



26th July, 2018

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai: 400 001	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (East) MUMBAI – 400 051
Mr. Daniel Schammo Banque Internationale A Luxembourg Societe Anonyme 69, Route d'Esch <u>L-2953 LUXEMBOURG</u> <u>Fax No. 00 352 4590 2010</u> TEL. NO. 00 352 4590-1	

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Company's wholly owned subsidiary, Novelis Inc has signed an agreement to acquire 100% control in Aleris Corporation on July 26, 2018.

The Press Release issued by the Company and disclosure as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are enclosed as Annexure-I.

Thanking You

Yours Faithfully

For Hindalco Industries Limited

Anil Malik
President & Company Secretary

Encl: As Above

Hindalco Industries Limited

6th & 7th Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai 400030, India.
T: +91 22 6662 6666 / 62610555 | F: +91 22 62610400 / 62610500 | W: www.hindalco.com
Registered Office: Ahura Centre, B-Wing, 1st Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India.
Corporate ID No.: L27020MH1958PLC011238

**Annexure -I**

Sr No	Particulars	Details
a)	Name of the Target Entity, details in brief such as size, turnover etc	<p>Aleris Corporation</p> <ul style="list-style-type: none"> • Adjusted EBITDA as of FY 2017: US\$201 Million • 2017 Turnover: \$2,890.8 Million • 5,400 Employees • 13 Production Facilities • 5 Research & Development Centres <ul style="list-style-type: none"> ◦ \$16 Million in R&D expenditures in 2017
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group /group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	Acquisition does not fall within the purview of related party transactions.
c)	Industry to which the entity being acquired belongs	Aluminium Flat Rolled Products business
d)	Objects and effects of acquisition (including but not limited to disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	<p>Diversify product portfolio by increasing our participation in premium market segments such as Aerospace and Automotive Flat Rolled Products</p> <p>Creating a full productive system in China by expanding our operations and gaining access to the Shanghai Futures Exchange</p> <p>Strengthening our ability to meet automotive market demand and compete against steel.</p>





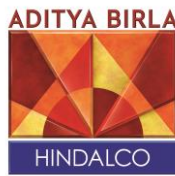
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	<p>USA</p> <ul style="list-style-type: none"> • Antitrust: Submit HSR Filing to the Department of Justice (DOJ) and the Fair Trade Commission (FTC) for approval. • National Security: Submit CFIUS notice to the Committee on Foreign Investment in the United States (CFIUS) to determine the risk to US National Security from investment by foreign entity (Hindalco/Novelis) of a US entity in a national security supply chain. <p>Europe:</p> <ul style="list-style-type: none"> • Antitrust: Submit Form CO to the European Commission for approval. • National Security: <ul style="list-style-type: none"> ◦ France: Submit filing to the French Ministry of Economic and Financial Affairs to determine the risk to French National Security from investment by foreign entity (Hindalco/Novelis) in a national security supply chain. ◦ Germany: Submit filing to the German Federal Ministry of Economic Affairs (BMWi) to determine the risk to German National Security from investment by foreign entity (Hindalco/Novelis) in a national security supply chain. <p>Asia</p> <ul style="list-style-type: none"> • Antitrust: <ul style="list-style-type: none"> ◦ China: Submit notification to China's State Administration for Market Regulation (SAMR) for approval. ◦ South Korea: Submit notification to the Korean Fair Trade Commission (KFTC) for approval. <p>Others</p> <p>Antitrust:</p> <ul style="list-style-type: none"> ◦ Canada: Submit notification to Canada's Competition Bureau for approval.
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f)	Indicative time period for completion of the acquisition;	<p>Target Signing Date: July 26, 2018</p> <p>Indicative Closing Date: October 19, 2018</p>
g)	Nature of consideration –whether cash consideration or share swap and details of the same;	Cash consideration in USD
h)	Cost of acquisition or the price at which the shares are acquired	Cash consideration of \$775 Million plus up to \$50 Million in additional payments through an Earn-Out provision
i)	Percentage of shareholding/control acquired and/or number of shares acquired	<p>100% Control</p> <ul style="list-style-type: none"> • 45,000,000 in Common Stock • 1,000,000 in Preferred Stock
j)	Brief background about the entity acquired / terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p><u>Product Markets and Revenue as of 12/31/17:</u></p> <ul style="list-style-type: none"> • Building & Construction: \$696 Million • Distribution: \$638 Million • Aerospace: \$348 Million • Automotive: \$377 Million • Other: \$841 Million <p><u>Line of Business:</u> Aluminium Flat Rolled Products manufacturing.</p> <p><u>Date of Incorporation:</u> December 18, 2009</p> <p><u>History of Turnover</u></p> <ul style="list-style-type: none"> • 2015: \$2,964.5 Million • 2016: \$2,688.2 Million • 2017: \$2,890.8 Million • Three-Year total: \$8,543.5 Million <p><u>Countries:</u></p> <p><u>Plants</u></p> <ul style="list-style-type: none"> • United States, Germany, Belgium, Switzerland, China <p><u>Other Operations</u></p> <ul style="list-style-type: none"> • Canada, Mexico, Hong Kong, Netherlands, Italy, Poland, Hong Kong, France, United Kingdom, Denmark, Japan, Barbados, Luxembourg





Media Release

Mumbai, July 26, 2018

Hindalco to Acquire Aleris at an EV of US\$ 2.58 Billion

***“This will solidify our position as the World’s No.1 Aluminium Value-Added Products player”,
says Mr. Kumar Mangalam Birla, Chairman, Aditya Birla Group.***

- Acquisition multiple of 7.2x at an expected EBITDA of US\$ 360 million
- Consolidated Net Debt to EBITDA expected to be below 3.5x at the time of closing
- Aleris has a global footprint with manufacturing facilities in Europe, the U.S. and Asia
- Strengthens Novelis’ leadership position in the fastest growing automotive segment with best in class assets in Lewisport, U.S. and Duffel, Belgium
- Marks Novelis’ entry into the high-end aerospace segment, with technological capabilities in manufacturing and research & development in Aleris’ facility in Koblenz, Germany
- Fully integrated metal value-chain play in high growth Asian market with Aleris’ modern Zhenjiang China facility
- The Indian Aluminium Value Added Products (VAP) business will draw capabilities for the Building & Construction (B&C) segment

Hindalco’s wholly owned subsidiary, Novelis Inc, today announced signing of a definitive agreement to purchase Aleris Corporation, a global aluminium rolled products major, headquartered in the United States, for US\$ 2.58 billion in a debt finance deal.

Says Mr. Kumar Mangalam Birla, Chairman, Hindalco “Over a decade ago, with the Novelis acquisition Hindalco leap frogged into the global arena of the Aluminium Industry. It made Hindalco a global multinational and brought with it top-tier international customers and best in class capabilities in aluminium value-added products. Since then, Novelis has grown significantly and continues to be the global leader in its markets. The acquisition of Aleris is the next phase of our aluminium value added products growth strategy. This will solidify our position as the world’s No.1 aluminium Value-Added Products player. Post this acquisition, we are well placed to serve our customers across geographies in automotive and now the high-end aerospace segments. We will have presence throughout the downstream aluminium value chain in Asia, positioning us for future growth in the region. This also enhances the access to world class manufacturing capabilities for our existing Indian aluminium value added operations and accelerates our path to making world class products in India.”



Since Hindalco's US\$ 6 Billion acquisition of Novelis in August 2007, Novelis has further invested US\$ 2 Billion in the business over the last decade. The focus has been on building an early mover position in the automotive markets, creating differentiation through its sustainable operating model of recycling and deepening its commitment to future growth markets in South America and Asia. As a result, Novelis today is the world's number 1 Company in the aluminium value added products segment in terms of size and in segments like Automotive and Beverage Can and its earnings have grown many fold since its acquisition.

At a market segment level, the acquisition enriches the portfolio with the fast growing automotive segment and entry into the high-end technology driven aerospace segment. Moreover, access to the continuous-cast capabilities would enhance Hindalco's competitive position in the Building and Construction (B&C) segment. From a footprint perspective, Aleris has a wide base of manufacturing locations. This not only deepens the combined entity's presence in developed markets like the US and Europe, but it also positions Novelis well in the emerging markets of Asia. Aleris has invested approximately US\$ 900 million in the last few years in the automotive and aerospace businesses. The ramp-up of these capacities in the near-term will significantly bolster Novelis' growth across regions and market segments. As a result, Novelis will have a further diversified business portfolio across regions, segments and customers.

The calibre of Aleris's capabilities is validated by long-term contracted business from blue chip-customers in sectors like Automotive and Aerospace. Koblenz, Germany is Aleris' global hub of research & development and has the vintage and track record of developing and producing world class products for more than 50 years – this will significantly add to Novelis' strength in its R&D Centre across the Atlantic in Kennesaw, US, bringing new alloy and manufacturing expertise enabling it to stay ahead of the markets in the future.

Aleris' modern Zhenjiang facility located proximate to Novelis' facility in Changzhou enhances Novelis' competitive position in Asia by giving it access to SHFE (Shanghai Futures Exchange) metal integration and strengthening its market leadership as an aluminium sheet supplier in the world's largest and fastest growing automotive market where electric vehicle demand is expected to grow significantly requiring lightweight materials like aluminium for both batteries and car bodies.

Aleris is the market leader in the B&C segment in the US, driven mainly by its unique recycling enabled continuous cast technology at Uhrichsville and other plants in the US. This is traditionally a highly competitive market segment, but Aleris' quality and responsiveness has helped it sustain leadership in these markets over the years.

Aleris is in early stages of ramping up its automotive investments in Lewisport, US. This plant draws its technological and manufacturing expertise in automotive from the well-established auto plant in Duffel,



Belgium. This ramping up of asset overcomes the time lag for Novelis to build new plants and helps it serve customers in the fast growing US aluminium automotive market.

The acquisition adds to Hindalco's ability to bring in the latest capabilities in aluminium value added products to India. The Indian aluminium market is at the cusp of growth given the evolving state of per capita GDP vs Aluminium consumption in the country - similar exponential growth was witnessed in China a decade ago. In these early stages of growth and fuelled by the government's Make-in-India campaign, segments like B&C and transportation are likely to grow significantly. Given its synergy with Novelis, Hindalco has become the market leader in aluminium value added products in India and is poised to capture this growth in the future. Further, Aleris' expertise in this segment will give Hindalco's India Aluminium value added products business an edge over local competition while enabling it to compete with global players foraying into the lucrative Indian market.

Proforma Consolidated revenues will be at approximately \$21 billion with an employee base of around 40,000. The details of the major manufacturing facilities are listed below.

This acquisition of Aleris Corp. by Novelis Inc. is subject to customary closing conditions and regulatory approvals.

Statements in this "Media Release" describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The company assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

About Hindalco Industries Limited:

Hindalco Industries Limited (HIL), the metals flagship Company of the Aditya Birla Group, is a leading player in aluminium and copper manufacturing. It is the world's largest aluminium rolling company and one of Asia's biggest producers of primary aluminium. In India, the Company's aluminium Units across the country encompass the gamut of operations from bauxite mining, alumina refining, coal mining, captive power generation and aluminium smelting to downstream value addition of aluminium rolling, extruding and foils. Birla Copper, the Company's copper facility comprises a world-class copper smelter, downstream facilities, a fertiliser plant and a captive jetty. The copper smelter is among the world's largest custom smelters at a single location. Birla Copper produces copper cathodes and continuous cast copper rods along with other by-products.

About Novelis Inc:

Novelis Inc., HIL's wholly-owned subsidiary, Novelis Inc. is the global leader in aluminium rolled products and the world's largest recycler of aluminium. The company is headquartered in Atlanta, Georgia, operates in 10 countries, has approximately 11,000 employees and had \$11.5 billion in revenue for its 2018 fiscal year. Novelis supplies premium aluminium sheet and foil products to transportation, packaging, construction, industrial and consumer electronics markets throughout North America, Europe, Asia and South America

About Aleris Corp:

Aleris is a privately held company and is amongst the leading producers in aluminium rolled products globally. Headquartered in Cleveland, Ohio, Aleris operates 13 production facilities in North America, Europe and Asia. For more information, visit www.aleris.com.

**Hindalco Registered Office : Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road Andheri (East), Mumbai 400 093
www.hindalco.com, E mail: hindalco@adityabirla.com, Corporate Identity No. L27020MH1958PLC011238**

On Completion of acquisition of Aleris the overall capacities across location and geographies will be as under:

<u>Novelis Inc – 3.3 Million Tonne*</u>	<u>Aleris Corp – 1.0 Million Tonne*</u>
<p>North America</p> <ol style="list-style-type: none"> 1. Berea, Kentucky 2. Fairmont, West Virginia 3. Greensboro, Georgia 4. Kingston, Ontario 5. Logan, Kentucky (JV) 6. Oswego, New York 7. Terre Haute, Indiana 8. Warren, Ohio <p>South America</p> <ol style="list-style-type: none"> 9. Pindamonhangaba, Brazil 10. Santo Andre, Brazil <p>Europe</p> <ol style="list-style-type: none"> 11. Bresso, Italy 12. Crick, United Kingdom 13. Göttingen, Germany 14. Latchford, United Kingdom 15. Ludenscheid, Germany 16. Nachterstedt, Germany 17. Neuss, Germany (JV) 18. Ohle, Germany 19. Pieve, Italy 20. Sierre, Switzerland <p>Asia</p> <ol style="list-style-type: none"> 21. Binh Doung, Vietnam 22. Changzhou, China 23. Ulsan, South Korea (JV) 24. Yeongju, South Korea 	<p>Automotive</p> <ol style="list-style-type: none"> 1. Duffel, Belgium (Europe) 2. Lewisport, Kentucky (U.S.) 3. Voerde, Germany (Europe) <p>Aerospace</p> <ol style="list-style-type: none"> 4. Koblenz, Germany (Europe) 5. Zhenjiang, China (Asia) <p>Continuous Cast (Building & Construction and Recycling)</p> <ol style="list-style-type: none"> 6. Ashville, U.S. 7. Buckhannon, U.S. 8. Clayton, U.S. 9. Davenport, U.S. (Facility-1) 10. Davenport, U.S. (Facility-2) 11. Lincolnshire, U.S. 12. Richmond, U.S. 13. Uhrichsville, U.S.
	<p><u>Hindalco India# (Value Added Products) – 0.4 Million Tonne*</u></p> <ol style="list-style-type: none"> 1. Alupuram, Kerala 2. Belur, West Bengal 3. Hirakud, Odisha 4. Mouda, Maharashtra 5. Renukoot, Uttar Pradesh 6. Taloja, Maharashtra

* Production will depend on actual product-mix.

India Aluminium Upstream, Mining and Copper facilities not shown above