

Press release Stockholm, 14 June 2016

Gränges enters process to acquire aluminium business in the US

Gränges AB (publ) ("Gränges") has entered into an asset purchase agreement (the "Agreement") with a subsidiary of Noranda Aluminum Holding Corporation ("Noranda") under which Gränges will serve as the "stalking horse" bidder for Noranda's downstream aluminium rolling business in the United States. The transaction is expected to be carried out through a court-supervised process under Section 363 of the US Bankruptcy Code. Gränges' bid values the business and related assets at approximately USD 300 million on a cash and debt free basis (Enterprise Value).

Simultaneously with the release of this announcement, Noranda has filed a motion with the US Bankruptcy Court to seek approval of Gränges as the stalking horse bidder for the sale of the aluminium rolling business, with the hearing scheduled for June 22, 2016.

If approved as the stalking horse bidder by the US Bankruptcy Court, the Agreement between Gränges and Noranda will set the floor for any other qualified bidder. A court supervised auction is currently scheduled for July 7, 2016. Should Gränges win the auction and receive final approval as buyer from the US Bankruptcy Court, an announcement is anticipated in mid-July, 2016. The acquisition would be expected to close during the third quarter of 2016 and is anticipated to be accretive to earnings per share in 2016. Gränges and Noranda have obtained required clearances for the transaction under US antitrust laws.

The stalking horse bidder is not assured of winning the auction. Should Gränges not succeed at the auction and an alternative transaction is consummated, the stalking horse agreement would entitle Gränges to a break-up fee of 1.5 % of the purchase price and reimbursement of reasonable transaction expenses.

An acquisition of Noranda's aluminium rolling business would be in line with Gränges' stated strategy to establish production capacity in North America and to grow into adjacent market segments in the aluminium rolling industry. The acquisition would significantly strengthen Gränges' offering and position within HVAC&R and serve as a platform to expand the company's business within heat exchanger materials for the automotive industry in the Americas.

Gränges has secured committed bank financing for the potential transaction. Gränges' Board of Directors may also consider to utilize the mandate given by the Annual General Meeting

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2016, which entitles the company to issue new shares in Gränges up to 10 % of the total number of shares outstanding.

About Noranda's aluminium rolling business

Noranda's downstream aluminium rolling business, operating via its subsidiary Norandal USA, Inc., manufactures foil and other light gauge aluminium products for stationary and automotive heat exchangers, packaging and transformers. The rolling mills are located in the southeast United States. Net sales amounted to approximately USD 550 million in 2015. The business has had a stable and profitable development for several years.

Noranda filed for bankruptcy protection under Chapter 11 of the US Bankruptcy Code on February 8, 2016. The company seeks to sell its downstream aluminium rolling business as a part of the restructuring.

Industry Corporate Finance Ltd served as a financial advisor and Alston & Bird LLP served as a legal counsel to Gränges. Fogel & Partners has been communication advisor.

For further information, please contact:

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The information in this press release is such that Gränges must disclose pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on Tuesday, 14 June, 2016, at 07.00 CET.

About Gränges

Gränges is a leading global supplier of rolled products for brazed aluminium heat exchangers. The company develops, produces and markets advanced materials that enhance efficiency in the customer manufacturing process and the performance of the final products; brazed heat exchangers. The company's geographical markets are Europe, Asia and the Americas. Its production facilities are located in Finspång, Sweden, and Shanghai, China, and have a combined annual capacity of 220,000 metric tonnes. Gränges has some 950 employees and net sales in 2015 totalled SEK 5,494 million. Its shares have been listed on Nasdaq Stockholm since October 2014. More information on Gränges is available at granges.com.

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