
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 27, 2010

NOVELIS INC.

(Exact name of Registrant as specified in its charter)

Canada

(State or other jurisdiction
of incorporation)

001-32312

(Commission File Number)

98-0442987

(I.R.S. Employer
Identification No.)

3399 Peachtree Road NE, Suite 1500, Atlanta, GA

(Address of principal executive offices)

30326

(Zip Code)

Registrant's telephone number, including area code (404) 814-4200

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition.” Consequently, it is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or Securities Act of 1933 if such subsequent filing specifically references this Form 8-K.

On May 27, 2010, Novelis Inc. issued a press release reporting the company’s financial results for its year ended March 31, 2010. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein in its entirety. A copy of investor presentation materials relating to such financial results is attached hereto as Exhibit 99.2 and is incorporated by reference herein in its entirety. The presentation materials use the following non-GAAP financial measures: EBITDA, Adjusted EBITDA, Free Cash Flow and Total Estimated Liquidity.

EBITDA and Adjusted EBITDA. EBITDA consists of earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA further adjusts EBITDA for unrealized (gains) losses on change in fair value of derivative instruments, impairment of goodwill, adjustment to eliminate proportional consolidation, restructuring charges and certain other costs. EBITDA and Adjusted EBITDA are measures commonly used in the company’s industry, and the company presents EBITDA and Adjusted EBITDA to enhance investors’ understanding of the company’s operating performance. Novelis believes that EBITDA and Adjusted EBITDA are operating performance measures, and not liquidity measures, that provide investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. However, EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP, and the company’s EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. EBITDA and Adjusted EBITDA have important limitations as an analytical tool, and investors should not consider them in isolation, or as a substitute for analysis of the company’s results as reported under GAAP. For example, EBITDA and Adjusted EBITDA:

- do not reflect the company’s cash expenditures or requirements for capital expenditures or capital commitments;
- do not reflect changes in, or cash requirements for, the company’s working capital needs; and
- do not reflect any costs related to the current or future replacement of assets being depreciated and amortized.

Additionally, a form of adjusted EBITDA, defined in the company’s senior secured credit facilities, 7.25% senior notes and 11.5% senior notes, is used for debt covenant compliance purposes, which has additional adjustments to Adjusted EBITDA which may decrease or increase adjusted EBITDA for purposes of these financial covenants.

Free Cash Flow. Free Cash Flow consists of: (a) net cash provided by (used in) operating activities; (b) plus net cash provided by (used in) investing activities and (c) less proceeds from sales of assets. Management believes that Free Cash Flow is relevant to investors as it provides a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, Free Cash Flow is not a measurement of financial performance or liquidity under GAAP and does not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of Free Cash Flow. In addition, the company’s method of calculating Free Cash Flow may not be consistent with that of other companies.

Total Estimated Liquidity. Total Estimated Liquidity consists of: (a) cash and cash equivalents; (b) less overdrafts; (c) plus gross availability under the ABL facility and (d) less borrowing availability limitation under the ABL facility due to fixed charge coverage ratio. In addition to presenting available cash and cash equivalents, management believes that presenting Total Estimated Liquidity enhances investors’ understanding of the liquidity that is actually available to the company. This financial measure should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with GAAP.

All information in the news release and the presentation materials speak as of the date thereof, and Novelis does not assume any obligation to update said information in the future.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release, dated May 27, 2010 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated May 27, 2010 (furnished to the Commission as a part of this Form 8-K).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NOVELIS INC.

Date: May 27, 2010

By: /s/ Leslie J. Parrette

Leslie J. Parrette, Jr.
General Counsel, Corporate Secretary and Compliance Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release, dated May 27, 2010 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated May 27, 2010 (furnished to the Commission as a part of this Form 8-K).



News Release

For Immediate Release

**Novelis Reports Record Financial Results
for Fiscal Year 2010**

- **Net Income of \$405 million**
- **Record Adjusted EBITDA of \$754 million, up 55%**
- **Solid Liquidity of \$1 billion, up 163%**
- **Strong Free Cash Flow of \$355 million**
- **Announces expansion in Brazil to meet increasing demand**

ATLANTA, May 27, 2010 – Novelis Inc., the world's leading producer of aluminum rolled products, today reported net income attributable to its common shareholder of \$405 million for fiscal year 2010, a significant increase when compared to the net loss of \$1.9 billion reported for the same period a year ago.

(in \$M)	Year-Ended		Quarter-Ended	
	3/31/2010	3/31/2009	3/31/2010	3/31/2009
Net Income (loss)	\$ 405	\$ (1,910)	\$ (1)	\$ (16)
Adjusted EBITDA	\$ 754	\$ 486	\$ 231	\$ 53

"This was an unprecedented year for the Company," said Phil Martens, Novelis President and COO. "I am very proud of our accomplishments, which enabled us to achieve record results both for the fourth quarter and full year despite challenging economic and market conditions. This was a result of our ongoing and unwavering commitment to cost reduction and restructuring initiatives, efficiency improvements and more favorable contract terms."

"These changes are structural and sustainable," added Martens. "In 2009, we set a target of annualized costs savings of \$140 million and we have achieved this goal almost two full quarters ahead of schedule."

Shipments of aluminum rolled products totaled 2,708 kilotonnes for fiscal 2010, a decrease of 2 percent compared to shipments of 2,770 kilotonnes in the previous year, driven by softer end-market conditions in most of our regions during the first half of the year. For the fourth quarter, shipments were 716 kilotonnes, an increase of 18 percent from shipments of 605 kilotonnes in the fourth quarter of the previous year, primarily due to strong growth in North America, Europe and Asia. The fourth quarter of 2010 represented the first quarter since the economic downturn that shipments grew in all four regions year-over-year.

Net sales for fiscal 2010 were \$8.7 billion, a decrease of 15 percent compared to the \$10.2 billion reported in the same period a year ago, a result of lower aluminum prices and softness in the Company's end-markets in the first half of the year. Net sales for this year's fourth quarter were \$2.4 billion, a 25 percent increase when compared to the fourth quarter of last year, driven primarily by higher aluminum prices and stronger demand.

Adjusted EBITDA for the year was a record \$754 million, representing a 55 percent increase from adjusted EBITDA of \$486 million posted for the same period a year ago. For the fourth quarter, adjusted EBITDA was \$231 million, a 336 percent increase compared to the same period in the previous year and the highest ever in the Company's history. These record operating results were primarily due to the Company's focus on cost reductions and restructuring initiatives.

(in \$M)	3/31/2010	3/31/2009
Cash and cash equivalents	\$ 437	\$ 248
Overdrafts	(14)	(11)
Gross availability under the ABL facility	603	233
Borrowing availability limitation due to fixed charge coverage ratio	—	(80)
Total Liquidity	\$ 1,026	\$ 390

Liquidity improved to over \$1 billion at the end of fiscal year 2010, representing an increase of 163 percent from \$390 million in liquidity reported at the end of fiscal year 2009.

For fiscal 2010, free cash flow was \$355 million, representing a substantial increase when compared to the negative free cash flow of \$352 million for fiscal 2009, driven by stronger performance, working capital improvements and controlled capital expenditure levels.

Steve Fisher, Chief Financial Officer for Novelis, pointed to the significant progress the Company made in improving its liquidity position over the past year. "As of March 31, our liquidity position has nearly tripled compared to the previous year, reaching over \$1 billion," said Fisher. "In one year, we've added over \$600 million in liquidity through solid working capital management, realizing the benefits from our cost reduction initiatives and through the net proceeds of the \$185 million offering of Senior Unsecured Notes in August."

Business Outlook

Going forward, the Company expects South America and Asia to continue to grow and North America and Europe to see moderate increases in demand. To debottleneck its facilities and increase capacity, primarily in South America and Asia, Novelis has increased its capital expenditures plan by approximately \$150 million or 148 percent for fiscal 2011 compared to the prior year. A significant amount is aimed at expanding its rolling operations in Brazil. This investment will increase capacity by over 50 percent and better support its customer's increasing demand for flat rolled products in the region. The expansion is expected to be completed by late 2012.

"As a result of our financial position, we are now able to invest strategically to capitalize on future growth in one of our most important regions," said Phil Martens. "In addition, we expect our results to continue to strengthen given market conditions, price increases and continued cost management initiatives."

Annual Report on Form 10-K

The results described in this press release have been reported in detail on the Company's Form 10-K on file with the SEC, and investors are directed to that document for a complete discussion of the Company's financial position and results through March 31, 2010. The Novelis Form 10-K and other SEC filings are available for review on the Company's website at www.novelis.com.

Fourth Quarter & Fiscal 2010 Earnings Conference Call

Novelis will discuss its fourth quarter and fiscal 2010 results via a live webcast and conference call for investors at 9:00 a.m. EDT on Thursday, May 27, 2010. Participants may access the webcast at <https://cc.callinfo.com/r/1nxne2ria6o3r>. To join by telephone, dial toll-free in North

America at 800 954 0626, India toll-free at 0008001007012 or the international toll line at +1 212 231 2901. Access information may also be found at www.novelis.com/investors.

About Novelis

Novelis Inc. is the global leader in aluminum rolled products and aluminum can recycling. The Company operates in 11 countries, has approximately 11,600 employees and reported revenue of \$8.7 billion in fiscal year 2010. Novelis supplies premium aluminum sheet and foil products to automotive, transportation, packaging, construction, industrial, electronics and printing markets throughout North America, Europe, Asia, and South America. Novelis is a subsidiary of Hindalco Industries Limited (BSE: HINDALCO), one of Asia's largest integrated producers of aluminum and a leading copper producer. Hindalco is a flagship Company of the Aditya Birla Group, a multinational conglomerate based in Mumbai, India. For more information, please visit www.novelis.com.

Non-GAAP Financial Measures

This press release and the presentation slides for the earnings call contain non-GAAP financial measures as defined by SEC rules. We think that these measures are helpful to investors in measuring our financial performance and liquidity and comparing our performance to our peers. However, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures used by other companies. These non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for GAAP financial measures. To the extent we discuss any non-GAAP financial measures on the earnings call, a reconciliation of each measure to the most directly comparable GAAP measure will be available in the presentation slides filed as Exhibit 99.2 to our Current Report on Form 8-K furnished to the SEC concurrent with the issuance of this press release. In addition, the Form 8-K includes a more detailed description of each of these non-GAAP financial measures, together with a discussion of the usefulness and purpose of such measures.

Attached to this news release are tables showing the Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Cash Flows, Reconciliation to Adjusted EBITDA and Free Cash Flow.

Forward-Looking Statements

Statements made in this news release which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of such statements in this news release include, among other matters, the positive outlook for our business, improvement in our financial performance, the impact of operational efficiency initiatives, the projected growth in demand for aluminum rolled products, and the positioning of the company to take advantage of such growth in demand for aluminum rolled products. 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. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: the level of our indebtedness and our ability to generate cash; changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our metal hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas

in which we maintain production facilities; our ability to access financing to fund current operations and for future capital requirements; changes in interest rates under our floating rate debt; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, labor relations and negotiations, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions, including deterioration in the global economy; changes in the fair value of derivative instruments; cyclical demand and pricing within the principal markets for our products as well as seasonality in certain of our customers' industries; changes in government regulations, particularly those affecting taxes and tax rates, climate change, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our principal credit agreement and other financing agreements; and the effect of taxes and changes in tax rates. The above list of factors is not exhaustive. Other important risk factors included under the caption "Risk Factors" in Annual Report on Form 10-K for the year ended March 31, 2010 are specifically incorporated by reference into this news release.

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Novelis Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(unaudited)

	Quarter Ended March 31,		Year Ended March 31,	
	2010	2009	2010	2009
Net sales	\$ 2,420	\$ 1,939	\$ 8,673	\$ 10,177
Cost of goods sold (exclusive of depreciation and amortization shown below)	2,141	1,606	7,190	9,251
Selling, general and administrative expenses	100	73	360	319
Depreciation and amortization	99	109	384	439
Research and development expenses	11	8	38	41
Interest expense and amortization of debt issuance costs	44	44	175	182
Interest income	(3)	(1)	(11)	(14)
(Gain) loss on change in fair value of derivative instruments, net	(2)	40	(194)	556
Impairment of goodwill	—	—	—	1,340
Gain on extinguishment of debt	—	(122)	—	(122)
Restructuring charges, net	7	81	14	95
Equity in net (income) loss of non-consolidated affiliates	3	6	15	172
Other (income) expenses, net	(4)	33	(25)	86
	<u>2,396</u>	<u>1,877</u>	<u>7,946</u>	<u>12,345</u>
Income (loss) before income taxes	24	62	727	(2,168)
Income tax provision (benefit)	15	83	262	(246)
Net income (loss)	9	(21)	465	(1,922)
Net income (loss) attributable to noncontrolling interests	10	(5)	60	(12)
Net income (loss) attributable to our common shareholder	<u>\$ (1)</u>	<u>\$ (16)</u>	<u>\$ 405</u>	<u>\$ (1,910)</u>

Novelis Inc.
CONSOLIDATED BALANCE SHEETS
(In millions, except number of shares)
(unaudited)

	March 31,	
	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 437	\$ 248
Accounts receivable (net of allowances of \$4 and \$2 as of March 31, 2010 and 2009, respectively)		
— third parties	1,143	1,049
— related parties	24	25
Inventories, net	1,083	793
Prepaid expenses and other current assets	39	51
Fair value of derivative instruments	197	119
Deferred income tax assets	12	216
Total current assets	<u>2,935</u>	<u>2,501</u>
Property, plant and equipment, net	2,635	2,784
Goodwill	611	582
Intangible assets, net	746	802
Investment in and advances to non-consolidated affiliates	709	719
Fair value of derivative instruments, net of current portion	7	72
Deferred income tax assets	5	4
Other long-term assets		
— third parties	93	80
— related parties	21	23
Total assets	<u>\$ 7,762</u>	<u>\$ 7,567</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 106	\$ 51
Short-term borrowings	75	264
Accounts payable		
— third parties	1,076	725
— related parties	53	48
Fair value of derivative instruments	110	640
Accrued expenses and other current liabilities	436	516
Deferred income tax liabilities	34	—
Total current liabilities	<u>1,890</u>	<u>2,244</u>
Long-term debt, net of current portion		
— third parties	2,490	2,417
— related party	—	91
Deferred income tax liabilities	497	469
Accrued postretirement benefits	499	495
Other long-term liabilities	376	342
	<u>5,752</u>	<u>6,058</u>
Commitments and contingencies		
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 77,459,658 shares issued and outstanding as of March 31, 2010 and 2009, respectively	—	—
Additional paid-in capital	3,497	3,497
Accumulated deficit	(1,525)	(1,930)
Accumulated other comprehensive income (loss)	(103)	(148)
Total equity of our common shareholder	<u>1,869</u>	<u>1,419</u>
Noncontrolling interests	<u>141</u>	<u>90</u>
Total equity	<u>2,010</u>	<u>1,509</u>
Total liabilities and equity	<u>\$ 7,762</u>	<u>\$ 7,567</u>

Novelis Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(unaudited)

	Year Ended	
	March 31, 2010	March 31, 2009
OPERATING ACTIVITIES		
Net income (loss)	\$ 465	\$ (1,922)
Adjustments to determine net cash provided by (used in) operating activities:		
Depreciation and amortization	384	439
(Gain) loss on change in fair value of derivative instruments, net	(194)	556
Non-cash restructuring charges, net	2	22
Gain on extinguishment of debt	—	(122)
Deferred income taxes	229	(331)
Write-off and amortization of fair value adjustments, net	(134)	(233)
Impairment of goodwill	—	1,340
Equity in net (income) loss of non-consolidated affiliates	15	172
Foreign exchange remeasurement on debt	(20)	26
Gain on reversal of accrued legal claim	(3)	(26)
Other, net	11	8
Changes in assets and liabilities (net of effects from acquisitions and divestitures):		
Accounts receivable	(46)	73
Inventories	(264)	466
Accounts payable	311	(643)
Other current assets	14	(6)
Other current liabilities	47	(63)
Other noncurrent assets	(15)	17
Other noncurrent liabilities	42	7
Net cash provided by (used in) operating activities	844	(220)
INVESTING ACTIVITIES		
Capital expenditures	(101)	(145)
Proceeds from sales of assets	5	5
Changes to investment in and advances to non-consolidated affiliates	3	20
Proceeds from related party loans receivable, net	4	17
Net proceeds from settlement of derivative instruments	(395)	(24)
Net cash used in investing activities	(484)	(127)
FINANCING ACTIVITIES		
Proceeds from issuance of debt		
— third parties	177	263
— related parties	4	91
Principal repayments		
— third parties	(67)	(235)
— related parties	(95)	—
Short-term borrowings, net	(193)	176
Dividends	(13)	(6)
Debt issuance costs	(1)	(3)
Net cash provided by (used in) financing activities	(188)	286
Net increase (decrease) in cash and cash equivalents	172	(61)
Effect of exchange rate changes on cash balances held in foreign currencies	17	(17)
Cash and cash equivalents — beginning of period	248	326
Cash and cash equivalents — end of period	<u>\$ 437</u>	<u>\$ 248</u>

RECONCILIATION FROM NET INCOME (LOSS) ATTRIBUTABLE TO OUR COMMON SHAREHOLDER TO ADJUSTED EBITDA

Novelis is providing disclosure of the reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

(in millions)	Quarter Ended March 31		Year Ended March 31,	
	2010	2009	2010	2009
Net income (loss) attributable to our common shareholder	\$ (1)	\$ (16)	\$ 405	\$ (1,910)
Noncontrolling interests	(10)	5	(60)	12
Income tax (provision) benefit	(15)	(83)	(262)	246
Interest, net	(41)	(43)	(164)	(168)
Depreciation and amortization	(99)	(109)	(384)	(439)
EBITDA	164	214	1,275	(1,561)
Unrealized gain (loss) on derivatives	(37)	145	578	(519)
Impairment charges	—	—	—	(1,500)
Gain on extinguishment of debt	—	122	—	122
Proportional consolidation	(20)	(16)	(51)	(66)
Restructuring charges, net	(7)	(81)	(14)	(95)
Others costs, net	(3)	(9)	8	11
Adjusted EBITDA	<u>\$ 231</u>	<u>\$ 53</u>	<u>\$ 754</u>	<u>\$ 486</u>

The following table shows the free cash flow for the fiscal year ended March 31, 2010 and 2009, the change between periods as well as the ending balances of cash and cash equivalents (in millions).

	Year Ended March 31,	
	2010	2009
Net cash provided by (used in) operating activities	\$ 844	\$ (220)
Net cash used in investing activities	(484)	(127)
Less: Proceeds from sales of assets	(5)	(5)
Free cash flow	<u>\$ 355</u>	<u>\$ (352)</u>
Ending cash and cash equivalents	<u>\$ 437</u>	<u>\$ 248</u>

Brighter ideas with aluminum



NOVELIS FOURTH QUARTER & FISCAL YEAR 2010 EARNINGS CONFERENCE CALL

MAY 27, 2010

Philip Martens

President & Chief Operating Officer

Steve Fisher

Senior Vice President & Chief Financial Officer

Safe Harbor Statement

Forward-Looking Statements

Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of such statements in this presentation include, among other matters, the positive outlook for our business, improvement in our financial performance, the impact of operational efficiency initiatives, the projected growth in demand for aluminum rolled products, and the positioning of the company to take advantage of such growth in demand for aluminum rolled products. 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. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: the level of our indebtedness and our ability to generate cash; changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our metal hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing to fund current operations and for future capital requirements; changes in interest rates under our floating rate debt; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, labor relations and negotiations, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions, including deterioration in the global economy; changes in the fair value of derivative instruments; cyclical demand and pricing within the principal markets for our products as well as seasonality in certain of our customers' industries; changes in government regulations, particularly those affecting taxes and tax rates, climate change, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our principal credit agreement and other financing agreements; and the effect of taxes and changes in tax rates. The above list of factors is not exhaustive. Other important risk factors included under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended December 31, 2009 and our Annual Report on Form 10-K for the year ended March 31, 2010 are specifically incorporated by reference into this presentation.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures as defined by SEC rules. We think that these measures are helpful to investors in measuring our financial performance and liquidity and comparing our performance to our peers. However, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures used by other companies. These non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for GAAP financial measures. We have included reconciliations of each of these measures to the most directly comparable GAAP measure. In addition, a more detailed description of these non-GAAP financial measures used in this presentation, together with a discussion of the usefulness and purpose of such measures, is included as Exhibit 99.2 to our Current Report on Form 8-K furnished to the SEC with our earnings press release.



Agenda



FINANCIAL HIGHLIGHTS

DETAILED FINANCIAL PERFORMANCE

NOVELIS' STRATEGY

Q4 NEW BUSINESS WINS

OUTLOOK

QUESTIONS AND ANSWERS

FINANCIAL HIGHLIGHTS

Fiscal 2010 Financial Highlights

(FY10 vs. FY09)

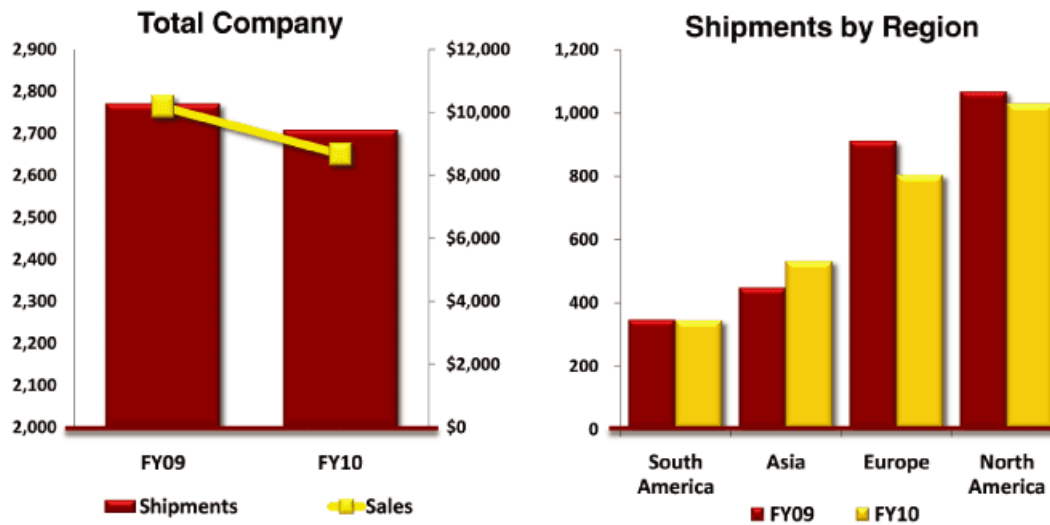


- Net Income of \$405 million
- Record Adjusted EBITDA up 55% to \$754 million
- Record FCF of \$355 million
- Record Liquidity up 163% to \$1 billion
- Shipments down 2% to 2,708 kilotonnes
- Net sales decreased 15% to \$8.7 billion
- Cost of Goods Sold down 22% to \$7.2 billion

Record Results!

Shipments & Sales

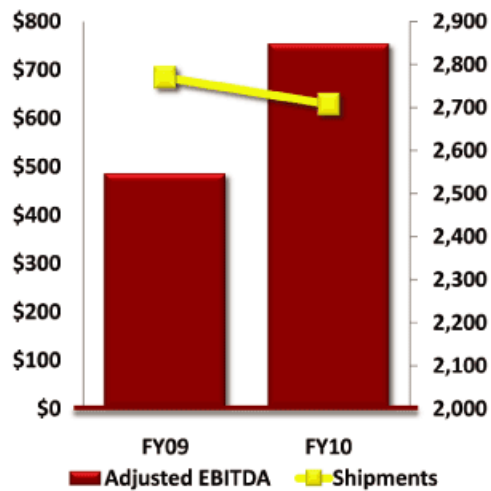
Shipments (Kt) – Sales (Millions)



Excluding Asia, Demand Remains Below Historical Levels

Shipments & Adjusted EBITDA

Shipments (Kt) – Sales (Millions)



Sustainable Savings:

- Reduction of metal input costs (increased usage of scrap)
- Gains in plant efficiency
- Right-sized operations to reflect end-market demand

**Adjusted EBITDA grew by 55%
while Shipments decreased by 2%**

DETAILED FINANCIAL PERFORMANCE

Fourth Quarter Financial Highlights

(Q4FY10 vs. Q4FY09)

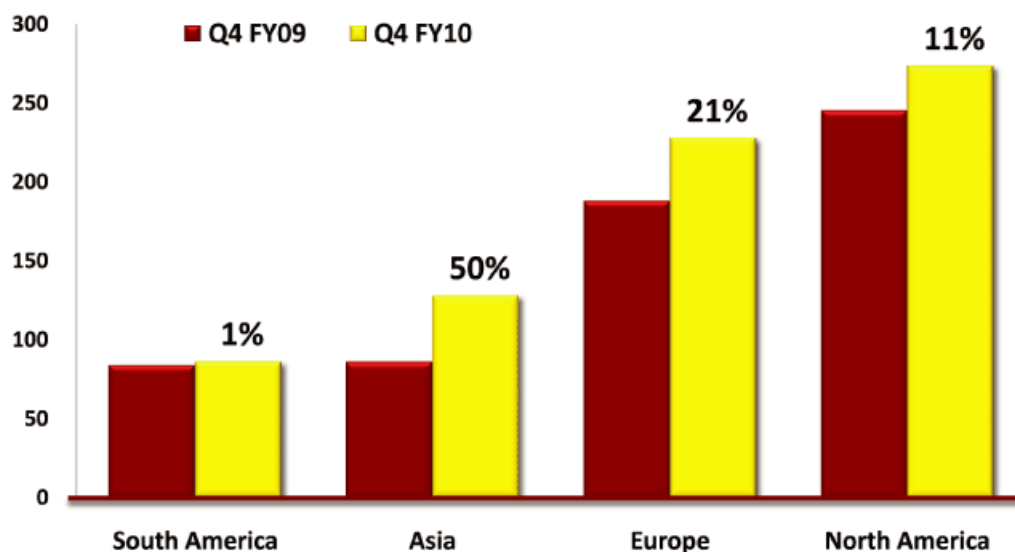


- Shipments up 18% to 716 kilotonnes
- Net sales up 25% to \$2.4 billion
- Record Adjusted EBITDA up 336% to \$231 million
- Record FCF of \$213 million
- Net Loss of \$1 million

Record Fourth Quarter Adjusted EBITDA

Shipment Growth by Region

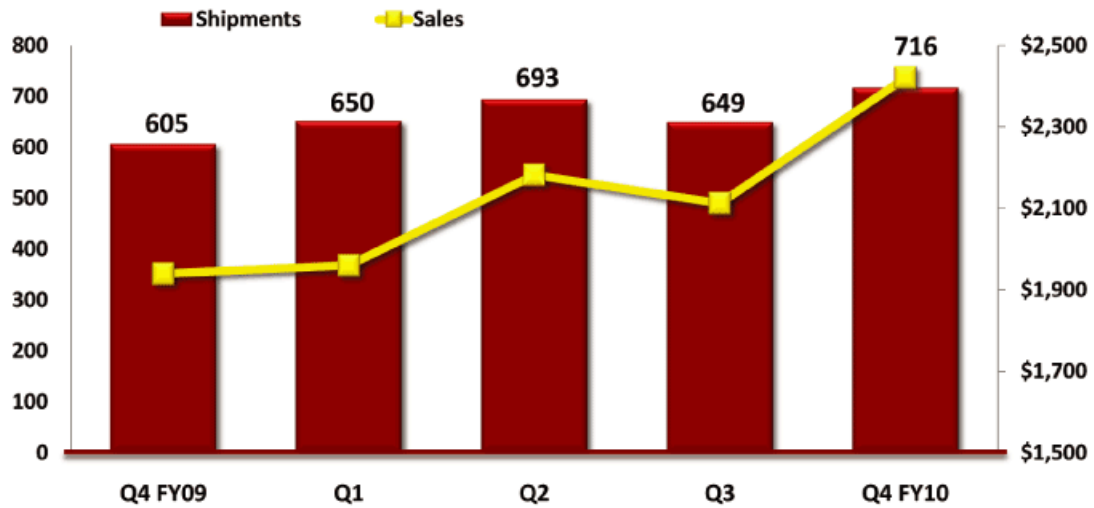
(Kt)



**First Quarter Since Downturn that
Shipments Increased in Every Region YoY**

Shipments & Sales

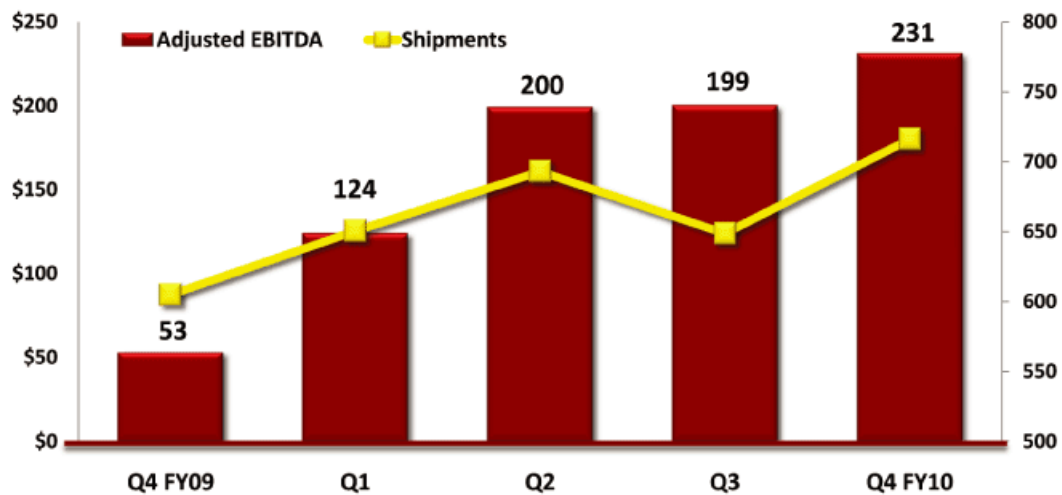
Shipments (Kt) – Sales (Millions)



- Sales increased 25% and Shipments increased 18% Q410 vs. Q409
- Momentum to Continue in the First Quarter

Adjusted EBITDA & Shipments

Shipments (Kt) – EBITDA (Millions)



Adjusted EBITDA Up 336% Q410 vs. Q409

Reconciliation of Adjusted EBITDA

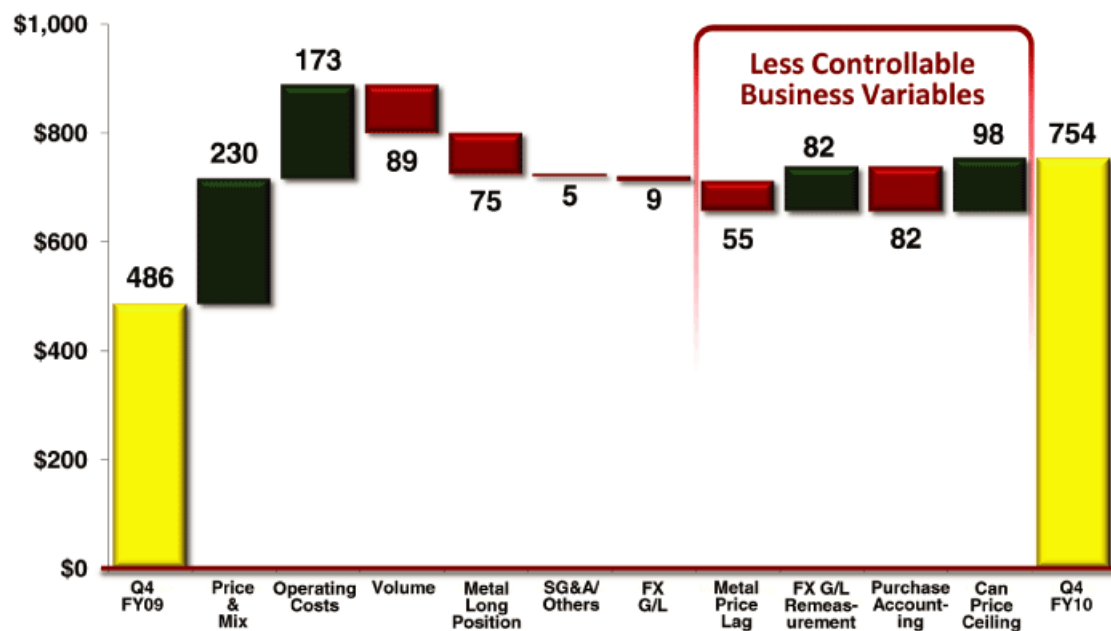
(Millions)



	Quarter-Ended		Year-Ended	
	Q4 FY10	Q4 FY09	FY10	FY09
EBITDA	\$164	\$214	\$1,275	(\$1,561)
Unrealized Gains (Losses) on Derivatives	(37)	145	578	(519)
Impairment Charges	-	-	-	(1,500)
Gain on Extinguishment of Debt	-	122	-	122
Proportional Consolidation	(20)	(16)	(51)	(66)
Restructuring Charges, net	(7)	(81)	(14)	(95)
Other Costs, net	(3)	(9)	8	11
Adjusted EBITDA	\$231	\$53	\$754	\$486

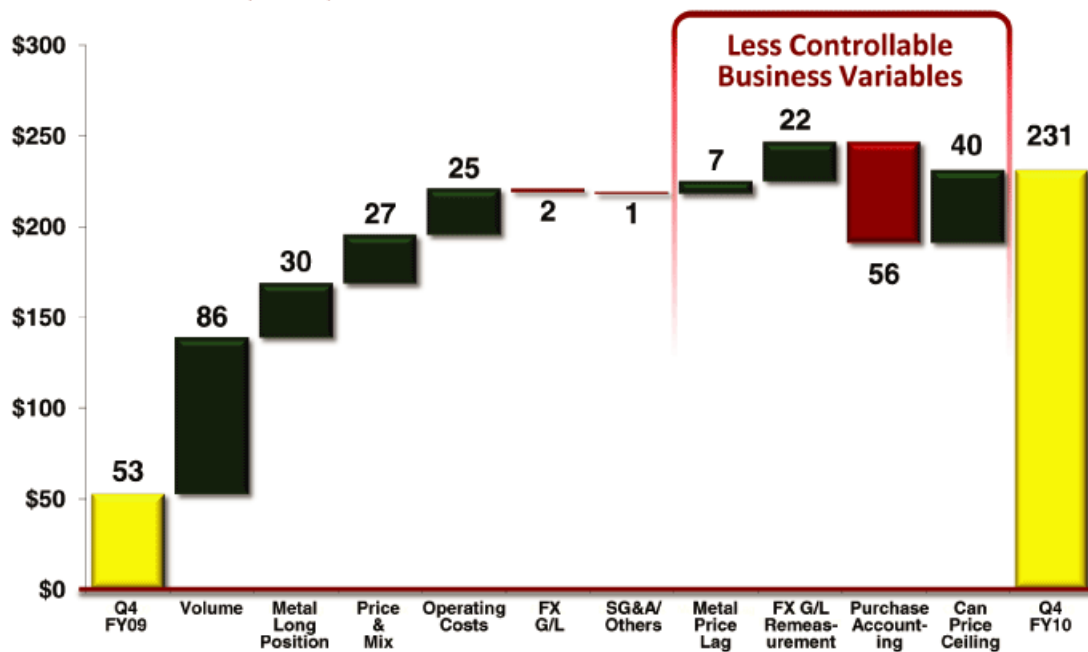
Adjusted EBITDA

FY09 vs. FY10 (Millions)



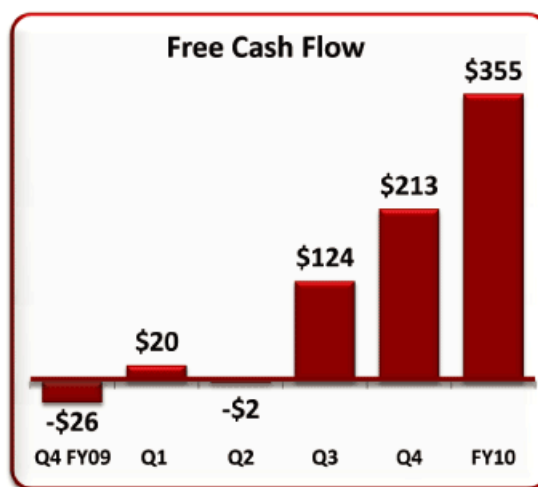
Adjusted EBITDA

Q4 FY09 vs. Q4 FY10 (Millions)

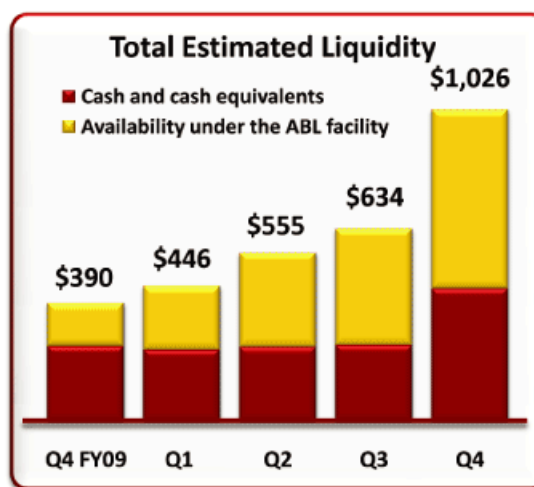


Free Cash Flow & Liquidity

(Millions)



All-Time Record of \$355 Million



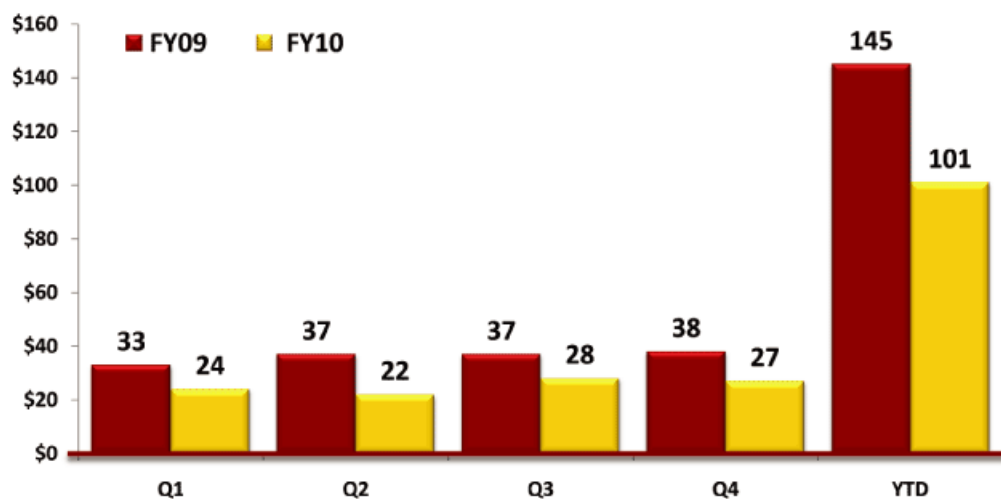
Liquidity up \$636 Million in 1 Year

Capital Expenditures

(Millions)



Maintenance Levels of Capex in FY10



FY11 Capex Plan of ~\$250 Million, up 148%

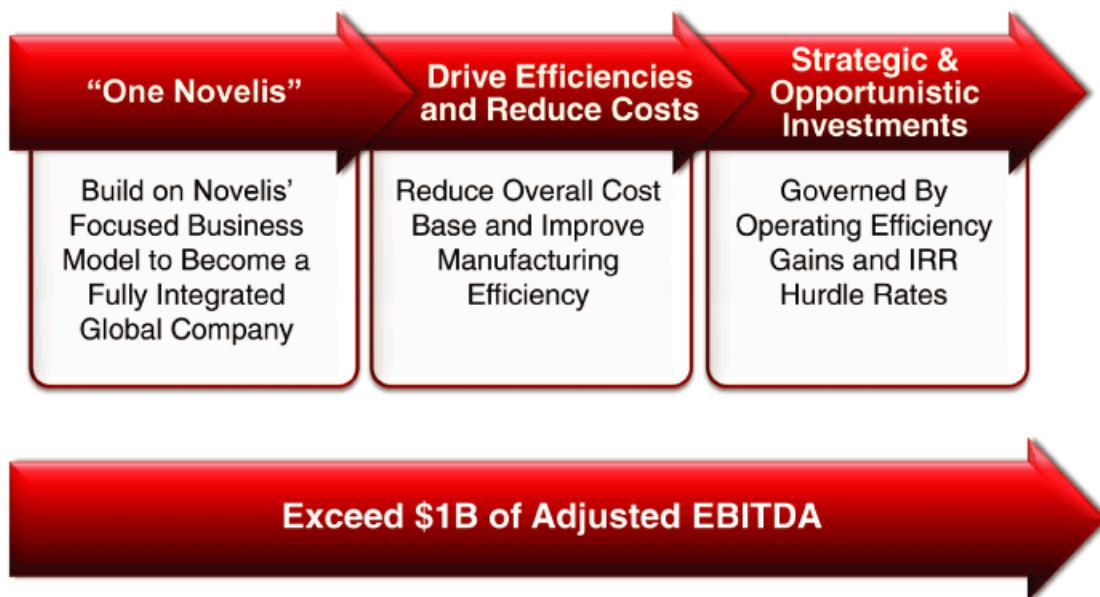
NOVELIS' STRATEGY

What Differentiates Novelis



- **Highly-Focused Business Model Drives Performance**
- **Worldwide Assets & Expertise Provide Unique Capabilities to Our Customers**
- **Majority of Product Portfolio comprised of Premium Products**
- **Sustainability Agenda Demonstrated by Our Recycling Leadership**
- **Recognized Global Leadership in Manufacturing**

Novelis' Strategy



Global Trends Point to Increasing Aluminum Demand



Economic Development

- Urbanization
- Modernization of Infrastructure
- Increasing Global Wealth



Material Preference

Increasing substitution to aluminum from other materials in emerging markets



Sustainability

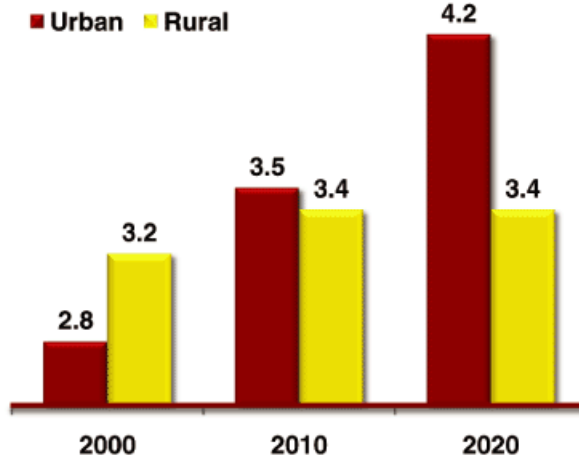
Growing awareness of environmentalism and demand for recycled products

Economic Growth Drives Urbanization

(Billions)



Global Rural and Urban Population



- By 2030, about 60% of the population will live in urban areas
- Urbanization Promotes:
 - Concentration of Needs
 - Modernization of Infrastructure

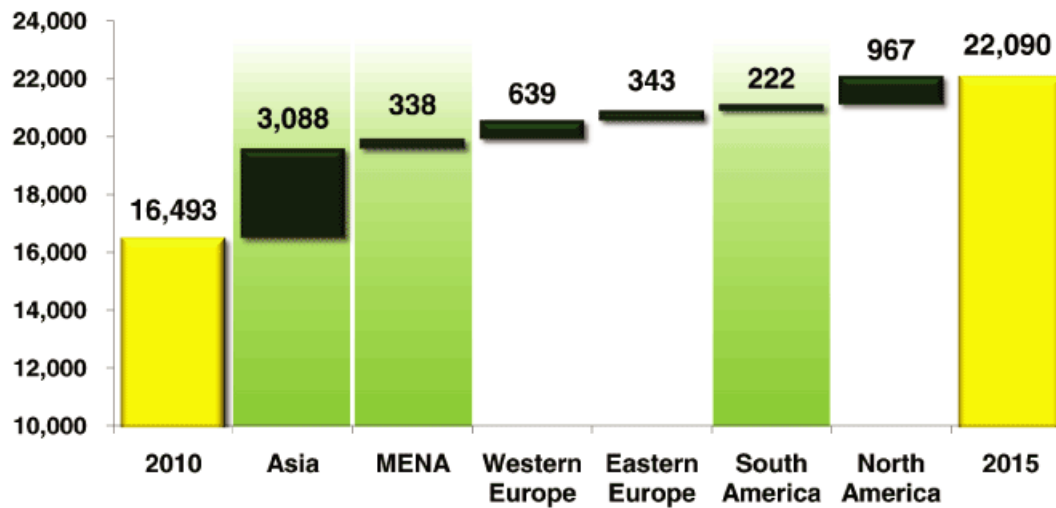
Urbanization Drives Aluminum Consumption

Source: Earth Trends; United Nations; Novelis Estimates

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FRP Growth Worldwide from 2010 to 2015 (Kt)



Focusing Capex on Growing Economies

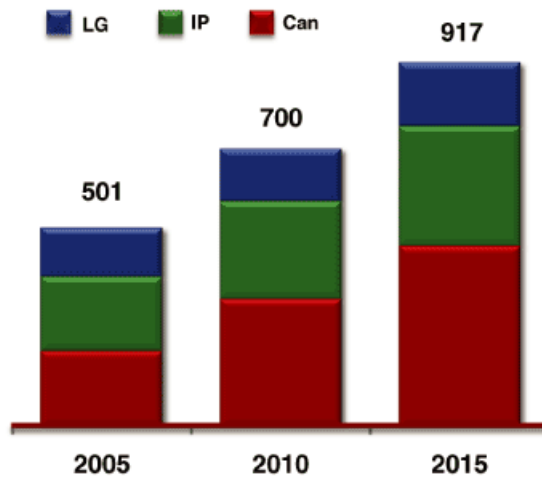
Source: CRU, Novelis Estimates

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South America Flat Rolled Product Market

(Kt)

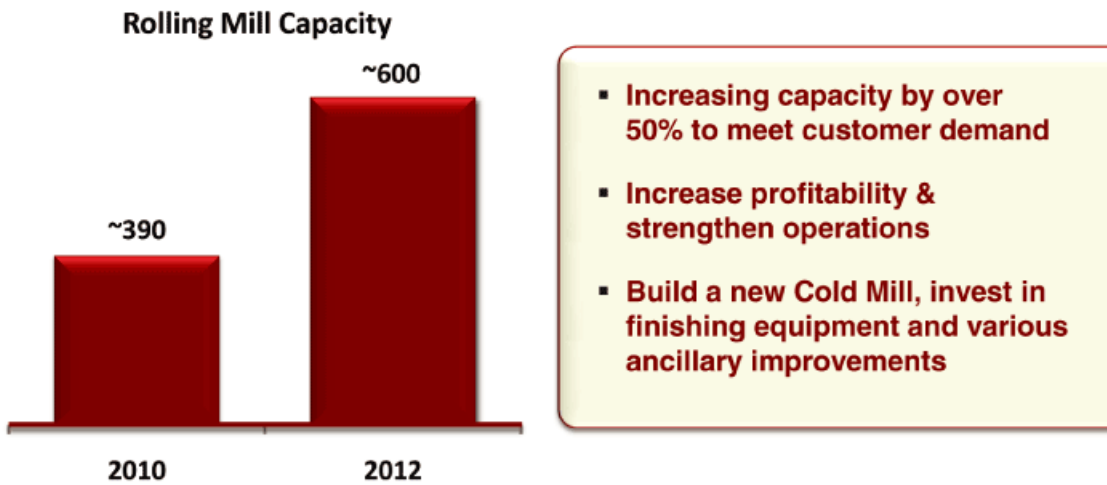


- South America will continue to show strong demand
- Over past five years the FRP market has grown 6.5% a year on average
- Over the next 5 years the FRP market is expected to grow 6% a year on average

Solidify Leadership Position In-line with Customer Expansion Plans

Increased Demand in South America Warrants Brazilian Mill Expansion

(Kt)



South America is a Primary Driver of Sustainable Growth



Q4 NEW BUSINESS WINS

Long-Standing International Partnerships



Long-Standing International Partnerships



Strengthening Relationships with Customers



OUTLOOK

Business Outlook



- The Company expects to continue to see strong demand in its Asia and South America regions
- The Company expects North America and Europe to see moderate increases in demand
- Q1 to see benefits as a result of additional price increases
- Continue to focus on cash generation and cost-out initiatives, particularly in the areas of procurement and manufacturing excellence
- Continue to drive “One Novelis” and prepare the business for future growth



QUESTIONS?

APPENDIX

Income Statement

Reconciliation to Adjusted EBITDA



(in \$ m)	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08	FY 08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	FY 09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	FY 10
Net income (loss) attributable to our common shareholder	(142)	(18)	(73)	117	(117)	24	(104)	(1,814)	(16)	(1,910)	143	195	68	(1)	405
- Interest, net	(51)	(56)	(47)	(45)	(199)	(40)	(41)	(44)	(43)	(168)	(40)	(41)	(42)	(41)	(164)
- Income tax (provision) benefit	(31)	(20)	(26)	-	(77)	(35)	168	193	(83)	246	(112)	(87)	(48)	(10)	(262)
- Depreciation and amortization	(81)	(103)	(106)	(111)	(403)	(116)	(107)	(107)	(109)	(439)	(130)	(32)	(83)	(36)	(364)
- Noncontrolling interests	3	-	-	(8)	(3)	(2)	-	9	5	12	(15)	(19)	(13)	(10)	(60)
EBITDA	10	169	108	279	565	217	(124)	(1,868)	214	(1,561)	413	434	264	164	1,275
- Unrealized gain (loss) on derivatives	(10)	(87)	(24)	118	(3)	20	(221)	(463)	145	(519)	299	254	62	(37)	578
- Impairment charges	-	-	-	-	-	-	-	(1,500)	-	(1,500)	-	-	-	-	-
- Gain on debt exchange	-	-	-	-	-	-	-	-	122	122	-	-	-	-	-
- Proportional consolidation	(16)	7	(15)	(19)	(43)	(18)	(18)	(14)	(16)	(66)	(16)	(17)	2	(20)	(51)
- Restructuring charges, net	(2)	-	(1)	(4)	(7)	1	-	(15)	(81)	(56)	(3)	(3)	(1)	(7)	(14)
- Others costs, net	(34)	11	(4)	1	(26)	(4)	27	(3)	(9)	11	9	-	2	(3)	8
Additional Acquisition Related Costs	(51)	-	-	-	(51)	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	131	229	152	193	695	218	88	127	53	486	124	200	199	231	754
Other income (Expense) included in Adjusted EBITDA															
- Metal price lag	(10)	(11)	(14)	13	(22)	38	(11)	(2)	(9)	22	(30)	(10)	3	2	(35)
- Foreign currency remeasurement	1	3	(22)	(17)	(36)	(24)	(53)	29	(18)	(66)	5	13	(8)	4	16
- Purchase accounting	5	77	75	63	220	62	58	50	53	223	52	49	42	(2)	141
- Can price ceiling, net	(82)	(84)	(52)	(49)	(245)	(74)	(72)	(40)	(40)	(228)	(54)	(54)	(20)	-	(128)

Free Cash Flow



(in \$m)	FY08					FY09					FY10				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Cash provided by (used in) operating activities	(274)	51	26	368	171	(351)	(31)	(32)	194	(220)	256	195	179	214	844
Cash provided by (used in) investing activities	15	12	(72)	(47)	(92)	16	28	48	(219)	(127)	(233)	(196)	(55)	0	(484)
Less: Proceeds from sales of fixed assets	(1)	-	(3)	(4)	(8)	(1)	(1)	(2)	(1)	(5)	(3)	(1)	0	(1)	(5)
Free Cash Flow	(260)	63	(49)	317	71	(336)	(4)	14	(26)	(352)	20	(2)	124	213	355

Explanation of Other Income (Expenses) Included in our Adjusted EBITDA

1) Metal Price Lag net of related hedges:

On certain sales contracts we experience timing differences on the pass through of changing aluminum prices from our suppliers to our customers. Additional timing differences occur in the flow of metal costs through moving average inventory cost values and cost of goods sold. This timing difference is referred to as Metal Price Lag. We have a risk management program in place to minimize impact of this "lag".

2) Foreign Currency remeasurement net of related hedges:

All non-functional currency denominated Working Capital and Debt gets remeasured every period by the period end exchange rates. This impacts our profitability. Like Metal Price Lag, we have a risk management program in place to minimize impact of such Remeasurement.

3) Purchase Accounting:

Following our acquisition, the consideration and transaction costs paid by Hindalco in connection with the transaction were "pushed down" to us and were allocated to the assets acquired and the liabilities assumed. These allocations are amortized over periods, impacting our profitability. A significant portion of such amortizations pertain to ceiling contracts.

4) Can Price ceilings:

Some sales contracts contained a ceiling over which metal prices could not be contractually passed through to certain customers. This negatively impacted our margins and cash flows when the price we paid for metal was above the ceiling price contained in these contracts. These contracts expired December 31, 2009.