
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): November 10, 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.)
3560 Lenox Road, Suite 2000, 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 November 10, 2010, Novelis Inc. issued a press release reporting the company's financial results for its quarterly period ended September 30, 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, Adjusted Pre-Tax Income (Loss) Excluding Certain Items, Free Cash Flow and Total 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.

Adjusted Pre-Tax Income (Loss) Excluding Certain Items. Adjusted Pre-Tax Income (Loss) Excluding Certain Items adjusts income before income taxes for restructuring charges, unrealized gains (losses) on change in fair value of derivative instruments, charges related to the settlement of tax litigation in Brazil and impairment of goodwill. Novelis believes that Pre-Tax Income (Loss) Excluding Certain Items enhances the overall understanding of the company's current financial performance. Specifically, management believes this non-GAAP financial measure

provides useful information to investors by excluding or adjusting certain items, which impact the comparability of the company's core operating results. With respect to unrealized gains (losses) on change in fair value of derivative instruments, management adjusts pre-tax income to eliminate the volatility created between periods due to changes in the fair value of derivative instruments before the derivative instruments are settled. With respect to restructuring charges, our charge related to the Brazilian tax settlement and impairment of goodwill, management believes these excluded items are not reflective of fixed costs that the company believes it will incur over the long term. This financial measure should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with GAAP.

Total Liquidity. Total 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 November 10, 2010 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated November 10, 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: November 10, 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 November 10, 2010 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated November 10, 2010 (furnished to the Commission as a part of this Form 8-K).



For Immediate Release

**Novelis Reports Record Financial Results
for the Second Quarter of Fiscal 2011**

- **Net Income of \$62 million**
- **Record Adjusted EBITDA of \$290 million, up 45%**
- **Strong Free Cash Flow of \$97 million, up \$99 million**
- **Solid Liquidity of \$1.2 billion, up 113%**

ATLANTA, November 10, 2010 — Novelis Inc., the world's leading producer of aluminum rolled products, today reported net income attributable to its common shareholder of \$62 million for the second quarter of fiscal year 2011. The Company also reported that Adjusted EBITDA and Liquidity reached record levels in the quarter.

(in \$M)	Q2FY11 9/30/2010	Q2FY10 9/30/2009	Q1FY11 6/30/2010
Net Income	\$ 62	\$ 195	\$ 50
Adjusted EBITDA	\$ 290	\$ 200	\$ 263

"Our momentum over the last year has continued into the second quarter," said Phil Martens, Novelis President and COO. "These record results can be directly attributed to our relentless focus on product portfolio optimization, footprint optimization and cost management on a global basis. Today, we are a much stronger company operationally and financially."

Shipments of aluminum rolled products totaled 737 kilotonnes for the second quarter of fiscal 2011, an increase of six percent compared to shipments of 693 kilotonnes in the second quarter of the previous year. This increase in shipments was driven by strong end-market conditions across all of our product segments globally, particularly can, automotive and electronics.

Net sales for the second quarter of fiscal 2011 were \$2.5 billion, an increase of 16 percent compared to the \$2.2 billion reported in the same period a year ago, the result of higher aluminum prices, higher conversion premiums and strength in the Company's end-markets.

Adjusted EBITDA for the quarter was a record \$290 million, representing a 45 percent increase from adjusted EBITDA of \$200 million posted for the same period a year ago. Excluding the Company's seasonably low third quarter, this represents five consecutive quarters of improvement. These record operating results were primarily due to strong global market demand, price increases as well as effective cost management and efficiency gains.

(in \$M)	Q2FY11 9/30/2010	Q2FY10 9/30/2009	Q1FY11 6/30/2010
Income Before Income Taxes	\$ 129	\$ 301	\$ 74
Significant Items Affecting Comparisons:			
Restructuring	(9)	(3)	(6)
Unrealized Gains (losses) on Derivatives	1	254	(47)
Adjusted Pre-tax Income	\$ 137	\$ 50	\$ 127

Income before income taxes was \$129 million for the second quarter of fiscal 2011, a decrease when compared to the \$301 million reported in the same period of fiscal 2010. Excluding restructuring charges and unrealized gains on derivatives, adjusted pre-tax income increased 174 percent year-over-year.

(in \$M)	Q2FY11 9/30/2010	Q2FY10 9/30/2009	Q1FY11 6/30/2010
Cash and cash equivalents	\$ 512	\$ 246	\$ 419
Overdrafts	(23)	(11)	(17)
Gross availability under the ABL facility	694	400	649
Borrowing availability limitation due to fixed charge coverage ratio	—	(80)	—
Total Liquidity	\$ 1,183	\$ 555	\$ 1,051

Liquidity improved to \$1.2 billion at the end of the second quarter of 2011, an increase of 113 percent from \$555 million in liquidity reported for the same period in the previous year and a 13 percent increase compared to the first quarter of fiscal 2011.

"As of September 30, our liquidity remained strong," said Steve Fisher, Chief Financial Officer for Novelis. "This record liquidity enables us to focus on making more strategic decisions about capital allocation."

For the second quarter of fiscal 2011, free cash flow was \$97 million, representing a significant increase from the negative \$2 million reported in the second quarter of the previous year. "As a result of institutionalizing good risk management practices globally, we generated strong free cash flow in the second quarter and are on track this year to surpass our fiscal year 2010 free cash flow," said Fisher.

Business Outlook

Excluding the typical seasonality in the third quarter, going forward, the Company expects continued strength across all of its regions. "While we are still running at capacity, we will release a meaningful amount of capacity in fiscal 2011 and plan to increase capacity, through debottlenecking, by 3 to 4 percent annually over the next few years with minimal capital investments," said Martens.

Quarterly Report on Form 10-Q

The results described in this press release have been reported in detail on the Company's Form 10-Q on file with the SEC, and investors are directed to that document for a complete explanation of the Company's financial position and results through September 30, 2010. The Novelis Form 10-Q and other SEC filings are available for review on the Company's website at www.novelis.com.

Second Quarter Fiscal 2011 Earnings Conference Call

Novelis will discuss its second quarter fiscal 2011 results via a live webcast and conference call for investors at 9:00 a.m. ET on Wednesday, November 10, 2010. Participants may access the webcast at <https://cc.callinfo.com/r/1xivey5dmqqun>. To join by telephone, dial toll-free in North

America at 800 891 8794, India toll-free at 0008001007106 or the international toll line at +1 212 231 2935. 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 our plans to increase production capacity and our stated view regarding our ability to generate free cash flow this fiscal year. 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: 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, including our internal used beverage cans (UBCs) and smelter hedges; 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 for future capital requirements; continuing obligations and other relationships resulting from our spin-off from Alcan Inc.; 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; the impact of restructuring efforts in the future; 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, particularly sectors in which our customers operate; 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, 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; the effect of taxes and changes in tax rates; and our indebtedness and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 are specifically incorporated by reference into this news release.

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Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(in millions)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 2,524	\$ 2,181	\$ 5,057	\$ 4,141
Cost of goods sold (exclusive of depreciation and amortization)	2,188	1,734	4,396	3,271
Selling, general and administrative expenses	97	77	178	151
Depreciation and amortization	104	92	207	192
Research and development expenses	9	9	18	17
Interest expense and amortization of debt issuance costs	40	44	79	87
Interest income	(3)	(3)	(6)	(6)
Gain on change in fair value of derivative instruments, net	(34)	(80)	(28)	(152)
Restructuring charges, net	9	3	15	6
Equity in net loss of non-consolidated affiliates	3	10	6	20
Other (income) expense, net	(18)	(6)	(11)	(19)
	<u>2,395</u>	<u>1,880</u>	<u>4,854</u>	<u>3,567</u>
Income before income taxes	129	301	203	574
Income tax provision	56	87	71	199
Net income	73	214	132	375
Net income attributable to noncontrolling interests	11	19	20	37
Net income attributable to our common shareholder	<u>\$ 62</u>	<u>\$ 195</u>	<u>\$ 112</u>	<u>\$ 338</u>

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

	September 30, 2010	March 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 512	\$ 437
Accounts receivable (net of allowances of \$5 and \$4 as of September 30, 2010 and March 31, 2010)		
— third parties	1,244	1,143
— related parties	12	24
Inventories	1,177	1,083
Prepaid expenses and other current assets	44	39
Fair value of derivative instruments	182	197
Deferred income tax assets	21	12
Total current assets	3,192	2,935
Property, plant and equipment, net	2,526	2,632
Goodwill	611	611
Intangible assets, net	724	749
Investment in and advances to non-consolidated affiliates	707	709
Fair value of derivative instruments, net of current portion	17	7
Long-term deferred income tax assets	14	5
Other long-term assets		
— third parties	98	93
— related parties	20	21
Total assets	\$ 7,909	\$ 7,762
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 117	\$ 116
Short-term borrowings	23	75
Accounts payable		
— third parties	1,045	1,076
— related parties	47	53
Fair value of derivative instruments	145	110
Accrued expenses and other current liabilities	441	436
Deferred income tax liabilities	33	34
Total current liabilities	1,851	1,900
Long-term debt, net of current portion	2,477	2,480
Long-term deferred income tax liabilities	537	497
Accrued postretirement benefits	507	499
Other long-term liabilities	354	376
Total liabilities	5,726	5,752
Commitments and contingencies		
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2010 and March 31, 2010	—	—
Additional paid-in capital	3,530	3,530
Accumulated deficit	(1,446)	(1,558)
Accumulated other comprehensive loss	(62)	(103)
Total Novelis shareholder's equity	2,022	1,869
Noncontrolling interests	161	141
Total equity	2,183	2,010
Total liabilities and shareholder's equity	\$ 7,909	\$ 7,762

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

	Six Months Ended September 30,	
	2010	2009
OPERATING ACTIVITIES		
Net income	\$ 132	\$ 375
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	207	192
Gain on change in fair value of derivative instruments, net	(28)	(152)
Deferred income taxes	18	196
Write-off and amortization of fair value adjustments, net	8	(98)
Equity in net loss of non-consolidated affiliates	6	20
Foreign exchange remeasurement of debt	1	(15)
Gain on sale of assets	(13)	(1)
Other, net	5	6
Changes in assets and liabilities:		
Accounts receivable	(91)	(98)
Inventories	(84)	(84)
Accounts payable	(45)	97
Other current assets	(4)	4
Other current liabilities	16	(4)
Other noncurrent assets	(8)	(14)
Other noncurrent liabilities	4	27
Net cash provided by operating activities	124	451
INVESTING ACTIVITIES		
Capital expenditures	(71)	(46)
Proceeds from sales of assets	18	4
Changes to investment in and advances to non-consolidated affiliates	—	2
Proceeds from related party loans receivable, net	11	14
Net proceeds (outflow) from settlement of derivative instruments	67	(403)
Net cash provided by (used in) investing activities	25	(429)
FINANCING ACTIVITIES		
Proceeds from issuance of debt, third parties	—	177
Proceeds from issuance of debt, related parties	—	3
Principal payments, third parties	(8)	(16)
Principal payments, related parties	—	(94)
Short-term borrowings, net	(50)	(96)
Dividends, noncontrolling interest	(18)	(13)
Net cash used in financing activities	(76)	(39)
Net increase (decrease) in cash and cash equivalents	73	(17)
Effect of exchange rate changes on cash balances held in foreign currencies	2	15
Cash and cash equivalents — beginning of period	437	248
Cash and cash equivalents — end of period	\$ 512	\$ 246

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)	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Net income attributable to our common shareholder	\$ 62	\$ 195	\$ 112	\$ 338
Noncontrolling interests	(11)	(19)	(20)	(37)
Income tax provision	(56)	(87)	(71)	(199)
Interest, net	(37)	(41)	(73)	(81)
Depreciation and amortization	(104)	(92)	(207)	(192)
EBITDA	<u>270</u>	<u>434</u>	<u>483</u>	<u>847</u>
Unrealized gain (loss) on derivatives	1	254	(46)	553
Proportional consolidation	(11)	(17)	(21)	(33)
Restructuring charges, net	(9)	(3)	(15)	(6)
Gain on sale of assets	—	—	13	1
Other income (expense), net	(1)	—	(1)	8
Adjusted EBITDA	<u>\$ 290</u>	<u>\$ 200</u>	<u>\$ 553</u>	<u>\$ 324</u>

The following table shows Free cash flow as well as the ending balances of cash and cash equivalents (in millions).

	Three Months Ended June 30,		Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009	2010	2009
Net cash provided by operating activities	\$ 22	\$ 256	\$ 102	\$ 195	\$ 124	\$ 451
Net cash provided by (used in) investing activities	27	(233)	(2)	(196)	25	(429)
Less: Proceeds from sales of assets	(15)	(3)	(3)	(1)	(18)	(4)
Free cash flow	<u>\$ 34</u>	<u>\$ 20</u>	<u>\$ 97</u>	<u>\$ (2)</u>	<u>\$ 131</u>	<u>\$ 18</u>
Ending cash and cash equivalents	<u>\$ 419</u>	<u>\$ 237</u>	<u>\$ 512</u>	<u>\$ 246</u>	<u>\$ 512</u>	<u>\$ 246</u>



Brighter Ideas with Aluminum

Novelis Second Quarter 2011 Earnings Conference Call

November 10, 2010

Philip Martens
President and Chief Operating Officer

Steve Fisher
Senior Vice President and 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. An example of such statements in this presentation is our stated view regarding our ability to generate free cash flow this fiscal year. 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: 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, including our internal used beverage cans (UBCs) and smelter hedges; 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 for future capital requirements; continuing obligations and other relationships resulting from our spin-off from Alcan Inc.; 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; the impact of restructuring efforts in the future; 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, particularly sectors in which our customers operate; 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, 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; the effect of taxes and changes in tax rates; and our indebtedness and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 are specifically incorporated by reference into this presentation.

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Agenda

FINANCIAL HIGHLIGHTS

DETAILED FINANCIAL PERFORMANCE

NOVELIS STRATEGY

QUESTIONS AND ANSWERS

FINANCIAL HIGHLIGHTS

Second Quarter Financial Highlights

(Q2FY11 vs. Q2FY10)

- Shipments Up 6% to 737 Kilotonnes
- Net Sales Up 16% to \$2.5 Billion
- Record Adjusted EBITDA Up 45% to \$290 Million
- Free Cash Flow of \$97 Million
- Record Liquidity of \$1.2 Billion
- Net Income of \$62 Million

On Track to Exceed \$1B in Adjusted EBITDA in FY11

Continuing to Strengthen the Business

Strong Shipments, Adjusted EBITDA, Liquidity, FCF



- **Product Portfolio Optimization**

Greater Focus on Higher Margin Products

- **Footprint Optimization**

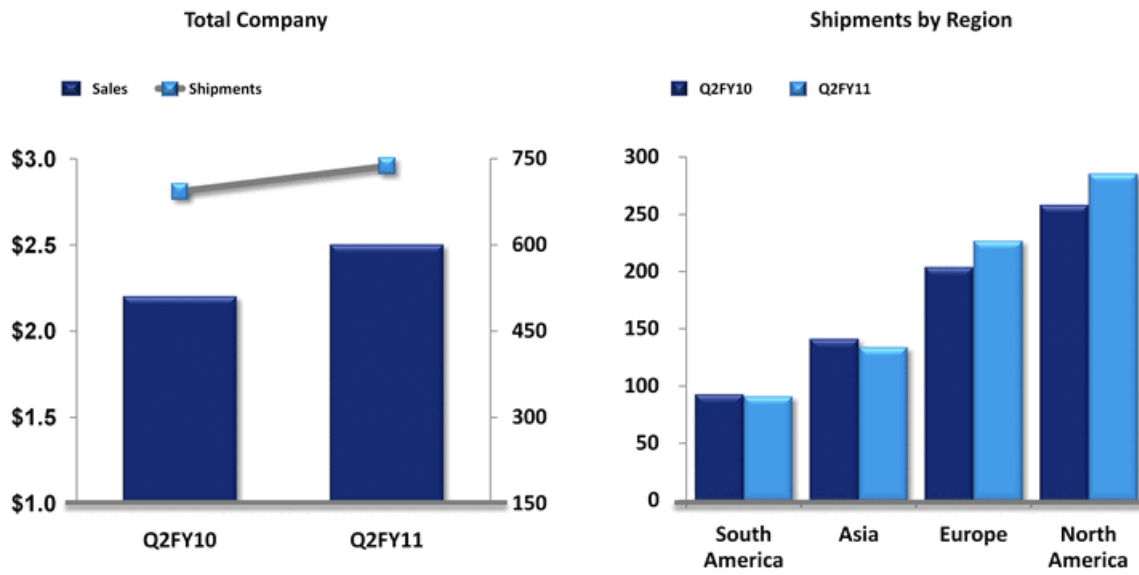
Proposed Bridgnorth Closure

- **Cost Management**

Tight Control on Operating Costs

Shipments & Sales

Sales (Billions) • Shipments (Kt)

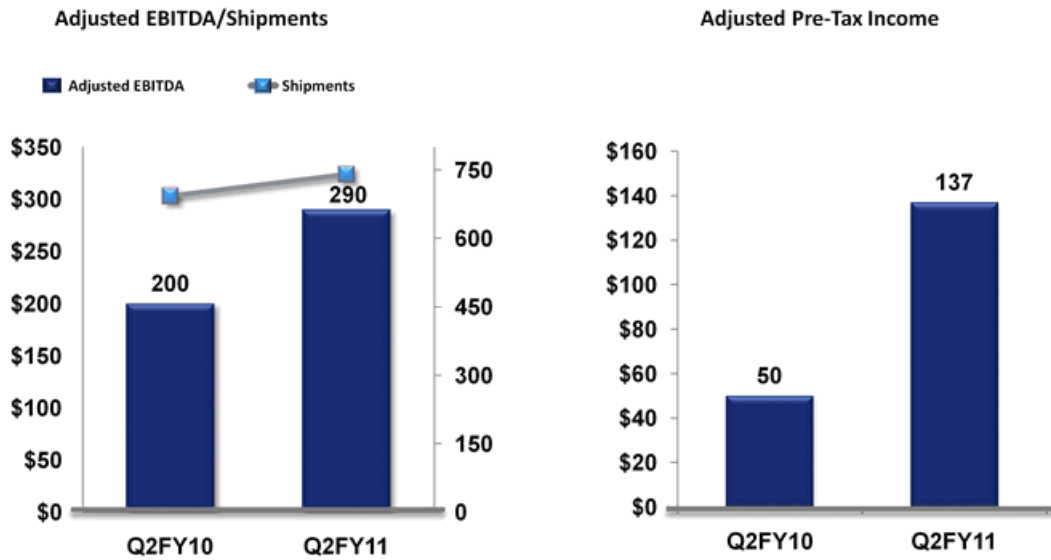


Continued Strong Global Demand

DETAILED FINANCIAL PERFORMANCE

EBITDA, Shipments and Pre-Tax Income

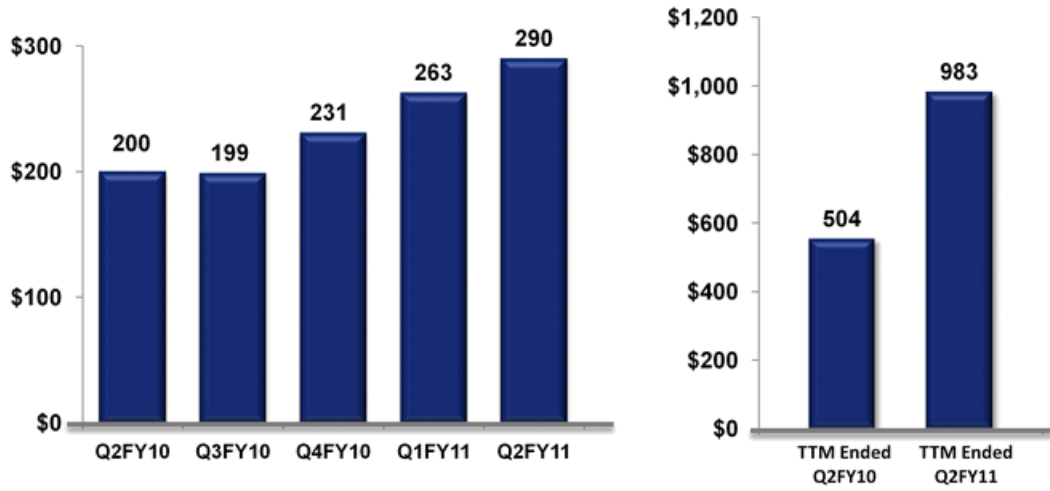
EBITDA & Pre-Tax Income (Millions) • Shipments (Kt)



Strong Underlying Operating Fundamentals

Adjusted EBITDA

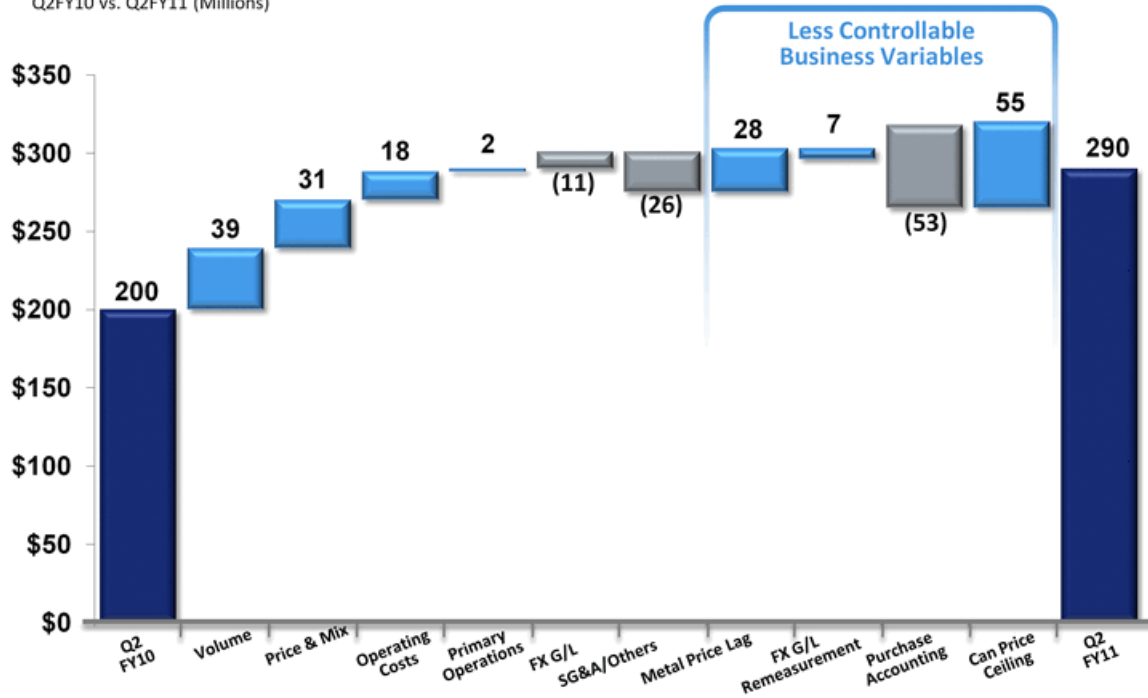
(Millions)



Strong Adjusted EBITDA

Adjusted EBITDA

Q2FY10 vs. Q2FY11 (Millions)



Sequential Income Statement

(Millions)

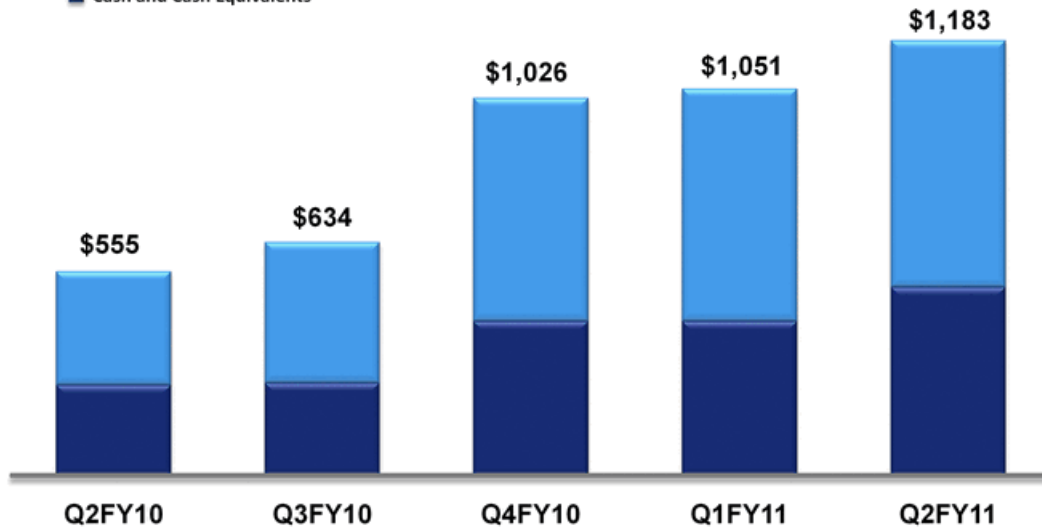
	FY10				FY11	
	Q1	Q2	Q3	Q4	Q1	Q2
Income Before Income Taxes	273	301	129	24	74	129
Significant Items Affecting Comparisons:						
Unrealized Gains (losses) on Derivatives	299	254	62	(37)	(47)	1
Restructuring Charges, Net	(3)	(3)	(1)	(7)	(6)	(9)
Tax Litigation Settlement in Brazil	6	-	-	-	-	-
Gain (loss) on Sale of Assets	1	-	(1)	(1)	13	
Adjusted Pre-Tax Income (loss)	(30)	50	69	69	114	137

Strong Sequential Operating Growth

Strong Liquidity

(Millions)

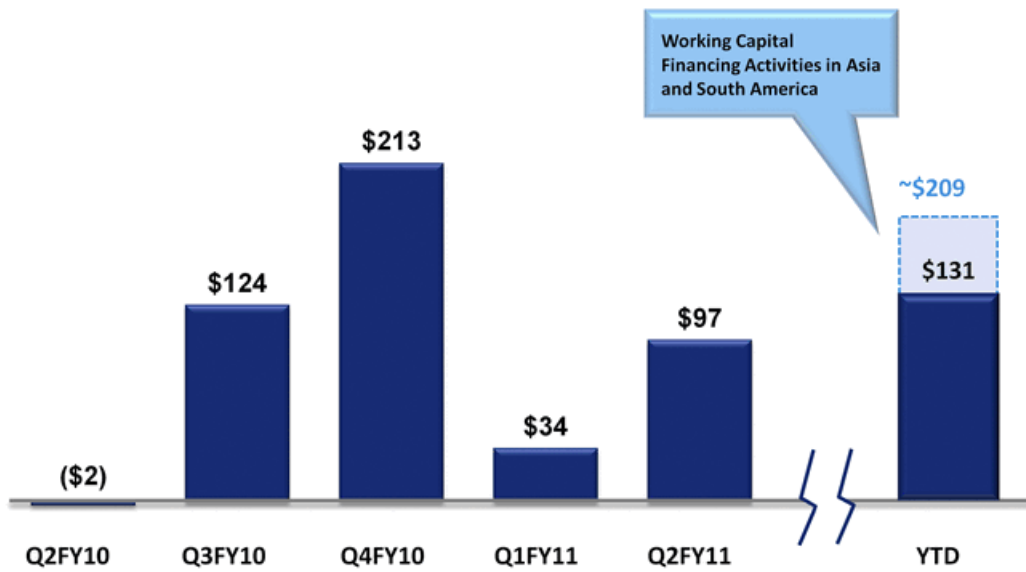
- Availability Under the ABL Facility
- Cash and Cash Equivalents



Now Focused on Strategic Capital Allocation Decisions

Free Cash Flow

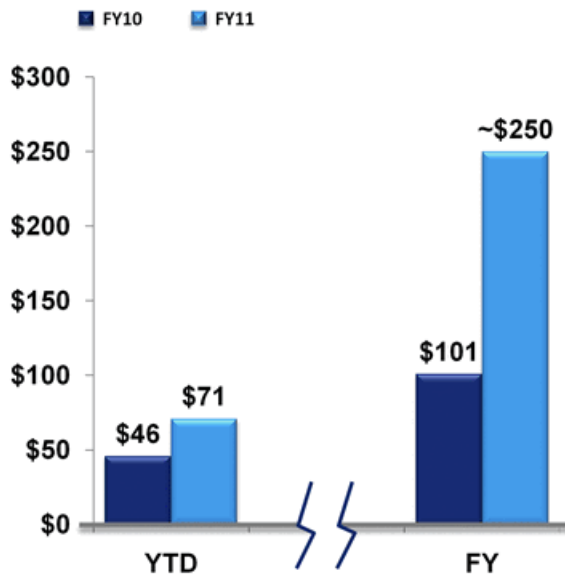
(Millions)



FY11 FCF Expected to Exceed FY10 FCF of \$355 Million

Capital Expenditures

(Millions)



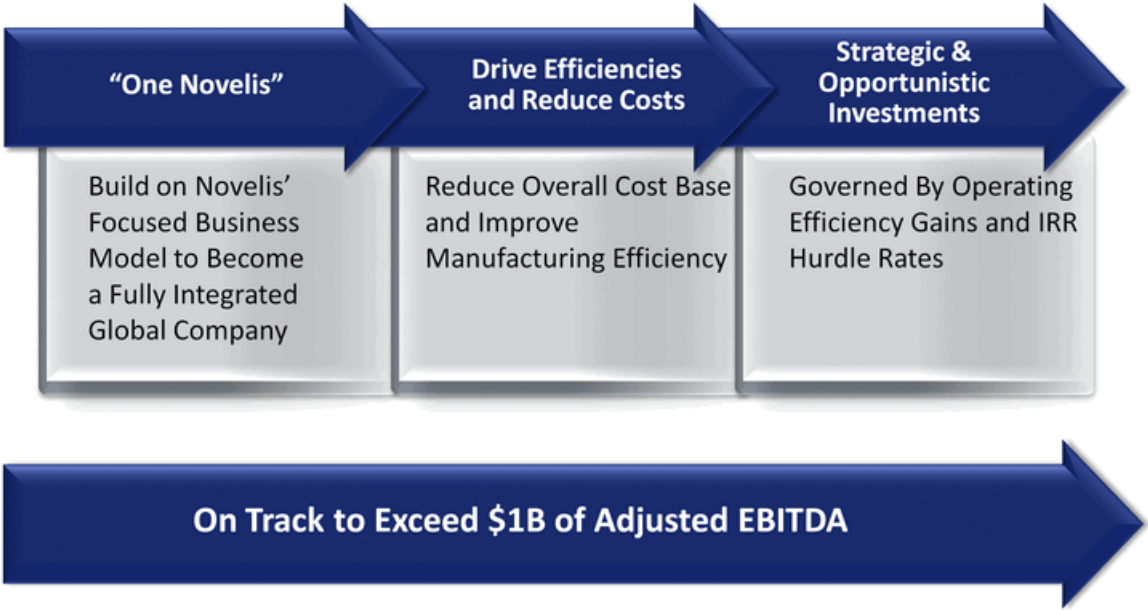
Capex Plan:

- Deferred Capital Spend in 1H to Meet Strong Market Demand
- Back-End Weighted Capital Spend

Focus on Debottlenecking & Strategic Investments

NOVELIS STRATEGY

Novelis Strategy



Capitalizing on Strong Market Growth Through Strategic Decision Making

- Optimizing Product Portfolio

- Footprint Optimization

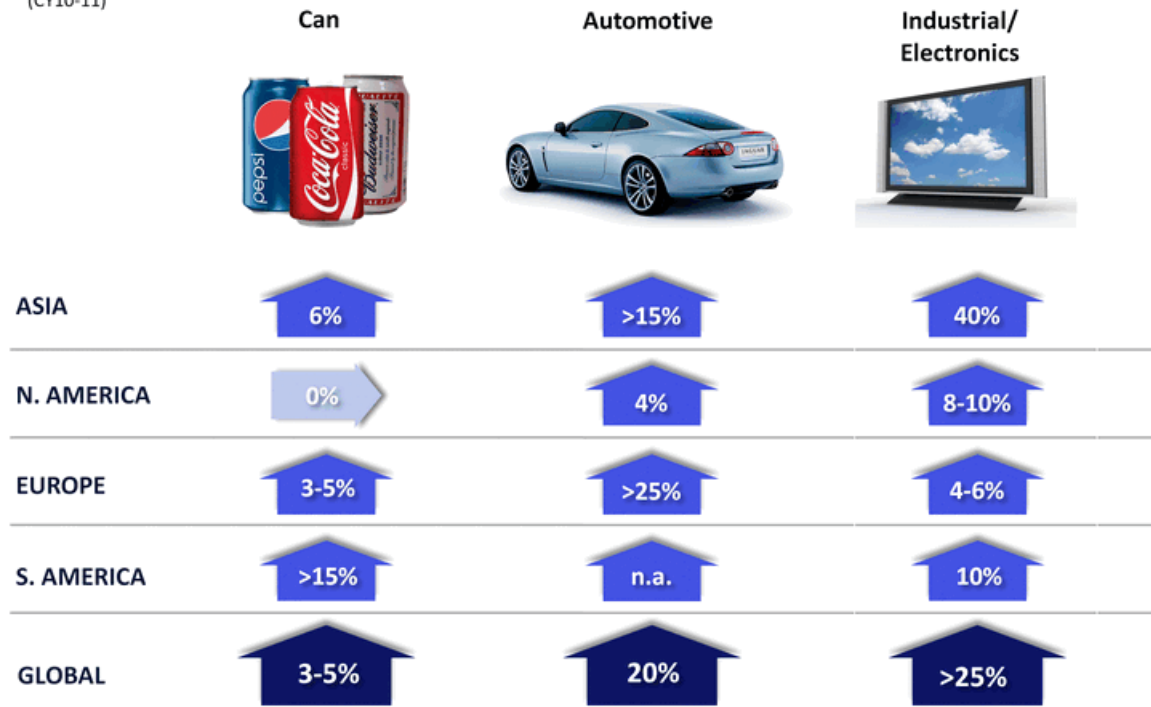
- Reducing Costs Globally

- Debottlenecking Initiatives

Accelerating Profitable Growth in Key Segments

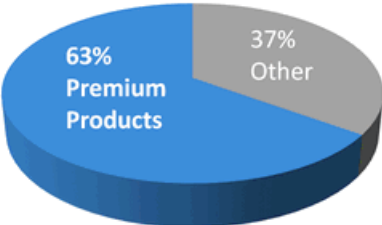
Strong Market Growth

(CY10-11)

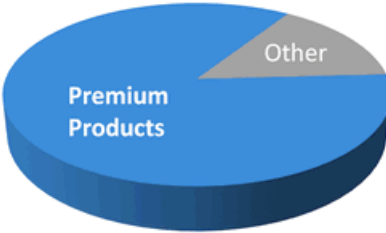


Optimizing Product Portfolio

Current State (FY10)



Future State



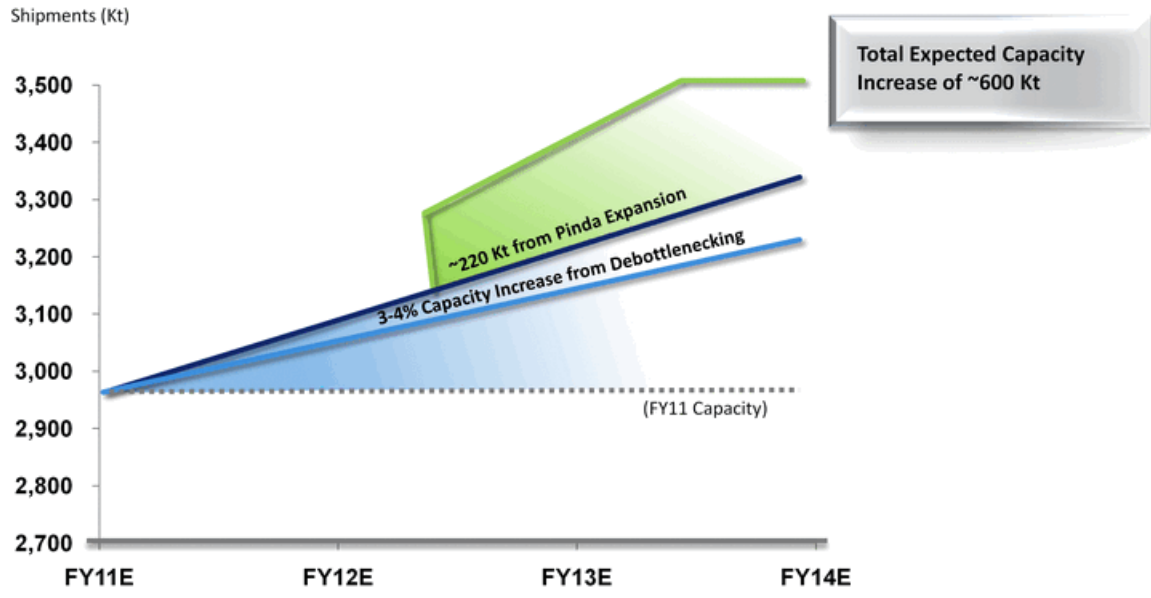
Accelerating Profitable Growth in Key Segments

Plant Closure Would Increase Our Focus on Premium Products and Reduce Costs

Bridgnorth:

- Allows for Incremental Production of Higher Margin Products within Our European Footprint
- Reduces Annual Operating Costs by ~\$15 million

Incremental Capacity Through Pinda Expansion and Debottlenecking



Increase Capacity ~20% by FY14

QUESTIONS AND ANSWERS

APPENDIX

Income Statement Reconciliation to Adjusted EBITDA

(in \$ m)	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	FY 09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	FY 10	Q1 FY11	Q2 FY11
Net Income (loss) Attributable to Our Common Shareholder	24	(104)	(1,814)	(16)	(1,910)	143	195	68	(1)	405	50	62
- Interest, net	(40)	(41)	(44)	(43)	(168)	(40)	(41)	(42)	(41)	(164)	(36)	(37)
- Income tax (provision) benefit	(35)	168	196	(83)	246	(112)	(87)	(48)	(15)	(262)	(15)	(56)
- Depreciation and amortization	(116)	(107)	(107)	(109)	(439)	(100)	(92)	(93)	(99)	(384)	(103)	(104)
- Noncontrolling interests	(2)	-	9	5	12	(18)	(19)	(13)	(10)	(60)	(9)	(11)
EBITDA	217	(124)	(1,868)	214	(1,561)	413	434	264	164	1,275	213	270
- Unrealized gain (loss) on derivatives	20	(221)	(463)	145	(519)	299	254	62	(37)	578	(47)	1
- Impairment charges	-	-	(1,500)	-	(1,500)	-	-	-	-	-	-	-
- Gain on debt exchange	-	-	-	122	122	-	-	-	-	-	-	-
- Proportional consolidation	(18)	(18)	(14)	(16)	(66)	(16)	(17)	2	(20)	(51)	(10)	(11)
- Restructuring charges, net	1	-	(15)	(81)	(95)	(3)	(3)	(1)	(7)	(14)	(6)	(9)
- Others costs, net	(4)	27	(3)	(9)	11	9	-	2	(3)	8	13	(1)
Adjusted EBITDA	218	88	127	53	486	124	200	199	231	754	263	290
Other Income (expense) Included in Adjusted EBITDA												
- Metal price lag	38	(11)	(2)	(5)	20	(30)	(10)	3	2	(35)	9	19
- Foreign currency remeasurement	(24)	(53)	29	(18)	(66)	5	13	(6)	4	16	(22)	20
- Purchase accounting	62	58	50	53	223	52	49	42	(2)	141	-	(4)
- Can price ceiling, net	(74)	(72)	(40)	(40)	(226)	(54)	(54)	(20)	-	(128)	-	-

Free Cash Flow

(in \$m)	FY09					FY10					FY11	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
Cash Provided by (used in) Operating Activities	(351)	(31)	(32)	194	(220)	256	195	179	214	844	22	102
Cash Provided by (used in) Investing Activities	16	28	48	(219)	(127)	(233)	(196)	(55)	0	(484)	27	(2)
Less: Proceeds from Sales of Fixed Assets	(1)	(1)	(2)	(1)	(5)	(3)	(1)	0	(1)	(5)	(15)	(3)
Free Cash Flow	(336)	(4)	14	(26)	(352)	20	(2)	124	213	355	34	97

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.