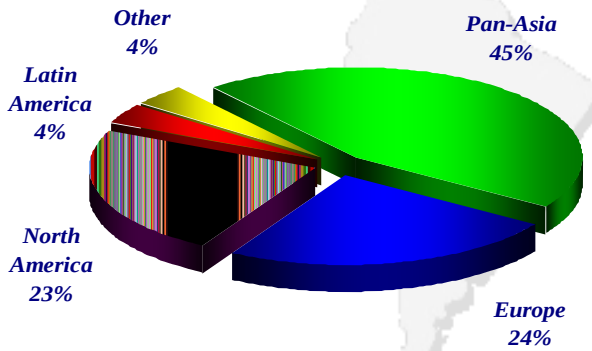
Global Primary Aluminum Consumption By Region

Year 2005 (e)



Total : 31Mmt

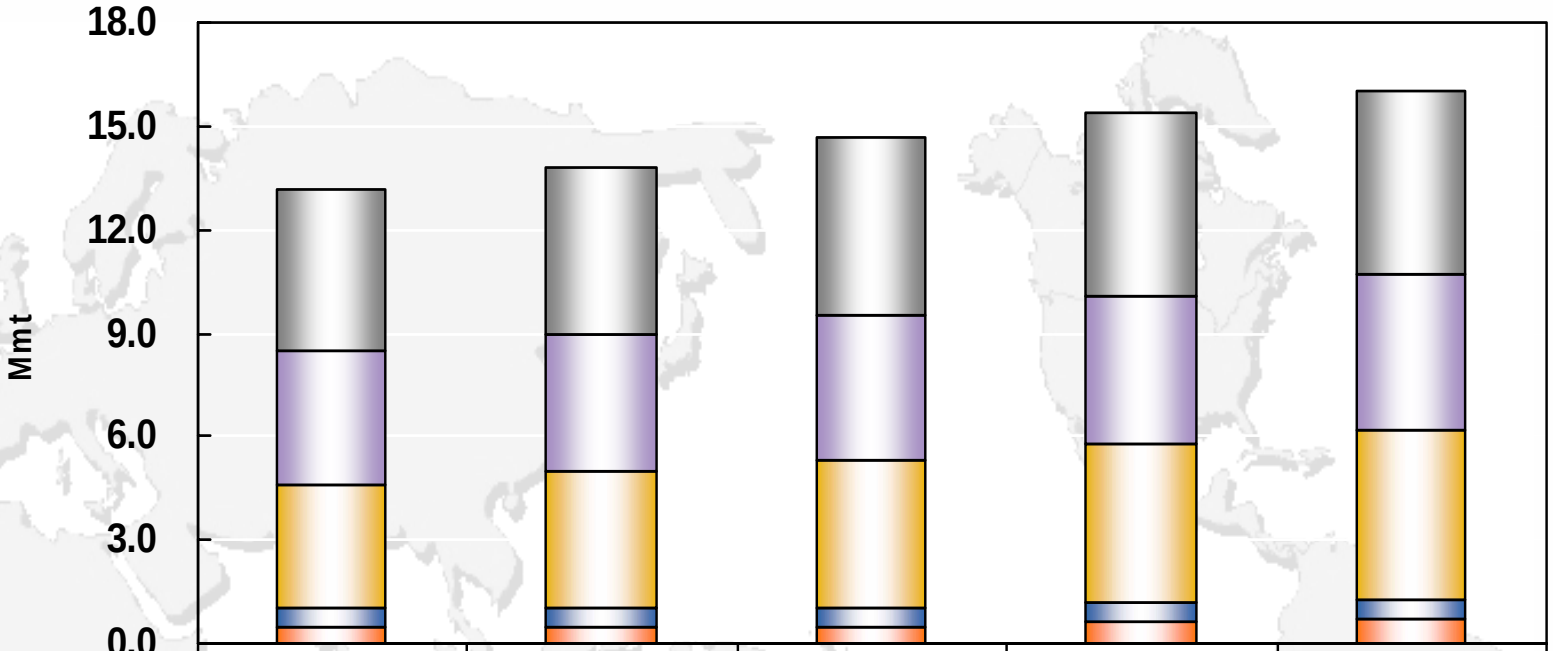
Year 2006 (f)



Total : 33Mmt

Sources : CRU Report 2005, KOMIS

Global Flat Rolled Products Consumption

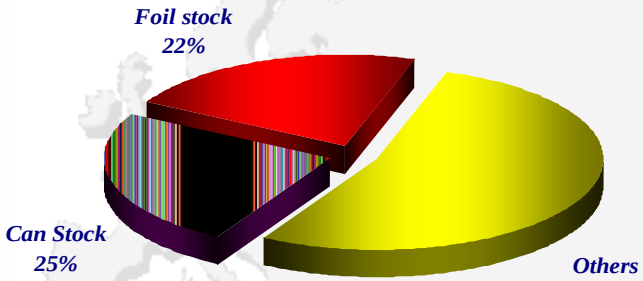


	2002	2003	2004	2005 (e)	2006 (f)
Total	13.2	13.8	14.9	15.5	16.1
North America	4.7	4.8	5.2	5.3	5.3
Europe	3.9	4.0	4.2	4.3	4.5
Asia	3.6	4.0	4.3	4.6	4.9
Latin America	0.5	0.5	0.5	0.6	0.6
Others	0.5	0.5	0.5	0.6	0.7

Sources : Novelis internal estimate, CRU Aug. 2005

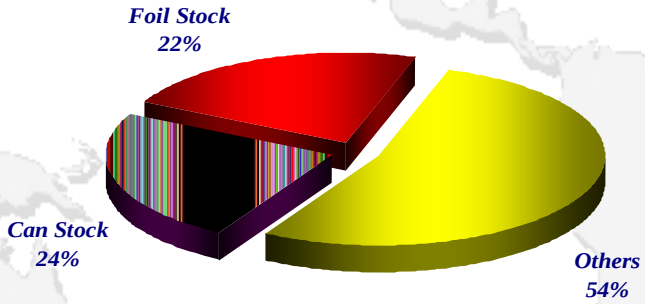
Global Flat Rolled products Consumption By Product

Year 2005 (e)



Total : 15.4Mmt

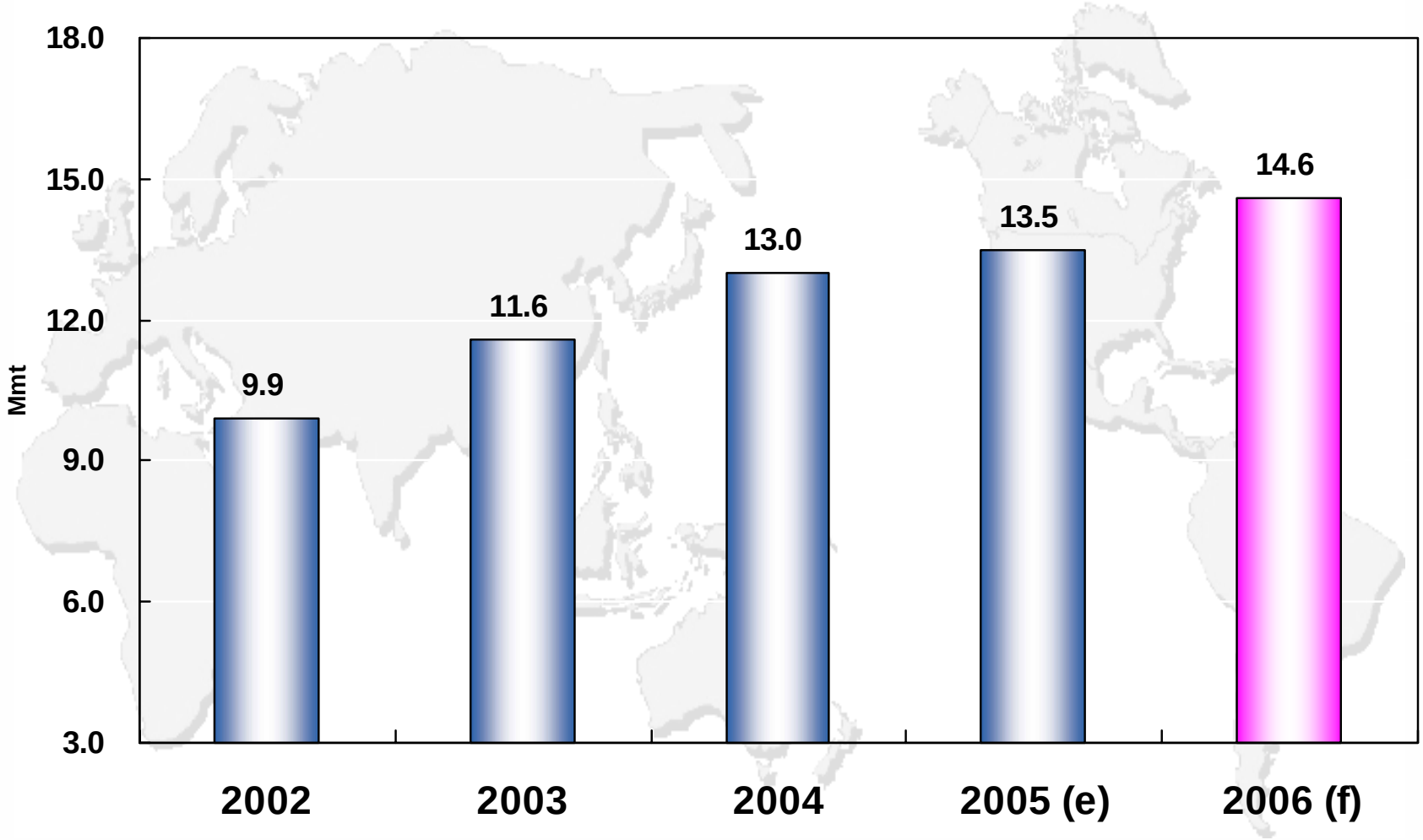
Year 2006 (f)



Total : 16.1Mmt

Sources : Novelis internal estimate, CRU Aug. 2005

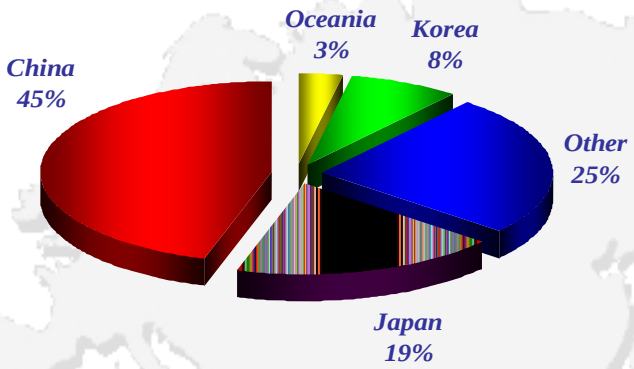
Pan-Asia Primary Aluminum Consumption



Source : CRU Report 2005, KOMIS

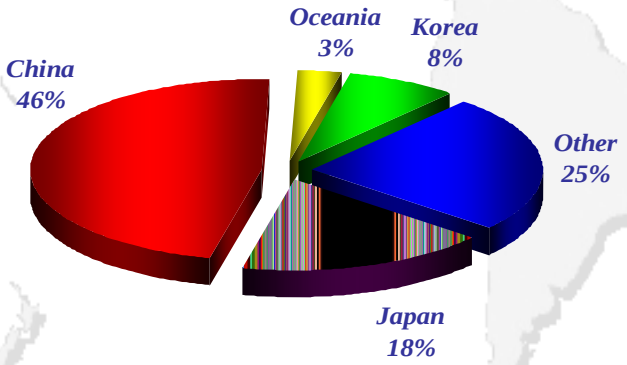
Pan-Asia Primary Aluminum Consumption

Year 2005 (e)



Pan -Asia Total : 13Mmt

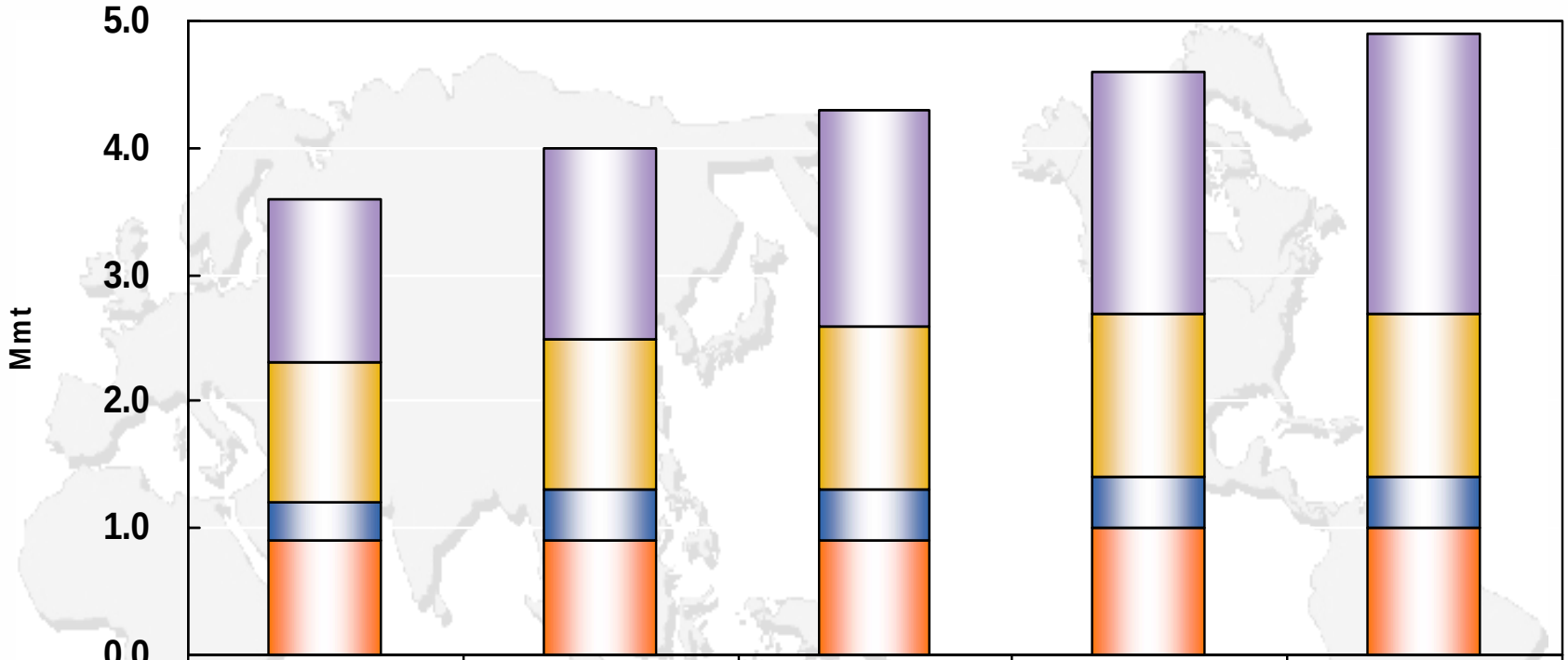
Year 2006 (f)



Pan -Asia Total : 14Mmt

Sources : CRU report 2005, KOMIS

Pan-Asia Flat Rolled Product Consumption



	2002	2003	2004	2005 (e)	2006 (f)
Total	3.6	3.9	4.4	4.7	5.0
China	1.3	1.5	1.7	1.9	2.2
Japan	1.1	1.2	1.3	1.3	1.3
Korea	0.3	0.4	0.4	0.4	0.4
Others	0.9	0.9	0.9	1.0	1.0

Sources : Novelis internal estimate, CRU Aug. 2005

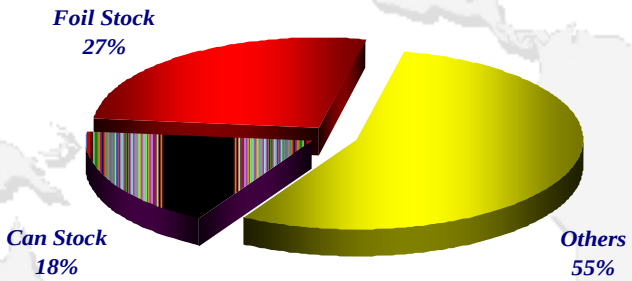
Pan-Asia Flat Rolled products Consumption By Product

Year 2005 (e)



Total : 4.6 Mmt

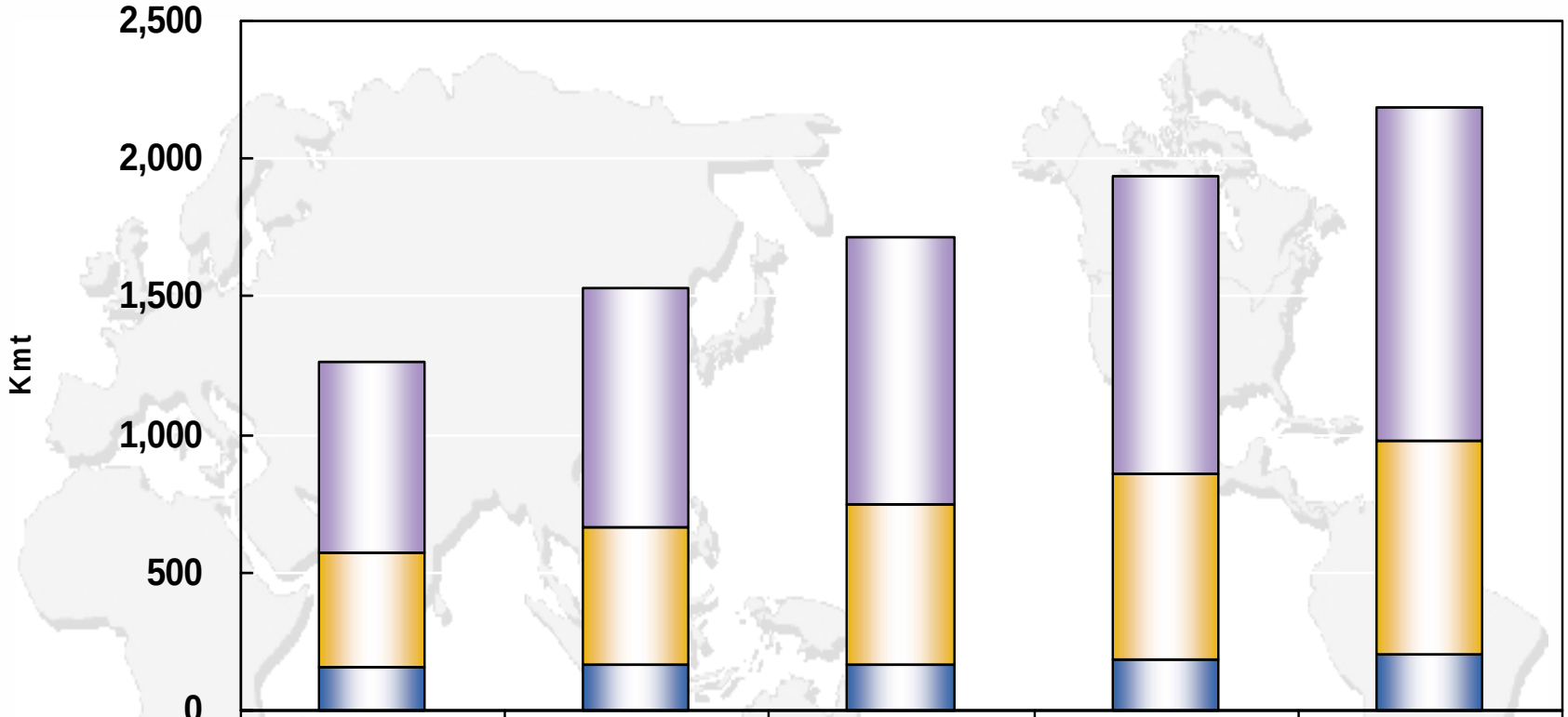
Year 2006 (f)



Total : 4.9 Mmt

Sources : Novelis internal estimate, CRU Aug. 2005

China Flat Rolled Product Consumption



	2002	2003	2004	2005 (e)	2006 (f)
Total	1,265	1,528	1,715	1,936	2,188
Others	695	864	970	1,082	1,212
Foil Stock	409	500	577	671	775
Can Stock	161	164	168	183	201

Sources : Novelis internal estimate, CRU Aug. 2005

China Flat Rolled Product Supply

✓ **Southwest Aluminum Group**

SWA started to operate New Tendem(1+4) at Q2,2005, SWA will increase the FRP to Domestic Market.

✓ **Nanshan Aluminum**

It will launch to supply the Rolled Product at Q3/Q4 for 2006.

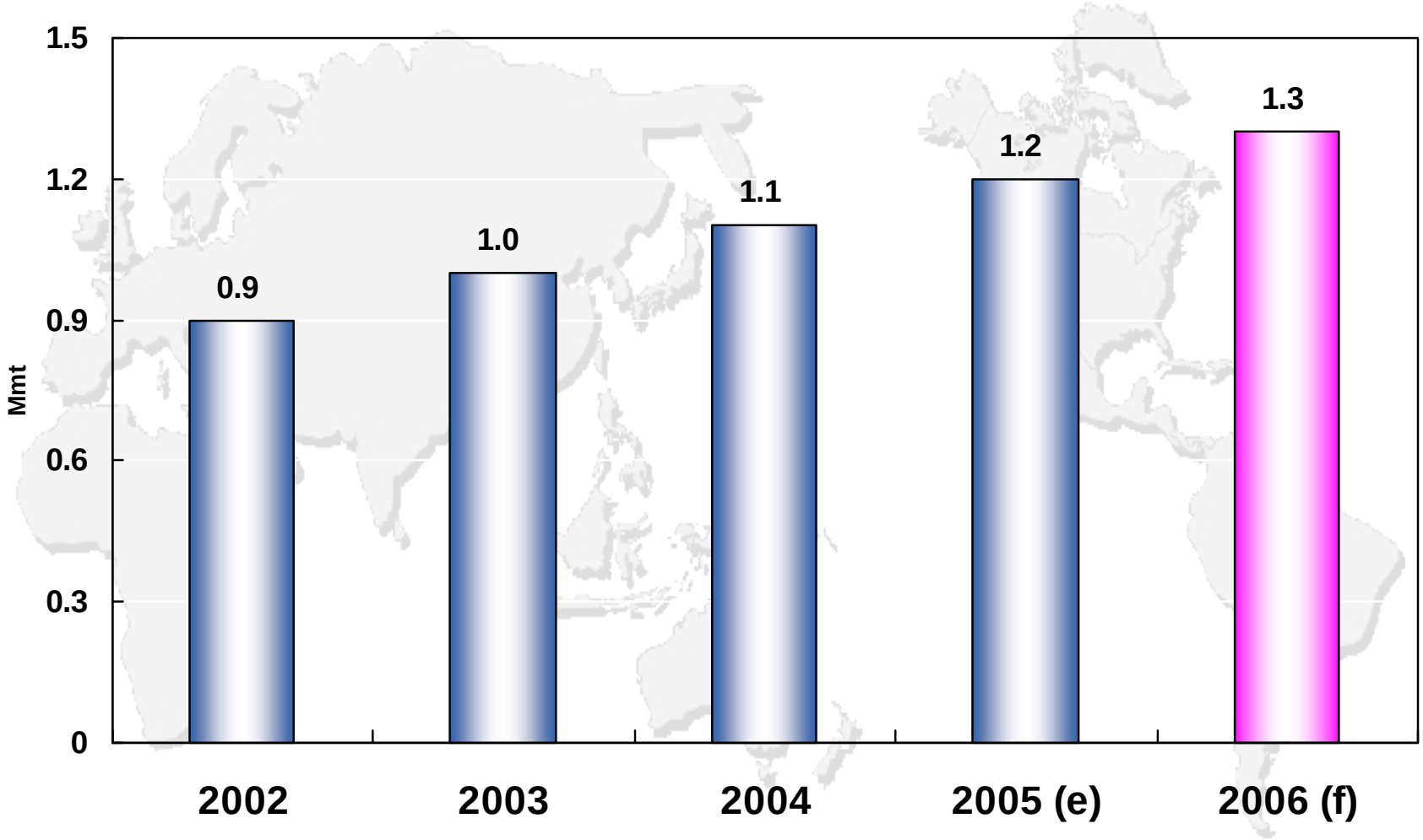
✓ **Other Supply (Bohai, Asia AL, Yugang Longquan AL, etc)**

They will increase and start to provide the FRP to China market.

✓ **Major Importer**

Many other country's mill will increase to China due to strong domestic demand in China.

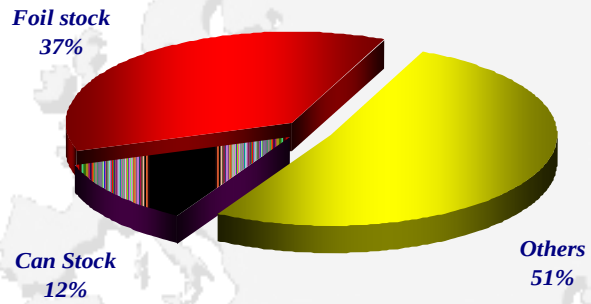
Korea Primary Aluminum Consumption



Sources : CRU report, KOMIS

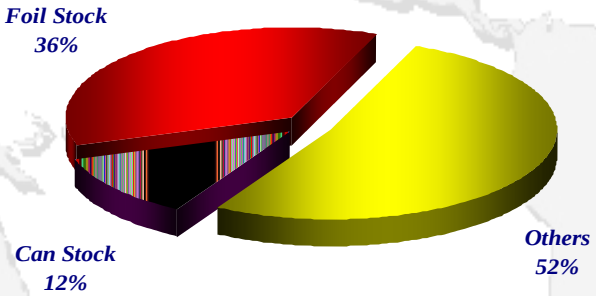
Korea Flat Rolled products Consumption By Product

Year 2005 (e)



Total : 410 Kmt

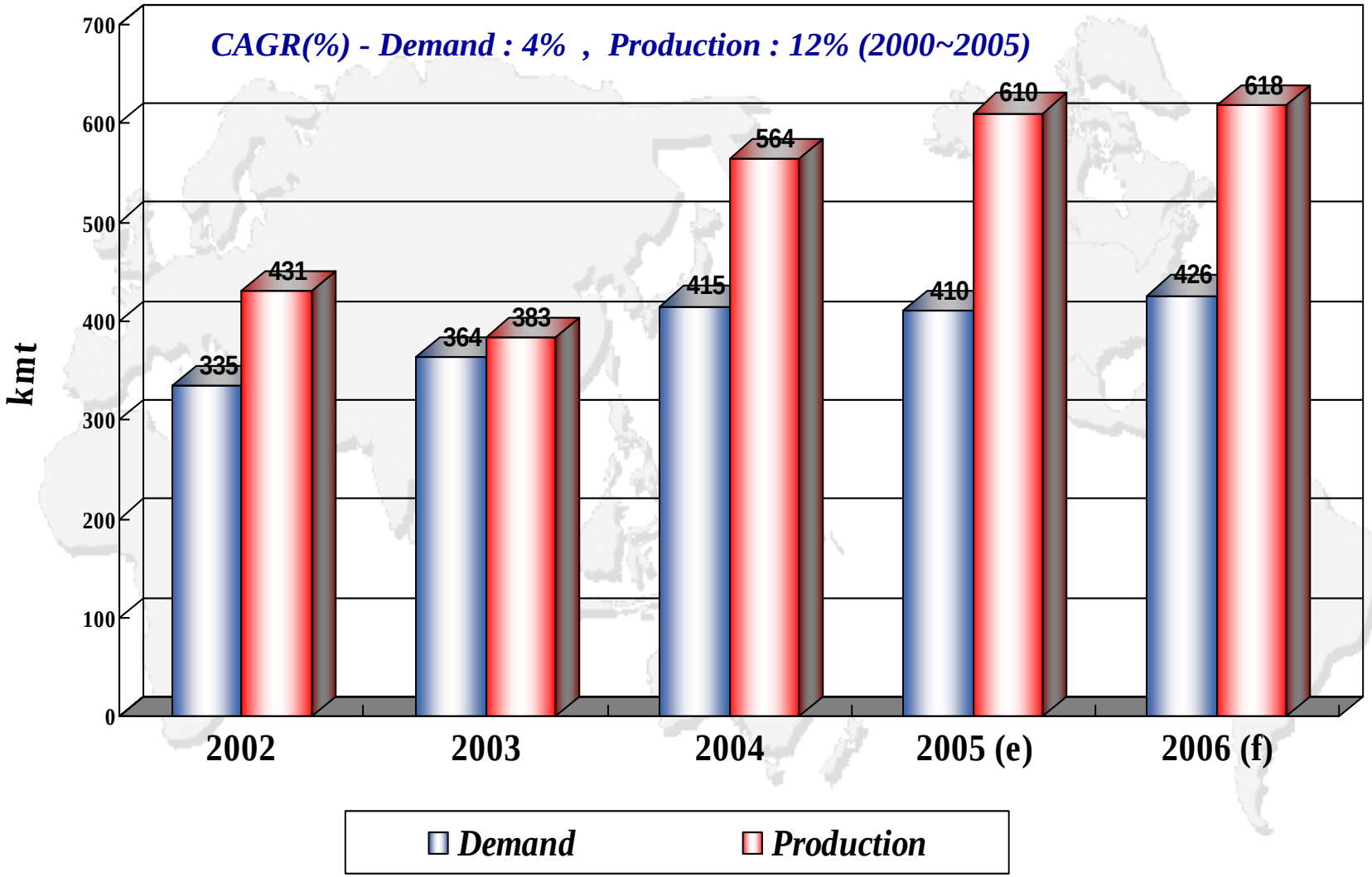
Year 2006 (f)



Total : 426 Kmt

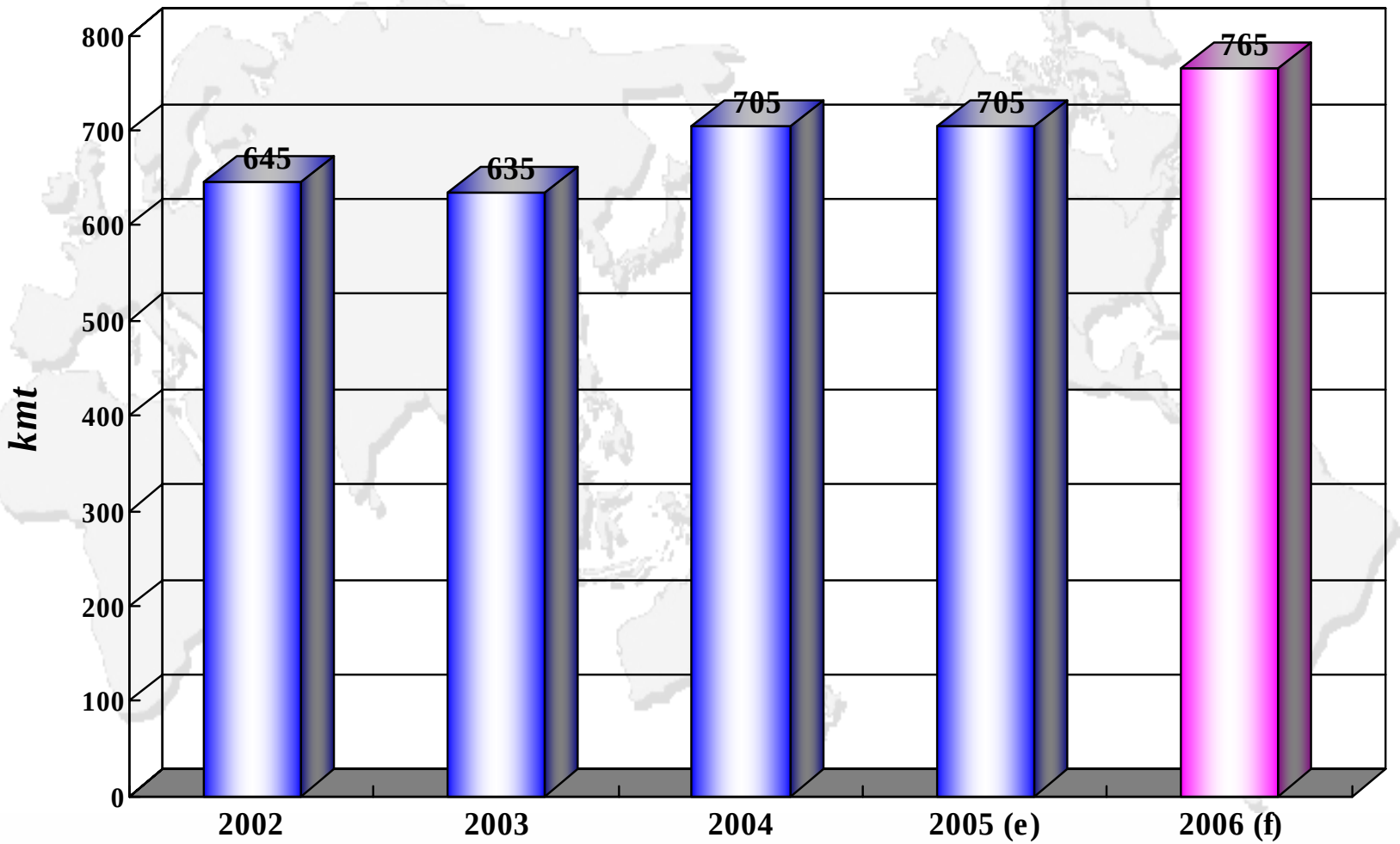
Sources : Novelis internal estimate, CRU Aug. 2005

Korean Rolled Product Demand &Supply



Sources : Novelis internal estimate, CRU Aug. 2005

Korea Rolling Mill Capacity

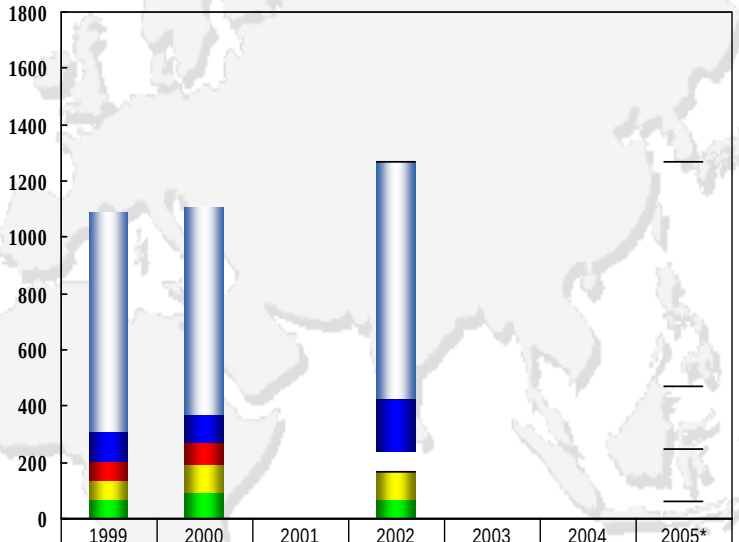


Sources : CRU Aug. 2005, Capacity[1] : Cold Mill Capacity From 2003, Seoul Metal Co. excluded.

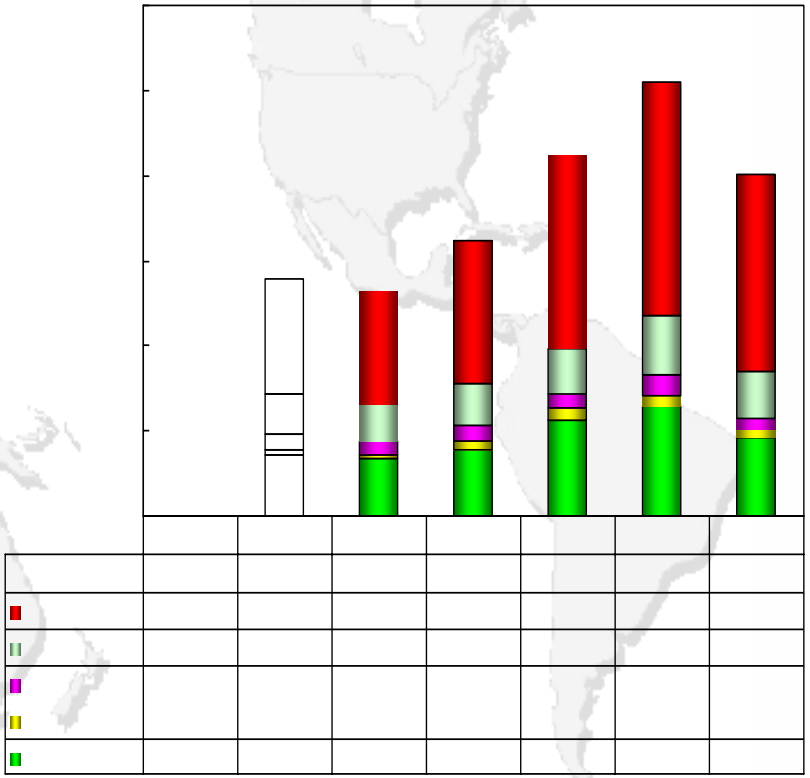
Korean Aluminum Trade Balance

Korea is the second largest aluminum net importer in Asia, purchasing raw materials such as primary aluminum ingot and scrap.

ImportExport



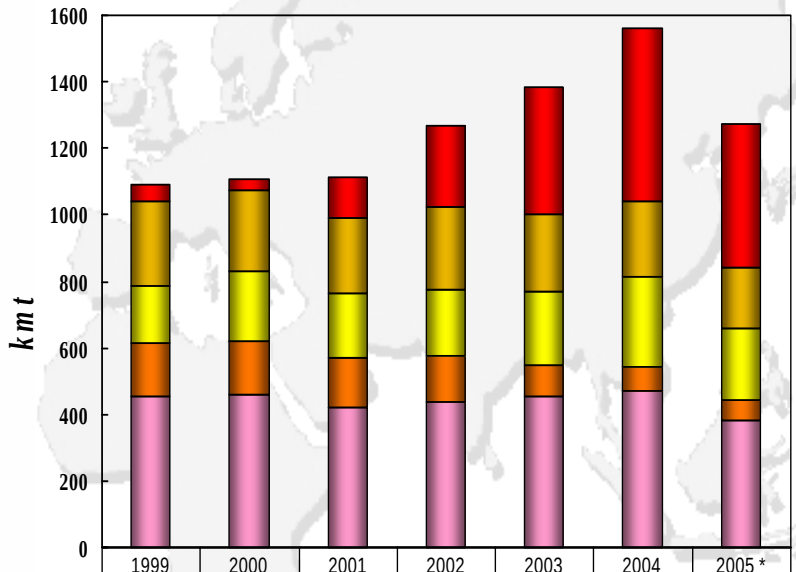
	1999	2000	2001	2002	2003	2004	2005*
Total	1,089	1,109	1,114	1,266	1,383	1,565	1271
primary	777	735	759	840	907	1,0427798	
Scrap&Waste	106	102	133	187	175	221	226
Rolled Product	71	83	70	72	91	107	83
Casting	67	99	97	97	104	102	101
Other	68	90	55	70	106	93	63



Korean Aluminum Trade Balance

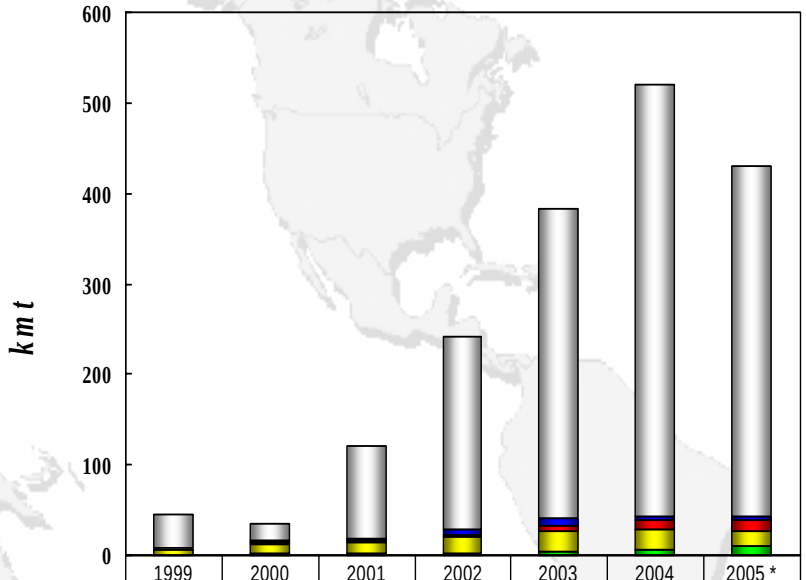
Korea aluminum import form PRC rapidly increased from 2001, so, the PRC is first in aluminum imports into Korea, as primary Aluminum Ingot being the main product.

Import by Country



	1999	2000	2001	2002	2003	2004	2005 *
Sub-Total	1,089	1,109	1,114	1,266	1,383	1565	1271
China	45	36	122	243	382	522	431
Australia	257	240	226	247	234	228	181
Russia	169	211	197	200	221	274	217
South Africa	161	160	148	140	94	72	60
Other	456	462	421	436	452	468	382

Import from PRC



	1999	2000	2001	2002	2003	2004	2005 *
Sub-Total	45	36	122	243	382	522	431
Primary	36	19	103	214	342	477	389
Scrap&Waste	1	1	1	5	8	6	3
Rolled Product	2	3	3	3	6	9	12
Casting	5	10	12	17	21	22	17
Other	1	2	2	3	5	7	10

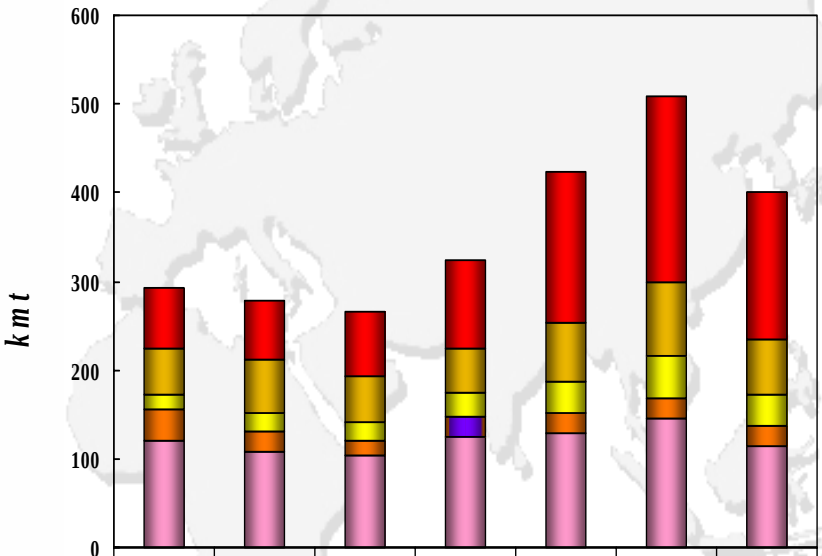
Sources : Korea Customs Service

2005* : September Year-To-Date

Korean Aluminum Trade Balance

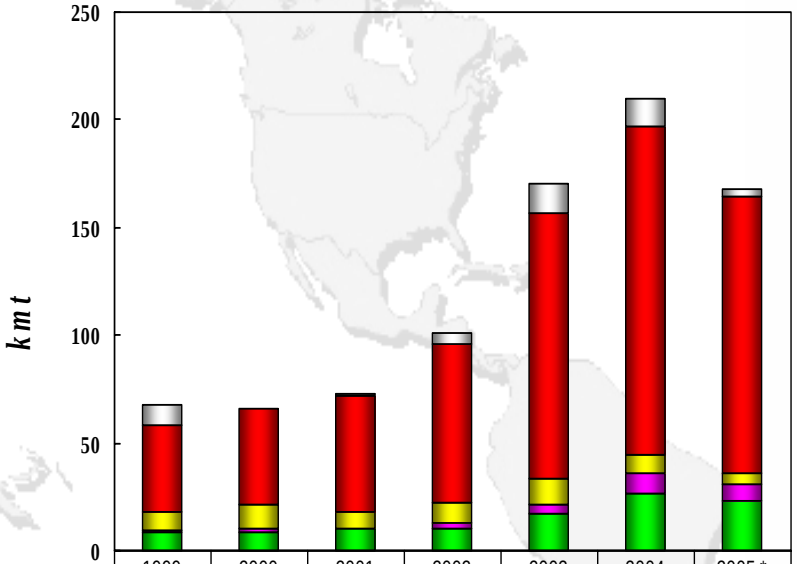
The PRC is the largest export Customer for Aluminum. As we look to the future , the dominance of Koreas export to China will be greater.

Export to Country



	1999	2000	2001	2002	2003	2004	2005 *
Sub-Total	292	278	265	325	423	510	402
China	68	66	73	101	170	209	167
Japan	52	59	52	50	66	85	62
Taiwan	17	21	20	26	35	46	34
USA	35	25	18	23	23	24	23
Other	121	107	103	125	129	145	115

Export to PRC



	1999	2000	2001	2002	2003	2004	2005 *
Sub-Total	68	66	73	101	170	209	167
primary	9	0	1	5	14	12	4
Rolled Product	40	45	54	74	123	153	128
Foil&Fin	9	11	8	10	13	9	5
Casting	1	1	0	3	4	9	8
Other	8	9	10	10	17	27	23

Sources : Korea Customs Service

2005* : September Year-To-Date

Shaping the Future. Precisely.

Novelis

Novelis is committed to shaping the products of the future through a powerful combination of a an innovative, customer-focused culture and unrivaled manufacturing technologies.

Welcome to Novelis