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

Form 10-K/A

Amendment No. 1

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005

Or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number 001-32312

Novelis Inc.
(Exact name of registrant as specified in its charter)

Canada *(State or other jurisdiction of incorporation or organization)*	**98-0442987** *(I.R.S. Employer Identification No.)*
3399 Peachtree Road NE; Suite 1500 **Atlanta, Georgia** *(Address of principal executive offices)*	**30326** *(Zip Code)*

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

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares, no par value	New York Stock Exchange
Common Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Securities Exchange Act of 1934:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes o No þ

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o Accelerated filer o Non-accelerated filer þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2005 was approximately $1,900,465,066 based on the closing price of the registrant's common shares on the New York Stock Exchange on such date. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of June 30, 2006, the registrant had 74,005,649 common shares outstanding.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A amends our Annual Report on Form 10-K for the year ended December 31, 2005, initially filed with the Securities and Exchange Commission (SEC) on August 25, 2006 (the original Form 10-K), to correct errors contained in Part III, Item 11 (Executive Compensation) and Item 12 (Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters) of the original Form 10-K.

One error relates to the incorrect identification of one of our four most highly compensated executive officers, other than the chief executive officer, (our Named Executive Officers) to be included in the original Form 10-K. Our Named Executive Officers should have included David Godsell, our Vice President, Human Resources and Environment, Health and Safety; however, the original Form 10-K incorrectly included Pierre Arseneault, our former Vice President Strategic Planning and Information Technology as a Named Executive Officer. This Form 10-K/A correctly identifies our Named Executive Officers and provides the relevant compensation and security ownership information for these officers. This Form 10-K/A also includes a correction to the bonus amount earned by Kevin Greenawalt, our Senior Vice President and President — North America, in 2005, which was overstated by $5,985 in our original Form 10-K.

This Form 10-K/A amends and restates Item 9A of Part II and Items 11 and 12 of Part III and amends Item 15 of Part IV of the original Form 10-K, and no other items in the original Form 10-K are amended hereby. Except to account for the amended and restated information described above, the foregoing items have not been updated to reflect events occurring after the filing date of the original Form 10-K. Accordingly, this Form 10-K/A should be read in conjunction with our filings made with the SEC on and after the filing of the original Form 10-K. Pursuant to the rules of the SEC, Item 15 of Part IV of the original Form 10-K has been amended to contain currently-dated certifications from our chief executive officer and chief financial officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

Concurrently with the filing of this Form 10-K/A, we are filing additional soliciting material to make conforming amendments to the executive compensation and security ownership information contained in our proxy statement related to the 2006 annual meeting of shareholders and initially filed with the SEC on September 15, 2006.

Unless otherwise specifically identified as the "original Form 10-K" or the "Form 10-K/A", any references to the Form 10-K made throughout this document shall refer to the Form 10-K filed with the SEC on August 25, 2006, as amended.

TABLE OF CONTENTS

PART II

Item 9A. *Controls and Procedures*

As a result of the restatement of our unaudited condensed consolidated and combined financial statements for the quarters ended March 31, 2005 and June 30, 2005, we delayed the filing of this Annual Report on Form 10-K for the year ended December 31, 2005 and our quarterly reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006. The delay in filing these financial statements is a direct result of the time needed to complete our recent financial review and restatement, which we concluded on May 16, 2006.

As a result of the identification of errors requiring us to restate our unaudited condensed consolidated and combined financial statements for the quarters ended March 31, 2005 and June 30, 2005, the Audit Committee engaged special legal counsel and accounting advisors to assist management in conducting a full review of matters relating to reserves and contingencies as well as adjustments made to arrive at our opening balance sheet entries as of January 6, 2005. This review identified additional accounting errors in our unaudited condensed consolidated and combined financial statements. The review uncovered no evidence of fraud, intentional misconduct or concealment on the part of us, our officers or employees.

Evaluation of disclosure controls and procedures

In connection with the preparation of this Annual Report on Form 10-K for the year ended December 31, 2005, members of management, at the direction (and with the participation) of our chief executive officer and chief financial officer, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), as of December 31, 2005 and concluded that they were not effective as a result of (1) the material weaknesses described below that were identified in connection with the restatement of our unaudited condensed consolidated and combined financial statements for the interim periods ended March 31, 2005 and June 30, 2005 and (2) the error in identifying one of our four most highly compensated executive officers, other than the chief executive officer, in our original Form 10-K for the year ended December 31, 2005, that was filed on August 25, 2006. Disclosure controls and procedures are controls and other procedures that are designed to ensure that the information required to be disclosed in reports filed or submitted under the Exchange Act, is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Material weaknesses

A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

We were not required by Section 404 of the Sarbanes-Oxley Act of 2002 (Section 404) and related SEC rules and regulations to perform an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2005. We are, however, required to perform such an evaluation for the year ending December 31, 2006 and such evaluation will be based on the criteria set forth in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We cannot assure you that the material weaknesses described below will be fully remediated prior to the conclusion of this evaluation, or that we will not uncover additional material weaknesses as of December 31, 2006.

While we were not required to conduct a Section 404 evaluation, as of December 31, 2005, we identified the following material weaknesses:

- *Lack of sufficient resources in our accounting and finance organization.* We lacked a sufficient complement of personnel with a level of financial reporting expertise commensurate with our financial reporting requirements, which resulted in our not maintaining effective controls over the financial statement close and reporting process. Specifically, as a result of our separation from Alcan, which involved a series of complex transactions, including corporate restructurings and refinancing activities, we lacked sufficient resources to properly perform the quarterly and annual financial statement close processes, including the review of certain account reconciliations and financial statement preparation and disclosures. Further, we did not maintain an effective internal audit function. Following our separation from Alcan, there was a lack of leadership of the internal audit function and lack of independence of internal audit personnel from the finance and accounting function due to the lines of reporting, which impacted the effectiveness of the monitoring of our internal control over financial reporting. This control deficiency contributed to the material weaknesses discussed below.

- *Inadequate monitoring of non-routine and non-systematic transactions.* We did not have effective controls in place to monitor and accurately record non-routine and non-systematic transactions. Specifically, the accounting for the spin-related capital and debt transactions required to form Novelis was not adequately monitored to ensure that these transactions were appropriately accounted for in accordance with GAAP. This control deficiency primarily affected Additional paid-in capital, Currency translation adjustments and Income taxes.

- *Accounting for accrued expenses.* We did not maintain effective controls over the completeness and accuracy of certain of our accrued liabilities and related expense accounts, in particular, the ongoing monitoring of developments affecting our accrued liabilities. Specifically, lines of communication between our internal legal department and external counsel in Brazil were inadequate to timely identify and accurately report new developments in legal proceedings to ensure they were accounted for in accordance with GAAP. In addition, we did not maintain effective controls to ensure that liabilities related to Brazilian labor claims were accurately presented and appropriately reviewed to ensure recognition in the proper period in accordance with GAAP. These matters primarily affected Accrued expenses and other current liabilities, Other long-term liabilities, Cost of sales and operating expenses and Other income — net.

- *Accounting for Income Taxes.* We did not maintain effective controls over the completeness, accuracy, presentation and disclosure of our accounting for income taxes, including the determination of income tax expense, income taxes payable and deferred income tax assets and liabilities. Specifically, we did not maintain effective controls to (1) timely record additional income taxes related to the deemed disposal of goodwill, (2) account for income taxes on the currency translations related to intercompany loans to our European subsidiaries, (3) ensure that proper allocation of currency gains/losses between capital and operating were used in calculating the quarterly effective tax rate, and (4) account for certain Brazilian tax loss carryforwards. This control deficiency affected Income taxes, Accrued income taxes, Deferred income taxes and Accumulated other comprehensive income.

- *Accounting for derivative transactions.* We did not maintain effective controls over the evaluation, documentation and accounting for derivative transactions, including transactions that we attempted to qualify for hedge accounting, in compliance with GAAP, which affected the accounting for Fair value of derivative contracts, Cost of sales and operating expenses, Other income — net, and Other comprehensive income (loss).

The above control deficiencies resulted in the need for restatement of our unaudited condensed consolidated and combined financial statements for the quarters ended March 31, 2005 and June 30, 2005, audit adjustments to the quarter ended September 30, 2005 and the delay of the filing of this Annual Report on Form 10-K for the year ended December 31, 2005 and our quarterly reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006. Additionally, these control deficiencies could result in a misstatement in the aforementioned account balances or disclosures that would result in a material misstatement to our annual or interim financial statements that would not be prevented or detected.

Notwithstanding the above material weaknesses, management has concluded that our annual consolidated and combined financial statements were prepared in accordance with GAAP. Accordingly, the annual consolidated and combined financial statements included in our Annual Report on this Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented in accordance with GAAP.

Other Disclosure Control and Procedures Deficiencies

We have identified an error in our original Form 10-K for the year ended December 31, 2005, initially filed with the SEC on August 25, 2006, relating to the incorrect identification of one of our four most highly compensated executive officers, other than our chief executive officer (our Named Executive Officers). David Godsell, our Vice President, Human Resources and Environment, Health and Safety, should have been identified as a Named Executive Officer rather than Pierre Arseneault, our former Vice President Strategic Planning and Information Technology. This Form 10-K/A amends and restates Item 9A of Part II and Items 11 and 12 of Part III and amends Item 15 of Part IV of the original Form 10-K to correct this error and a subsequently discovered error whereby we overstated the bonus amount reported for another Named Executive Officer by $5,895.

Remediation efforts

Management, with Audit Committee oversight, has begun implementing the following actions to remediate the material weaknesses and deficiencies in disclosure controls and procedures described above:

1. *Efforts to strengthen accounting and finance department through additional professional staff.* We have hired a number of additional professional staff over the past several months with the skills and experience needed for a global public company of our size and complexity, including an individual with expertise in and responsibility for derivative accounting. We will continue to seek to strengthen our accounting and finance department and strive to appropriately balance the allocation of full-time staff and consultants. As previously announced, in the second quarter of 2006, we hired Rick Dobson as our new senior vice president and chief financial officer and Robert M. Patterson as our new vice president, controller and chief accounting officer. The development of adequate corporate level accounting and finance oversight is still ongoing. We are still recruiting accounting and finance personnel and do not yet have permanent resources in place sufficient to close our books without significant reliance on third-party contractors.

2. *Hiring of chief internal auditor.* In January 2006, a new chief internal auditor was hired. The new chief internal auditor reports to our Audit Committee and has been charged with the responsibility of improving the overall effectiveness of the internal audit function. In addition, the new chief internal auditor has been charged with strengthening the internal audit department and overseeing our Section 404 evaluation of internal control over financial reporting, which will include evaluating and recommending improvements in the existing internal controls at both the corporate and business group level and establishing a mechanism to monitor the effectiveness of internal controls on an ongoing basis.

3. *Use of outside consultants and advisors.* While we ultimately intend to reduce our reliance on outside consultants, for the near term we have engaged additional outside consultants and advisors to assist management in oversight and preparation of our financial statements, periodic reports filed with the SEC and related matters. As we strengthen our accounting and finance department, we intend to transition more of these functions to full-time staff.

4. *Increased communication internally and with outside advisors.* We have increased communication by and among senior management, external advisors and other third parties relevant to the disclosure process. Specifically, the chief executive officer meets weekly with his management team to review operational developments and he receives written departmental reports from his executive team monthly. The Board of Directors receives timely and regular updates on issues of importance. The chief executive officer also prepares a report to the Board of Directors highlighting operational and financial results which is also distributed to his executive team.

5. *Enhanced efforts to identify non-routine transactions.* We have initiated bi-weekly meetings with

regional finance leaders to identify non-routine transactions and their related accounting treatment at an early stage. Additionally, each quarter our controller distributes a list of non-routine transactions to members of management for their review and verification.

6. *Disclosure controls and procedures improvements.* With respect to the preparation of periodic reports to be filed with the SEC, we have instituted formal meetings of key personnel involved in the process and developed detailed checklists and timetables with appropriate responsibilities and structural processes. In addition, we are utilizing a system of uniform document management (e.g., numbering, dating, and red-lining drafts) and improved coordination of the drafting process with respect to our earnings releases and periodic reports.

7. *Corporate level review.* Several corporate level accounting and finance review practices have been implemented to improve oversight into regional accounting issues, including quarterly balance sheet and income statement analytical reviews, quarterly reviews of legal matters, income taxes, derivatives, currency translation adjustments, and roll forward analyses of key balance sheet and income statement accounts and footnote disclosures. We have also implemented enhanced reporting procedures within our legal, accounting and finance departments to improve the accuracy, completeness and timeliness of reporting of legal matters, non-routine transactions and control deficiencies.

Management will consider the design and operating effectiveness of these actions and will make additional changes it determines appropriate. Additionally, we are currently reviewing the circumstances surrounding the error incorrectly identifying of one of our Named Executive Officers. Upon completion of this review we will determine the necessary course of action to remediate our disclosure controls and procedures in this area.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in internal control over financial reporting and related matters

As announced on June 28, 2006, we appointed Rick Dobson as our new senior vice president and chief financial officer. Prior to joining our company, Mr. Dobson was the chief financial officer of Aquila, Inc., a Kansas City, Missouri based operator of electricity and natural gas distribution utilities, since 2002. On March 20, 2006, we announced that Robert M. Patterson joined Novelis as a senior finance professional; Mr. Patterson later assumed the responsibilities of vice president, controller and chief accounting officer in the second quarter of 2006 once our previous controller completed her work for us. While we expect a smooth transition in the leadership of our accounting and finance organization, we cannot assure you that the departure of our previous chief financial officer and our previous controller will not lead to one or more material changes in our internal control over financial reporting during a future period.

Other than the remedial measures described above that impacted our internal control over financial reporting during the quarter ended December 31, 2005, there were no other changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended December 31, 2005.

PART III

Item 11. *Executive Compensation*

Directors' Compensation

Each of our non-executive directors is entitled to receive compensation equal to $150,000 per year, payable in quarterly installments, except that the directors who are members of our Audit Committee are entitled to $155,000. The chairman of our board of directors is to receive compensation equal to $250,000 per year, and the chair of our Audit Committee is entitled to receive $175,000 per year. We have adopted a Deferred Share Unit Plan for Non-Executive Directors, pursuant to which 50% of our directors' compensation is required to be paid in the form of director's deferred share units (DDSUs), and 50% in the form of either cash, additional DDSUs, or a combination of the two at the election of each non-executive director, unless otherwise determined by our Human Resources Committee. An employee of our company who is a director is not entitled to receive fees for serving on our board of directors.

Because at least half of our non-executive directors' compensation will be paid in DDSUs, our non-executive directors are not required to own a specific amount of our common shares. DDSUs are the economic equivalent of our common shares. A director cannot redeem the accumulated DDSUs until he or she ceases to be a member of our board of directors.

Our board of directors believes that compensation in the form of DDSUs together with the requirement that our non-executive directors retain all DDSUs until they cease to be a director helps to align the interests of our non-executive directors with those of our shareholders.

The number of DDSUs to be credited to the account of a non-executive director each quarter will be determined by dividing the quarterly amount payable in DDSUs, by the average closing prices of a common share on the Toronto and New York stock exchanges on the last five trading days of each quarter. Additional DDSUs will be credited to each non-executive director corresponding to dividends declared on our common shares. The DDSUs are redeemable only upon termination of the directorship and may be redeemed in cash, our common shares or a combination thereof, at the election of the director. The amount to be paid by us upon redemption will be calculated by multiplying the accumulated balance of DDSUs by the average closing prices of a common share on the Toronto and New York stock exchanges on the last five trading days prior to the redemption date. For services rendered by directors in 2005, 57,051 DDSUs were granted.

Our non-executive directors are entitled to reimbursement for transportation, lodging and other expenses incurred in attending meetings of our board of directors and meetings of committees of our board of directors. Our non-executive directors who are not Canadian residents are entitled to reimbursement for tax advice related to compensation.

The following table sets out the individual election of each non-executive director in relation to their compensation.

Name	Portion of Fees Paid in the Form of DDSUs	Portion of Fees Paid in Cash	Amount of Fees Paid in Cash (US$)
Edward Blechschmidt	100%	0%	—
Jacques Bougie, O.C	100%	0%	—
Charles G. Cavell	50%	50%	77,500
Clarence J. Chandran	100%	0%	—
C. Roberto Cordaro	50%	50%	75,000
Helmut Eschwey	50%	50%	75,000
David J. FitzPatrick	50%	50%	64,583
Suzanne Labarge	50%	50%	87,500
William T. Monahan	50%	50%	75,000

Name	Portion of Fees Paid in the Form of DDSUs	Portion of Fees Paid in Cash	Amount of Fees Paid in Cash (US$)
J.E. Newall	100%	0%	—
Rudolf Rupprecht	50%	50%	77,500
Kevin Twomey	50%	50%	—
Edward Yang	50%	50%	77,500

Executive Compensation

Our Human Resources Committee is responsible for administering the compensation program for our executive officers. Our executive compensation program is based upon a pay-for-performance philosophy. Under our program, an executive's compensation has three components, namely, base salary, short-term (annual) incentive awards (STIP) and long-term incentives. Our Human Resources Committee is assisted by independent consultants.

Base Salary

The target base salary is the median of a salary range for an executive officer and reflects the competitive level of similar positions in a compensation peer group and as reported in the survey information. Actual base salaries for executive officers reflect the individual's performance and contribution to the company. Base salaries of executive officers are therefore reviewed annually and any proposed changes are approved by our Human Resources Committee before implementation. The board of directors must approve base salaries for the most senior of the executive officers including those listed in the Summary Compensation Table. We have established a compensation peer group, and we utilize published survey information from established human resources consulting firms.

Short-Term (Annual) Incentives

We provide annual incentive benefits, which are administered by our Human Resources Committee. Short-term incentive awards are determined by three components, each based on a different aspect of our performance. For each position, a target award is set (expressed as "percent of base salary midpoint") reflecting both the responsibilities of the position and the competitive compensation levels. For 2005, the short-term incentive awards were determined by performance measured against the following three components:

1. 50% of the incentive opportunity of an executive is based on our overall cash flow generation as measured against working capital turns improvement;

2. 40% of the incentive opportunity is based on our profitability as measured against economic value added targets, or EVA (a registered trademark of Stern Stewart & Co.); and

3. 10% of the incentive opportunity is based on the achievement of environment, health and safety objectives as measured against pre-established continuous improvement targets.

The overall award paid is the sum of the weighted results of each component, modified for individual performance and contribution to the company. Currently, short-term incentive awards are paid in cash. For 2006, the three measurement criteria described above will remain unchanged except that 40% of the incentive opportunity will now be measured against Regional Income targets instead of EVA targets. If the 2006 Incentive Plan is approved by our shareholders at the 2006 annual meeting of shareholders, short-term incentive awards may be paid in cash, common shares or a combination of both. The award paid may range from zero when the results achieved are less than the minimum target thresholds set by our Human Resources Committee, up to 200% of the target award when the results achieved are at or exceed the maximum target level which was set by our Human Resources Committee. For 2005, executive officers earned STIP awards that were generally above the target amounts reflecting performance on the three performance components that was above the pre-established targets.

Long-Term Incentives

The purpose of our long-term incentives is to attract and retain employees and to encourage them to contribute to our growth and long-term success. Long-term incentives are tied to the successful share price performance of the company thereby aligning the interests of our executives with those of our shareholders.

Table of Contents

Stock Options

On January 5, 2005, our board of directors adopted the Novelis Conversion Plan of 2005 (the Conversion Plan) to allow for all Alcan stock options held by employees of Alcan who became our employees following our spin-off from Alcan to be replaced with options to purchase our common shares. While new options may be granted under the Conversion Plan, there were no new options granted in 2005 under the plan. As of December 31, 2005 our employees held stock options covering 2,704,790 of our common shares at a weighted average exercise price per share of $21.60. No future awards will be granted under the Conversion Plan if the 2006 Incentive Plan is approved by our shareholders at the 2006 annual meeting of shareholders. All converted options that were vested on the spin-off date continued to be vested. Unvested options vest in four equal annual installments beginning on January 6, 2006, the first anniversary of the spin-off date. In the case of an unsolicited change of control of Novelis, all options will become immediately exercisable.

Stock Price Appreciation Units

Our board of directors approved the Stock Price Appreciation Unit Plan, effective as of January 5, 2005. Prior to the spin-off date, a small number of Alcan employees held Alcan stock price appreciation units (SPAUs) entitling them to receive cash in an amount equal to the excess of the market value of an Alcan common share on the SPAU exercise date over the market value of an Alcan common share on the SPAU grant date. As of the spin-off date, we replaced all of the Alcan SPAUs held by employees of Alcan who became our employees, including our executive officers, with Novelis SPAUs. There were no new SPAUs granted in 2005 under the plan. No future awards will be granted under the Stock Price Appreciation Unit Plan if the 2006 Incentive Plan is approved by our shareholders at the 2006 annual meeting of shareholders. As of December 31, 2005, our employees held 418,777 SPAUs at a weighted average price of $22.04. All converted SPAUs that were vested on the spin-off date continued to be vested. Unvested SPAUs vest in four equal annual installments beginning on January 6, 2006, the first anniversary of the spin-off date. In the case of a change of control of Novelis, all SPAUs will become immediately exercisable.

Novelis Founders Performance Awards

On March 24, 2005, our board of directors adopted the Novelis Founders Performance Award Plan (the Founders Plan) to allow for an additional compensation opportunity tied to Novelis share price improvement targets for certain of our executives approved by the Human Resources Committee, including those listed in the Summary Compensation Table. Participants earn performance share units (PSUs) if Novelis share price improvement targets are achieved within prescribed time periods. The Founders Plan identifies three relevant performance periods. The first performance period runs from March 24, 2005 to March 23, 2008, the second performance period runs from March 24, 2006 to March 23, 2008 and the third performance period runs from March 24, 2007 to March 23, 2008. The share price improvement targets for these three tranches are $23.57, $25.31 and $27.28, respectively. Participants are eligible to receive an aggregate of 536,100 PSUs under the plan, but only if the share price improvement targets are achieved. An equal amount of PSUs may be earned during each performance period if the applicable share price improvement target is achieved during such period. As described below in footnote 1 under the caption “Long-Term Incentive Plan Table — Founders Plan,” in March 2006 Mr. Sturgell and our board of directors agreed to alter the allocation of Mr. Sturgell’s PSUs for each of the three tranches.

If earned, a particular tranche will be paid in cash on a particular “payment date,” which is defined as the later of six months from the date the specific share price improvement target is achieved or twelve months after the start of the applicable performance period. The value of a PSU equals the average of the daily closing price of our common stock as reported on the New York Stock Exchange for the last five trading days prior to the payment date. For example, the share price improvement target for the performance period running from March 24, 2005 to March 23, 2008 has already been achieved and 180,350 PSUs were earned on June 20, 2005. Subsequent to June 30, 2005, 48,500 PSUs were forfeited, leaving 131,850 PSUs still active. The value of each of these PSU’s was calculated in the manner described above using a valuation date of March 24, 2006 (which is the date that is twelve months after the start of the applicable performance period). In April 2006, these PSUs were settled in cash in the amount of $2,655,459.

On March 14, 2006, the board of directors amended the Founders Plan in order to clarify when PSUs will be earned under the second and third tranches of the Founders Plan for periods beginning in 2006 and 2007, respectively. The amended Founders Plan now provides that the second and third tranches of PSUs will be earned if, during the period of each tranche, the share price reaches (or exceeds) the target price and is maintained or exceeded for 15 consecutive trading days during an open trading period for directors and executive officers. An open trading period is any period, other than a trading blackout period, in which directors and executives are free to purchase or sell shares of our common stock. Previously, the plan did not specify that the 15-day vesting period must occur during an open trading period.

Summary Compensation Table

The following table sets out the compensation for our chief executive officer and the four other most highly compensated executive officers (collectively, the Named Executive Officers) for the years ended December 31, 2005, December 31, 2004 and December 31, 2003.

		Annual Compensation			Long-Term Compensation Awards		
Name And Principal Position	Year	Salary ($)	Bonus (Executive Performance Award) ($)	Other Annual Compensation(1) ($)	Restricted Share Units ($)	Shares Under Options Granted/ SPAUs(2) (#)	All Other Compensation(3) ($)
Brian W. Sturgell	2005	985,000	820,147	426,371(4)	3,876,090(5)	—	223,157(7)
(President and Chief	2004	781,200	932,257	280,686(4)	—	438,751	41,301
Executive Officer)	2003	600,000	561,845	254,115(4)	347,212(6)	138,114	29,679
Martha Finn Brooks	2005	655,000	716,252	298,669(8)	1,828,600(5)	—	1,889,844(9)
(Chief Operating Officer)	2004	514,400	631,538	50,723(8)	—	155,974	14,666
	2003	440,000	445,608	32,661	—	71,438	16,440
Christopher Bark-Jones	2005	440,611	472,667	20,289	1,440,034(5)	—	—
(President — European	2004	440,600	395,210	43,892	—	127,398	—
Operations)(12)	2003	375,000	465,972	9,659	—	54,769	8,348
Kevin Greenawalt	2005	310,000	317,205	18,450	439,044(5)	—	11,933
(President — North	2004	255,400	192,850	582,751(10)	—	29,766	15,655
American Operations)	2003	230,800	175,440	381,849(10)	—	16,669	16,922
David Godsell	2005	310,000	275,244	129,590(11)	211,582	—	13,604
(Vice President, Human	2004	225,850	148,781	15,802	—	18,455	14,817
Resources and Environment,	2003	216,263	98,762	13,646	—	8,930	13,751
Health and Safety)							

(1) In addition to tax equalization payments and perquisites listed separately below, amounts included in this column for one or more Named Executive Officers include the following perquisites that are either in the aggregate valued at the lesser of $50,000 or 10% of the Named Executive Officer's total salary and bonus or represent less than 25% of the perquisites reported for a given year: amounts relating to professional financial advice, club memberships, automobile allowance, education expenses, relocation allowances, housing expenses (including interest on housing-related loans transferred to third party financial institutions) and cash payments to be used for perquisites at the Named Executive Officer's discretion.

(2) See "— Long-Term Incentives — Stock Options" above for a description of the Conversion Plan and "— Long-Term Incentives — Stock Price Appreciation Units" above for a description of the Stock Price Appreciation Unit Plan. On January 6, 2005, Alcan stock options held by employees of Alcan who became our employees following our spin-off from Alcan were replaced with options to purchase our common shares. The number of options shown for periods prior to 2005 have been recast from the number of Alcan options granted into the as-converted number of Novelis options. On January 6, 2005, all Alcan SPAUs held by our employees were replaced with Novelis SPAUs. The number of SPAUs for periods prior to 2005 have been recalculated from the number of Alcan SPAUs granted into the as-converted number of Novelis SPAUs.

(3) In addition to the other amounts stated separately below, “All Other Compensation” for each of our Named Executive Officers for 2005 includes:

- savings plan contributions; and
- amounts paid by us for term life insurance.

The following table shows the amount of these benefits received by each Named Executive Officer for 2005:

Name	Savings Plan Contributions ($)	Life Insurance ($)
Brian W. Sturgell	57,614	16,452
Martha Finn Brooks	22,509	2,644
Christopher Bark-Jones	0	0
Kevin Greenawalt	10,617	1,316
David Godsell	11,196	2,408

(4) Amounts include $393,941 (in 2005), $254,756 (in 2004) and $219,155 (in 2003) for tax equalization payments (i.e., amounts paid such that net income after taxes was not less than it would have been in the United States).

(5) The Named Executive Officers were participants in the Alcan Total Shareholder Returns Performance Plan (TSR Plan) prior to the spin-off. On January 6, 2005, our employees who were Alcan employees immediately prior to the spin-off and who were eligible to participate in the Alcan TSR Plan ceased to actively participate in and accrue benefits under the TSR Plan. The accrued award amounts for each participant in the TSR Plan were converted into Novelis restricted share units. The then current three-year performance periods, namely 2002 — 2005 and 2003 — 2006, were truncated as of the date of the spin-off. At the end of each performance period, each holder of restricted share units will receive the net proceeds based on our common share price at that time, including declared dividends. The number of restricted share units granted to our Named Executive Officers and the dollar value of such restricted share units as of January 6, 2005 was as follows:

Name	Restricted Share Units (#)	Value of Restricted Share Units ($)
Brian W. Sturgell	166,213	3,876,090
Martha Finn Brooks	78,413	1,828,600
Christopher Bark-Jones	61,751	1,440,034
Kevin Greenawalt	18,827	439,044
David Godsell	9,073	211,582

(6) Represents the value, at the time of the grant, of restricted share units granted prior to our spin-off from Alcan. These restricted share units vested in full and were paid in January 2005.

(7) Includes $149,092 that we were obligated to pay under an Alcan employee compensation plan as part of our spin-off from Alcan. No future payments will be required under the plan.

(8) Amounts for 2005 include reimbursement of relocation expenses of $266,245. Amounts for 2004 include $18,211 for tax equalization.

(9) Includes $1,864,691 for the cash payout of deferred share units received prior to the spin-off that were converted to Novelis deferred share units as part of the spin-off. The deferred units vested and were paid in August 2005.

(10) Amounts include $369,293 (in 2004) and $154,815 (in 2003) for tax equalization payments.

(11) Amounts for 2005 include reimbursement of relocation expenses of $123,896.

(12) Chris Bark-Jones stepped down as Senior Vice President and President — European Operations on May 1, 2006.

Fiscal Year-End Option/SPAU Table

The following table summarizes, for each of the Named Executive Officers, the total number of shares underlying unexercised options held on December 31, 2005 and the aggregate value of unexercised in-the-money options on December 31, 2005, which is the difference between the exercise price of the options and the market value of the shares on December 31, 2005, which was $20.89 per share. The aggregate values indicated with respect to unexercised in-the-money options at fiscal year-end have not been, and may never be, realized. These options have not been, and may never be exercised and actual gains, if any, on exercise will depend on the value of the shares on the date of exercise. There can be no assurance that these values will be realized.

Name	Shares Underlying Unexercised Options and SPAUs on December 31, 2005(1) (#)		Value of Unexercised In-the-Money Options and SPAUs on December 31, 2005(1) ($)	
Brian W. Sturgell	Options (E):	—	E:	—
(President and Chief Executive Officer)	Options (U):	753,477	U:	508,995
Martha Finn Brooks	Options (E):	89,960	E:	—
(Chief Operating Officer)	Options (U):	298,121	U:	129,679
Christopher Bark-Jones	Options (E):	—	E:	—
(President — European Operations)	Options (U):	4,630	U:	9,029
	SPAUs (E):	—	E:	—
	SPAUs (U):	213,850	U:	123,926
Kevin Greenawalt	Options (E):	—	E:	—
(President — North American Operations)	Options (U):	48,550	U:	35,438
	SPAUs (E):	—	E:	—
	SPAUs (U):	22,952	U:	31,666
David Godsell	Options (E):	3,969	E:	—
(Vice President, Human Resources and Environment, Health and Safety)	Options (U):	41,604	U:	43,384

(1) E: Exercisable U: Unexercisable

Long-Term Incentive Plan Table — Founders Plan

As described above under the caption "Long-Term Incentives — Founders Performance Awards," on March 24, 2005, our board of directors adopted the Founders Plan to allow for an additional compensation opportunity tied to Novelis share price improvement targets for certain of our executives approved by the Human Resources Committee. Participants earn PSUs if Novelis share price improvement targets are achieved within three performance periods: March 24, 2005 to March 23, 2008; March 24, 2006 to March 23, 2008; and March 24, 2007 to March 23, 2008. The table below sets forth performance share unit tranches representing the number of PSUs that participants are eligible to receive for the three performance periods under the plan if share improvement targets are achieved. The share price improvement targets for these three tranches are $23.57, $25.31 and $27.28, respectively.

Name	Units Granted	Performance Period
Brian W. Sturgell(1)	0	March 24, 2005 to March 23, 2008
(President and Chief Executive Officer)	70,275	March 24, 2006 to March 23, 2008
	70,275	March 24, 2007 to March 23, 2008

Name	Units Granted	Performance Period
Martha Finn Brooks	23,750(2)	March 24, 2005 to March 23, 2008
(Chief Operating Officer)	23,750	March 24, 2006 to March 23, 2008
	23,750	March 24, 2007 to March 23, 2008
Christopher Bark-Jones	7,200(2)	March 24, 2005 to March 23, 2008
(President — European Operations)	7,200	March 24, 2006 to March 23, 2008
	7,200	March 24, 2007 to March 23, 2008
Kevin Greenawalt	7,200(2)	March 24, 2005 to March 23, 2008
(President — North American	7,200	March 24, 2006 to March 23, 2008
Operations)	7,200	March 24, 2007 to March 23, 2008
David Godsell	6,000(2)	March 24, 2005 to March 23, 2008
(Vice President, Human Resources and Environment, Health and Safety)	6,000	March 24, 2006 to March 23, 2008
	6,000	March 24, 2007 to March 23, 2008

(1) On March 14, 2006, Mr. Sturgell agreed with the board of directors' decision that, in light of our 2005 and 2006 financial reporting delay and restatement, Mr. Sturgell would forfeit his performance share unit award for the first tranche of the award. The board of directors also approved an increase in the size of the award opportunity for Mr. Sturgell for the second and third tranches under the plan to provide an additional incentive for reaching the share price improvement targets for those tranches. The award size for each tranche was increased from a potential of 46,850 PSUs to a potential of 70,275 PSUs. The PSUs for the second and third tranches will not be earned unless the share price improvement targets specified in the Plan ($25.31 and $27.28, respectively) are achieved.

(2) The share price improvement targets for the first tranche were satisfied in June 2005. As a result, Ms. Brooks and Messrs. Bark-Jones, Greenawalt and Godsell received the full amount of their performance unit tranche for the performance period from March 24, 2005 to March 23, 2008. Ms. Brooks and Messrs. Bark-Jones, Greenawalt and Godsell received cash payments for the payout of these awards in April 2006 in the amounts of $478,325, $145,008, $145,008 and $120,840, respectively, which will be reported as 2006 compensation.

Retirement Benefits

Novelis Pension Plan for Officers

Our Human Resources Committee determines participants in the Pension Plan for Officers (PPO). This plan is a supplemental executive retirement plan that provides an additional pension benefit based on combined service up to 20 years as an officer of our company or of Alcan and eligible earnings which consist of the excess of the average annual salary and target short-term incentive award during the 60 consecutive months when they were the greatest over eligible earnings in the U.S. Plan or the U.K. Plan, as applicable. Both the U.S. Plan and U.K. Plan are described below. Each provides for a maximum pension benefit on eligible earnings that is established with reference to the position of the officer prior to being designated a PPO participant. The following table shows the percentage of eligible earnings in the PPO, payable upon normal retirement after age 60, according to combined years of service as an officer of our company or of Alcan.

Years as Officer			
5	10	15	20
15%	30%	40%	50%

The normal form of payment of pensions is a lifetime annuity. Pensions are not subject to any deduction for social security or other offset amounts.

Brian W. Sturgell and Christopher Bark-Jones are currently the only participants in the PPO. At age 65, the estimated credited years of combined service for Mr. Sturgell would be approximately 18 years and the estimated credited years of combined service for Mr. Bark-Jones would be approximately 10 years. Eligible earnings under the PPO for 2005 for Mr. Sturgell were $983,556 and were $282,414 for Mr. Bark-Jones.

U.S. Plan

During 2005, those of our employees previously participating in the Alcancorp Pension Plan and the Alcan Supplemental Executive Retirement Plan (collectively referred to as the U.S. Plan) received up to one year of additional service under each plan to the extent that such employees continued to be employed by us during the year. We paid to Alcan the normal cost (in the case of the Alcancorp Pension Plan) and the current service cost (in the case of the Alcan Supplemental Executive Retirement Plan) with respect to those employees. The U.S. Plan provides for pensions calculated based upon combined service with us or Alcan of up to 35 years. Eligible earnings consist of the average annual salary and the short-term incentive award up to its target during the 3 consecutive calendar years when they were the greatest, subject to a cap for those participating in the PPO.

Effective January 1, 2006, Novelis adopted the Novelis Pension Plan which provides benefits identical to the benefits provided under the Alcancorp Pension Plan. Executive officers who were participants in the Alcancorp Pension Plan will participate in the Novelis Plan. Executive officers who were not participants in the Alcancorp Pension Plan will not participate in the Novelis Plan. Executive officers who were hired on January 1, 2005 or later will participate in the Novelis Savings and Retirement Plan.

The following table shows estimated retirement benefits, expressed as a percentage of eligible earnings, payable upon normal retirement at age 65 according to years of combined service.

Years of Service					
10	**15**	**20**	**25**	**30**	**35**
17%	25%	34%	42%	51%	59%

The normal form of payment of pensions is a lifetime annuity with either a guaranteed minimum of 60 monthly payments or a 50% lifetime pension to the surviving spouse.

At age 65, the estimated credited years of combined service for Brian W. Sturgell, Martha Finn Brooks, Kevin Greenawalt and David Godsell would be approximately 25 years, 22 years, 39 years and 41 years, respectively. Eligible earnings under the plan for 2005 for Mr. Sturgell, Ms. Brooks, Mr. Greenawalt and Mr. Godsell were $938,340, $1,029,800, $443,000 and $398,560, respectively.

Individual Pension Undertakings

In addition to participation in the U.S. Plan described above, Martha Finn Brooks will receive from us a supplemental pension equal to the excess, if any, of the pension she would have received from her employer prior to joining Alcan had she been covered by her prior employer’s pension plan until her separation or retirement from Novelis, over the sum of her pension from the U.S. Plan and the pension rights actually accrued with her previous employer.

U.K. Plan.

The U.K. Plan, which was transferred to us from Alcan in connection with the spin-off, provides for pensions calculated on service of up to 40 years and eligible earnings, which consist of the average annual salary and the short-term incentive award up to its target during the last 12 months before retirement, subject to a cap for those participating in the PPO.

The following table shows estimated retirement benefits, expressed as a percentage of eligible earnings, payable upon normal retirement at age 65 according to combined years of service.

Years of Service					
10	**15**	**20**	**25**	**30**	**35**
17%	26%	35%	43%	52%	60%

The normal form of payment of pensions is a lifetime annuity with a guaranteed minimum of 60 monthly payments and a 60% lifetime pension to the surviving spouse.

Christopher Bark-Jones is the only executive officer entitled to participate in the U.K. Plan. At age 65, the estimated credited years of combined service for Mr. Bark-Jones would be approximately 34 years and his eligible earnings in 2005 were $480,386.

Value of the Retirement Benefits

A measure of the value of the U.S. Plan, U.K. Plan and of the Pension Plan for Officers that can be deemed to be part of the total 2005 compensation of the five aforementioned Named Executive Officers is the service cost of the plans. The service cost is the estimated present value of benefits attributable by the pension benefit formula to services rendered by the plan members during a given period. The valuation of benefits is based on actuarial assumptions in relation to future events that will vary by plan to take into account the general characteristics of its membership.

Another measure of the value of pension plans or pension benefits is the projected benefit obligation (PBO). The PBO is the actuarial present value of the part of the total pension payable at retirement that is attributable to service rendered up to the date of valuation.

The following table indicates the total projected annual pension of each Named Executive Officer from the plans described above, based on years of credited combined service up to the normal retirement age of 65 and eligible earnings to the end of 2005. The table also indicates 2005 service cost and the PBO as of December 31, 2005 in relation to each Named Executive Officer.

The service cost and the PBO amounts are only estimates using prevailing interest rates of the discounted value of contractual entitlements. The value of these estimated entitlements may change over time because they are based on long-term assumptions, such as the expected distribution of retirement ages, future compensation increases and life expectancy, that may not represent actual developments. Furthermore, the methods used to determine these amounts will not be the same as those used by other companies and therefore will not be directly comparable. The actuarial assumptions applied are the same as those used to determine the service cost and the benefit obligation as described in Note 15 to our combined and consolidated financial statements for the year ended December 31, 2005. There is no contractual undertaking by the company to pay benefits of equivalent amounts.

Name	Projected Annual Pension Payable at Age 65 ($)	2005 Service Cost ($)	Projected Benefit Obligation as of December 31, 2005 ($)
Brian W. Sturgell	850,068	425,124	5,261,224
Martha Finn Brooks	306,821	109,686	396,400
Christopher Bark-Jones	396,084	194,751	4,739,233
Kevin Greenawalt	235,673	52,933	1,271,600
David Godsell	201,161	454,453	1,090,200

Employment Agreements and Change of Control Agreements

In connection with our spin-off from Alcan, we entered into employment agreements with Brian W. Sturgell, our Chief Executive Officer, Martha Finn Brooks, our Chief Operating Officer, Chris Bark-Jones, President of our European operations, Kevin Greenawalt, President of our North American operations and David Godsell, our Vice President, Human Resources and Environment, Health and Safety, and other executive officers, setting out the terms and conditions of their employment. In 2005, under their respective employment agreements, Brian W. Sturgell was entitled to a base salary of $985,000, Martha Finn Brooks was entitled to a base salary of $655,000, Chris Bark-Jones was entitled to a base salary of $440,611, Kevin Greenawalt was entitled to a base salary of $310,000 and David Godsell was entitled to a base salary of $310,000. Each of these officers was also eligible for participation in programs providing short-term incentives, long-term incentives and other types of compensation that reflect the competitive level of similar positions in the compensation peer groups or as included in published survey information.

Certain of our executive officers have also entered into change of control agreements that provide for payment by us upon the termination of the executive officer's employment without cause or by the executive officer for good reason. Except in the case of Brian W. Sturgell, upon the occurrence of such an event, the executive would be entitled to an amount equal to 24 months of their base salary and target short-term incentive award. Mr. Sturgell would be entitled to an amount equal to 36 months of his base salary and target short-term incentive award. Change in control provisions will expire after 24 months of employment with us.

On July 1, 2002, Alcancorp entered into a Deferred Share Agreement with Martha Finn Brooks pursuant to which Alcancorp agreed to grant to Ms. Brooks 33,500 shares of Alcan common shares on August 1, 2005, the date of her third anniversary of employment, as compensation for the loss by Ms. Brooks of accrued benefits and unvested restricted shares at her former employer. In connection with our spin-off from Alcan, on January 6, 2005, we assumed Alcancorp's obligations under the Deferred Share Agreement and the 33,500 shares of Alcan common stock to be granted were converted into 66,477 common shares. On July 27, 2005, the Deferred Share Agreement was amended to provide that we will, in lieu of granting Ms. Brooks 66,477 common shares, pay Ms. Brooks cash in an amount equal to the value of such shares based on the closing price of such shares on the New York Stock Exchange on August 1, 2005, subject to applicable withholding taxes. Ms. Brooks received a payment in the gross amount of $1,864,691.

Human Resources Committee Interlocks and Insider Participation

In fiscal 2005, only Independent Directors served on our Human Resources Committee. Clarence J. Chandran was the chairman of our Human Resources Committee. The other committee members during all or part of the year were Charles G. Cavell, C. Robert Cordaro, Helmut Eschwey, Suzanne Labarge, William Monahan and J.E. Newall. No member of our Human Resources Committee had any relationship with us requiring disclosure under Item 404 of SEC Regulation S-K. No executive officer of Novelis served on any board of directors or compensation committee of any other company for which any of our directors served as an executive officer at any time during fiscal 2005.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Share Ownership of Certain Beneficial Owners

Based on filings with the SEC, the following shareholders are known by us to own more than 5% of our common shares, no par value, as of June 30, 2006:

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percentage of Class*
FMR Corp.(i) 82 Devonshire Street Boston, MA 02109	11,405,602	15.4%
Barclays Global Investors, NA. (ii) 45 Fremont Street San Francisco, CA 94105	3,738,694	5.1%
McLean Budden Ltd.(iii) 145 King Street West Suite 2525 Toronto, ON M5H 1J8	7,270,318	9.8%

* As of June 30, 2006, we had 74,005,649 common shares outstanding.

(i) The following information is based on the Schedule 13G, filed on February 14, 2006 with the SEC by FMR Corp. Fidelity Management & Research Company (Fidelity), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR Corp., and an investment adviser registered under the Investment Advisers Act of 1940, is the beneficial owner of 10,830,102 common shares as a result of acting as investment adviser to various investment companies. The ownership of one investment company, FA Mid Cap Stock Fund, 82 Devonshire Street, Boston, Massachusetts 02109, amounted to 6,553,560 shares. Edward C. Johnson 3d, FMR Corp., through its control of Fidelity, and the funds each has sole power to dispose of the 10,830,102 shares owned by the Funds. Neither FMR Corp., nor Edward C. Johnson 3d, Chairman of

FMR Corp., has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds' Boards of Trustees. Fidelity Management Trust Company, 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR Corp., is the beneficial owner of 129,800 common shares as a result of its serving as investment manager of the institutional account(s). Edward C. Johnson 3d and FMR Corp., through its control of Fidelity Management Trust Company, each has sole dispositive power over 129,800 shares and sole power to vote or to direct the voting of 129,800 shares owned by the institutional account(s). Members of the Edward C. Johnson 3d family are the predominant owners of Class B shares of common stock of FMR Corp., representing approximately 49% of the voting power of FMR Corp. The Johnson family group and all other Class B shareholders have entered into a shareholders' voting agreement under which all Class B shares will be voted in accordance with the majority vote of Class B shares. Accordingly, through their ownership of voting common stock and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the United States Investment Company Act of 1940, to form a controlling group with respect to FMR Corp. Fidelity International (FIL), Pembroke Hall, 42 Crowlane, Hamilton, Bermuda, and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. FIL is the beneficial owner of 445,700 common shares and has the sole power to vote and dispose of such shares. FMR Corp. and FIL are of the view that they are not acting as a "group" for purposes of Section 13(d) under the Exchange Act and that they are not otherwise required to attribute to each other the "beneficial ownership" of securities "beneficially owned" by the other corporation within the meaning of Rule 13d-3 under the Exchange Act. The Schedule 13G states that FMR Corp. is making the filing on a voluntary basis as if all the shares are beneficially owned by FMR Corp. and FIL on a joint basis.

(ii) The following information is based on the Schedule 13G, filed on January 26, 2006 with the SEC by Barclays Global Investors, NA. (Barclays Global). The Schedule 13G indicates that Barclays Global is the beneficial owner of 3,738,694 shares. Barclays Global has sole voting power over 2,938,955 shares and has sole dispositive power over 3,625,453 shares. Barclays Global Fund Advisors (Barclays Global Fund), 45 Fremont Street, San Francisco, CA 94105, has sole voting power over 113,241 shares and has sole dispositive power over 113,241 shares.

(iii) The following information is based on the Form 13F filed on August 11, 2006 with the SEC by McLean Budden Ltd. (McLean Budden). The Form 13F indicates that McLean Budden is the beneficial owner of 7,270,318 shares. McLean Budden has sole voting power over 7,270,318 shares and has sole dispositive power over 7,270,318 shares.

Share Ownership of Directors and Executive Officers

The following table sets forth, as of August 10, 2006, beneficial ownership of shares of our common stock, no par value, by each director and each executive officer named in the Summary Compensation Table, and all directors, nominees and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Common shares and options, warrants and convertible securities that are currently exercisable or convertible within 60 days of August 10, 2006, into our common shares are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

The address for the following individuals is: c/o Novelis Inc., 3399 Peachtree Road NE; Suite 1500; Atlanta, GA 30326.

Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Class **
Brian W. Sturgell, Director and Chief Executive Officer(i)	222,621	*
William T. Monahan, Chairman of the Board (ii)	8,622	*
Edward Blechschmidt, Director(iii)	136	*

Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Class **
Jacques Bougie, O.C., Director(iv)	10,459	*
Charles G. Cavell, Director(v)	5,404	*
Clarence J. Chandran, Director(vi)	11,259	*
C. Roberto Cordaro, Director(vii)	5,230	*
Helmut Eschwey, Director(viii)	5,230	*
David J. FitzPatrick, Director(ix)	9,798	*
Suzanne Labarge, Director(x)	9,101	*
Rudolf Rupprecht, Director(xi)	5,404	*
Kevin M. Twomey, Director(xii)	361	*
Edward V. Yang, Director(xiii)	5,404	*
Martha Finn Brooks, Chief Operating Officer(xiv)	189,489	*
Chris Bark-Jones, Senior Vice President and President — Europe(xv)	1,177	*
Kevin Greenawalt, Senior Vice President and President — North America(xvi)	12,166	*
David Godsell, Vice President, Human Resources and Environment, Health and Safety(xvii)	14,369	*
Directors and executive officers as a group (28 persons)(xviii)	566,000	*

* Indicates less than 1% of the common shares.

** As of August 10, 2006, we had 74,005,649 common shares outstanding.

(i) Includes 14,957 shares held in the Savings and Retirement Plan and options to purchase approximately 188,367 shares that are exercisable within 60 days.

(ii) Includes 5,622 DDSUs. See “Directors’ Compensation.”

(iii) Includes 136 DDSUs. See “Directors’ Compensation.”

(iv) Includes 10,459 DDSUs. See “Directors’ Compensation.”

(v) Includes 5,404 DDSUs. See “Directors’ Compensation.”

(vi) Includes 10,459 DDSUs. See “Directors’ Compensation.”

(vii) Includes 5,230 DDSUs. See “Directors’ Compensation.”

(viii) Includes 5,230 DDSUs. See “Directors’ Compensation.”

(ix) Includes 4,798 DDSUs. See “Directors’ Compensation.”

(x) Includes 6,101 DDSUs. See “Directors’ Compensation.”

(xi) Includes 5,404 DDSUs. See “Directors’ Compensation.”

(xii) Includes 361 DDSUs. See “Directors’ Compensation.”

(xiii) Includes 5,404 DDSUs. See “Directors’ Compensation.”

(xiv) Includes options to purchase 164,489 shares that are exercisable within 60 days.

(xv) Includes options to purchase 1,157 shares that are exercisable within 60 days.

(xvi) Includes options to purchase 12,137 shares that are exercisable within 60 days.

(xvii) Includes options to purchase 14,369 shares that are exercisable within 60 days.

(xviii) Our directors and executive officers as a group hold 566,000 of our shares. Our directors and executive officers as a group hold options to purchase 426,829 of our shares that are currently exercisable or are exercisable within 60 days. Our directors as a group hold 64,608 DDSUs.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of December 31, 2005 regarding the shares issuable upon the exercise of options under the Conversion Plan, as well as the number of shares remaining available for issuance under the Conversion Plan. If the 2006 Incentive Plan is approved by our shareholders at the 2006 annual meeting of shareholders, then no new options will be granted under the Conversion Plan on or after the proposed effective date of the 2006 Incentive Plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Options /DDSUs	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
Equity compensation plans approved by security holders (i)			
Novelis Conversion Plan of 2005(ii)	2,704,790	$ 21.60	2,291,937(iv)
Novelis Inc. Deferred Share Unit Plan for Non-Executive Directors(iii)	57,051	N/A	N/A
Equity compensation plans not approved by security holders	—	—	—

(i) Such plans were approved by Alcan, as our sole shareholder, prior to the spin-off date.

(ii) On January 5, 2005, our board of directors adopted the Conversion Plan to allow for all Alcan stock options held by employees of Alcan who became employees of Novelis following our spin-off from Alcan to be replaced with options to purchase our common shares and for new options to be granted. There were no new options granted in 2005 under the Conversion Plan. In the case of a change of control of the company, vesting of stock options will accelerate.

(iii) On January 5, 2005, our board of directors adopted the Deferred Share Unit Plan for Non-Executive Directors. Fifty percent of our non-executive directors' compensation is required to be paid in the form of DDSUs, and 50% in the form of either cash, additional DDSUs or a combination of the two at the election of each non-executive director. DDSUs are the economic equivalent of shares. The DDSUs are redeemable only upon termination of the directorship and may be redeemed in cash, shares or a combination of both, at the election of the non-executive director. The amount to be paid by us upon redemption will be calculated by multiplying the accumulated balance of DDSUs by the average per share price of our shares on the Toronto and New York Stock exchanges on the last five trading days prior to the redemption date. As of December 31, 2005, approximately 41,862 DDSUs had been granted with an additional 15,189 units granted January 1, 2006, all for services rendered in 2005.

(iv) Under the Conversion Plan, we may issue new options in aggregate not exceeding 3% of the shares outstanding immediately after our spin-off from Alcan on January 6, 2005, provided that the total number of new options and conversion options (options granted to replace options in the share capital of Alcan held by our employees at the time of the spin-off) do not exceed 10% of the shares outstanding immediately after the spin-off.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)

3. Exhibits

Exhibit No.	Description
31.1	Section 302 Certification of Principal Executive Officer
31.2	Section 302 Certification of Principal Financial Officer
32.1	Section 906 Certification of Principal Executive Officer
32.2	Section 906 Certification of Principal Financial Officer

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOVELIS INC.

By: /s/ Rick Dobson
Name: Rick Dobson
Title: Chief Financial Officer

Date: October 19, 2006

EXHIBIT INDEX

Exhibit No.	Description
31.1	Section 302 Certification of Principal Executive Officer
31.2	Section 302 Certification of Principal Financial Officer
32.1	Section 906 Certification of Principal Executive Officer
32.2	Section 906 Certification of Principal Financial Officer

EXHIBIT 31.1

Section 302 Certification of Principal Executive Officer

I, William T. Monahan, Chairman and Interim Chief Executive Officer of Novelis Inc. (Novelis), certify that:

1. I have reviewed this annual report on Form 10-K/A of Novelis;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ William T. Monahan

William T. Monahan
Chairman and Interim Chief Executive Officer
(Principal Executive Officer)

Date: October 19, 2006

EXHIBIT 31.2

Section 302 Certification of Principal Financial Officer

I, Rick Dobson, Chief Financial Officer of Novelis Inc. (Novelis), certify that:

1. I have reviewed this annual report on Form 10-K/A of Novelis;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Rick Dobson

Rick Dobson
Chief Financial Officer
(Principal Financial Officer)

Date: October 19, 2006

EXHIBIT 32.1

Section 906 Certification of Principal Executive Officer

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (Novelis), hereby certifies that Novelis' Annual Report on Form 10-K/A for the year ended December 31, 2005 (Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Novelis.

/s/ William T. Monahan

William T. Monahan
Chairman and Interim Chief Executive Officer
(Principal Executive Officer)

Date: October 19, 2006

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this report.

EXHIBIT 32.2

Section 906 Certification of Principal Financial Officer

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (Novelis), hereby certifies that Novelis' Annual Report on Form 10-K/A for the year ended December 31, 2005 (Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Novelis.

/s/ Rick Dobson

Rick Dobson
Chief Financial Officer
(Principal Financial Officer)

Date: October 19, 2006

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this report.