
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) April 23, 2007

NOVELIS INC.

(Exact name of registrant as specified in its charter)

Canada	001-32312	98-0442987
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
3399 Peachtree Road NE, Suite 1500, Atlanta, GA		30326
(Address of principal executive offices)		(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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TABLE OF CONTENTS

[Item 8.01 Other Events](#)

[Item 9.01 Financial Statements and Exhibits](#)

[SIGNATURE](#)

[Exhibit Index](#)

[EX-99.1 COVER LETTER TO LENDERS](#)

[EX-99.2 ADDITIONAL SLIDE PRESENTATION](#)

[EX-99.3 NOVELIS THIRD AMENDMENT](#)

[Table of Contents](#)

Item 8.01 Other Events.

On April 23, 2007, Novelis distributed the following materials to Lenders in the Novelis Credit Agreement in order to seek consent to an amendment and limited waiver of its Credit Agreement. The materials are attached hereto as Exhibits 99.1-99.3, which are incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- | | |
|------|-------------------------------|
| 99.1 | Cover Letter to Lenders |
| 99.2 | Additional Slide Presentation |
| 99.3 | Novelis Third Amendment |

SIGNATURE

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: April 23, 2007

By /s/ Nichole Robinson
Nichole Robinson
Secretary

Exhibit Index

Exhibit Number	Description
99.1	Cover Letter to Lenders
99.2	Additional Slide Presentation
99.3	Novelis Third Amendment

Date: April 23, 2007

To: Lenders in the Novelis Credit Agreement
Dated January 7, 2005, as amended

From: Orville Lunking, Vice President and Treasurer



Subject : **Request for Third Amendment and Limited Waiver to Credit Agreement**

Novelis is seeking your consent to an amendment and limited waiver that contains the following requests:

1. Consent to permit a \$150 million increase in the Term Loan
2. Consent to a limited waiver of the change of control Event of Default, for a short period of time, following the consummation of the Plan of Arrangement acquisition of Novelis by Hindalco for approximately \$6 billion. (Exhibit-I is an overview entitled, "Who is Hindalco?" and Exhibit-II is a press release that refers to the Plan of Arrangement.) The waiver will be in effect until the earliest of (i) the date on which any payments are made with respect to the bonds (other than scheduled interest), (ii) the third business day prior to the 60th day following the change of control and (iii) July 7, 2007 if the change of control does not occur on or prior thereto.

If you consent to the waiver of the change of control default, there is currently no financing commitment available, and no assurance that there will be one available in the future, to repay the senior secured facilities upon the expiry of the waiver or any Senior Notes tendered in the Change of Control Offer.

As of today, Hindalco does have in place a commitment, subject to customary conditions, from UBS and ABN to refinance the Credit Agreement and Senior Notes of Novelis upon the change of control, if necessary, as disclosed in our proxy statement dated March 1, 2007. However, the commitment letter has not yet been amended to reflect the deferral of the repayment date that's being requested in this waiver, and there is no assurance that UBS and ABN will agree to such amendment. In addition, even if such amendment is obtained, the commitment from UBS and ABN will likely remain subject to customary conditions that may not be satisfied. You are being asked to bear this risk; i.e., that financing may not be available to repay the loans on the deferred repayment date, if you consent to the limited waiver of the change of control default.

Hindalco is negotiating the terms of the amendment to the commitments from UBS and ABN, and the Company believes that it is likely that an alternative financing will be provided by UBS and ABN in due course.

3. Consent to amend three technical provisions that are affecting normal course operations of the business.

Attachment-I provides details related to the requests.

Novelis is offering to pay 12.5 basis points to Lenders who consent to the amendment and waiver by 5:00 p.m. Friday, April 27, 2007.

We look forward to your support as Novelis finalizes its Plan of Arrangement with Hindalco, a transaction that has highlighted the substantial enterprise value of Novelis and the significant asset value of the collateral package.

Please feel free to contact me if you have questions at (404) 814-4248.

Novelis Request	Why Novelis is Making the Request	Novelis Remarks
1. Obtain consent for a \$150 million increase in the Term Loan	• A number of one-time events and cash-timing factors have converged in the early part of 2007 to temporarily reduce the Company's availability under the Revolver. The Company will apply the proceeds from the \$150 million term loan to reduce the current revolver balance. • Novelis is seeking additional liquidity, as a precautionary measure, in case metal prices rise from their current level and create additional uses of working capital.	• Rising metal prices are at the root of a general increase in working capital funding requirements. 1. Generally, a \$100M/ton increase in metal, on its own, is estimated to result in approximately \$30-40 million of additional working capital usage. Prices have risen in the first months of 2007 and are at a sustained high level. 2. Our European operations are experiencing strong growth, requiring working capital 3. The Company's "M6" contracts, representing approximately 10% of overall volume, created a lag between revenue and metal purchases in the high metal environment. (The situation would reverse and result in an inflow of cash when metal prices decline.) 4. Novelis was obligated to sell metal forward in accordance with the commercial contract with an important customer; the commercial contract enables the customer to revert to a "floating price." The "floating price" resulted in a cash outflow for Novelis (due to high metal prices) that the customer will reimburse in future quarters, also in accordance with the commercial contract. The timing mismatch exceeds \$20 million. 5. Our payments to suppliers are concentrated on the 2nd and 15th of the month, a situation that magnifies working capital needs when metal prices are high. 6. The first and second quarters are typically inventory-building quarters, when metal is being accumulated to satisfy can-sheet requirements in the upcoming warm-weather period.

2. Waive the change of control Event of Default provision, following the Plan of Arrangement between Hindalco and Novelis, for a short period. The waiver will be in effect until the earliest of (i) the date on which any payments are made with respect to the bonds (other

- Hindalco is seeking time to implement permanent bank financing following the Plan of Arrangement, without resorting to a more costly bridge loan at the sale date. The permanent financing is likely to include an asset based loan component that suits the Company better.

- **The Credit Agreement contains provisions that require Novelis to prepay the Term Loan rather than the revolver, in certain situations, resulting in a de facto reduction of the Company's revolver capacity.**

1. The main situation relates to the Company's cash-generating German subsidiary, Novelis Deutschland. Novelis is required to retire the Term Loan, dollar-for-dollar, before repaying the revolver if surplus cash is remitted from Novelis Deutschland other than by dividend.

2. In reality, Novelis Deutschland is only able to pay cash dividends annually, after its statutory audit is finished. Novelis opted instead to lend its surplus German cash to North America and retire a corresponding Term Loan amount (required for leverage covenant purposes), rather than leave idle cash on its consolidated balance sheet.

- **We made one-time payments** of \$20 million to one of the losing bidders for the Company, and \$10 million (in aggregate) to former senior executives of the Company in connection with their separation agreements.

- Hindalco currently has in place an executed commitment letter from UBS and ABN to refinance the Credit Agreement and Senior Notes of Novelis at the change of control date, if necessary, as disclosed in our proxy statement dated March 1, 2007. The commitment letter has not yet been amended to reflect the requested waiver which would extend the date on which the Credit Agreement would be repaid.
- It is highly unlikely, but theoretically possible, that Hindalco may not amend the commitment letter prior to, on or after the

than scheduled interest), (ii) the third business day prior to the 60th day following the change of control and (iii) July 7, 2007 if the change of control does not occur on or prior thereto

change of control and that UBS and ABN will not provide permanent financing in due course. You are being asked to bear this risk if you consent to the waiver of the change of control provision.

- **Hindalco will invest approximately \$3.4 billion in cash to purchase the shares of Novelis, and will be highly motivated to protect this investment by putting in place adequate means to repay any debt (including the Credit Agreement) that may come due shortly thereafter.**
- The change of control Exchange Offer will be made at 101, as required. The market price for the Senior Notes as indicated on Reuters as of April 19, 2007, is 105.50
- Lenders are reminded that the Credit Agreement is secured by the majority of the Company's assets, and that Hindalco is a company with substantial resources (refer to Exhibit-II)
- A less costly permanent bank financing is in the long-term best interest of Novelis and Hindalco.

3. Obtain a waiver of three technical provisions that are affecting normal course operations of the business:

- | | | |
|--|---|--|
| i. Permit the formation of one or more new joint ventures that are (a) owned greater than or equal to 50%, but | i. The Company wishes to enter into a U.S. joint venture with a third party who has new technology to | i. Novelis anticipates investing approximately \$900,000 in an initial, proof-of-concept joint venture. The Company is seeking approval for a basket, up to \$5 million, to be invested in future new joint ventures that have the requested |
|--|---|--|

not 100%, and are (b) not required to become Subsidiary Guarantors	recycle aluminum at U.S. solid waste facilities. The third party does not wish to provide a guarantee of Novelis' obligations under the Credit Agreement, as would be required currently.	ownership profile.
ii. Permit the payment of a liquidating cash dividend from EuroNorca Partners (U.S.A.), a 50%-owned partnership that was formed prior to the spin-off of Novelis from Alcan.	ii. Section 8.5 (Restricted Payments) prevents EuroNorca Partners (U.S.A.) from paying a liquidating cash dividend to its partners, purely as a technical matter.	iii. Novelis and its independent partner wish to access approximately \$3.7 million of trapped, short-term investments currently held by EuroNorca Partners (U.S.A.). Neither partner has plans for any continuing involvement with the dormant partnership, which has now successfully resolved a state tax matter and is able to proceed to liquidation.
iii. Permit Novelis Europe Holdings Ltd. (U.K.) to contribute up to Euro 50 million of capital to Novelis UK Ltd. (U.K.)	iii. Novelis UK Ltd. (U.K.) requires additional capital to restore its statutory balance sheet after a number of loss-making quarters	iv. <u>The cash movements will be entirely among subsidiaries that are Guarantors.</u> The cash will move from Novelis Deutschland, as a contractual payment under a tax consolidation type of arrangement among various Novelis subsidiaries, to Novelis Aluminium Holdings Company (Ireland), to Novelis Europe Holdings Ltd., to Novelis U.K. Ltd. (U.K.)



Who Is Hindalco?



For Internal Use Only

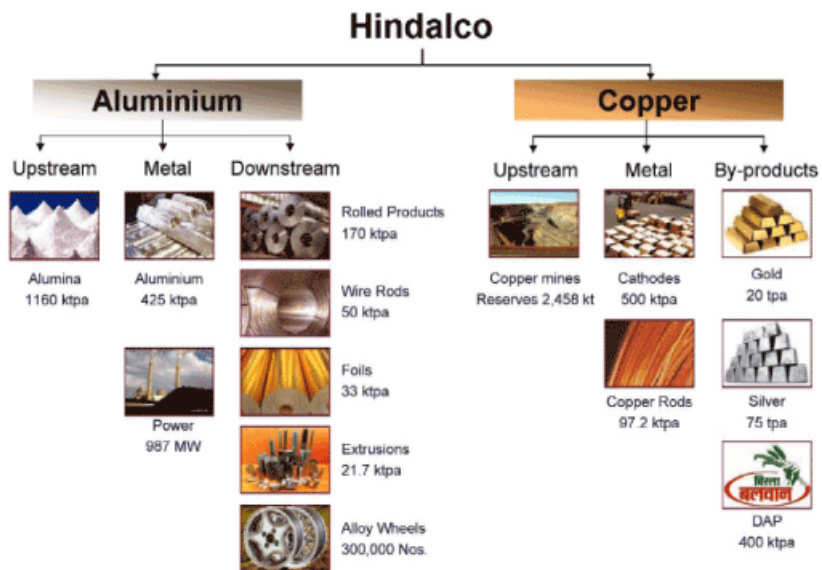
1

Who is Hindalco?

- Publicly traded company on the Bombay Stock Exchange (BSE), 26% owned by Aditya Birla Group
- Metals company (copper and aluminum), including
 - 450 kt aluminum production
 - 230 kt aluminum rolled products
 - World's largest single location copper smelter at Dahej in Gujarat
 - First quartile in costs
- \$2.6 Bn sales, \$371M net profit, \$4.3 Bn market capitalization
- Acquired Indal assets from Alcan in 2000
- 20,000 employees

Source: Hindalco website, 2005/2006 filings; Hindalco

2
For Internal Use Only



Source: Presentation by Aditya Birla Group Chairman, February 2006

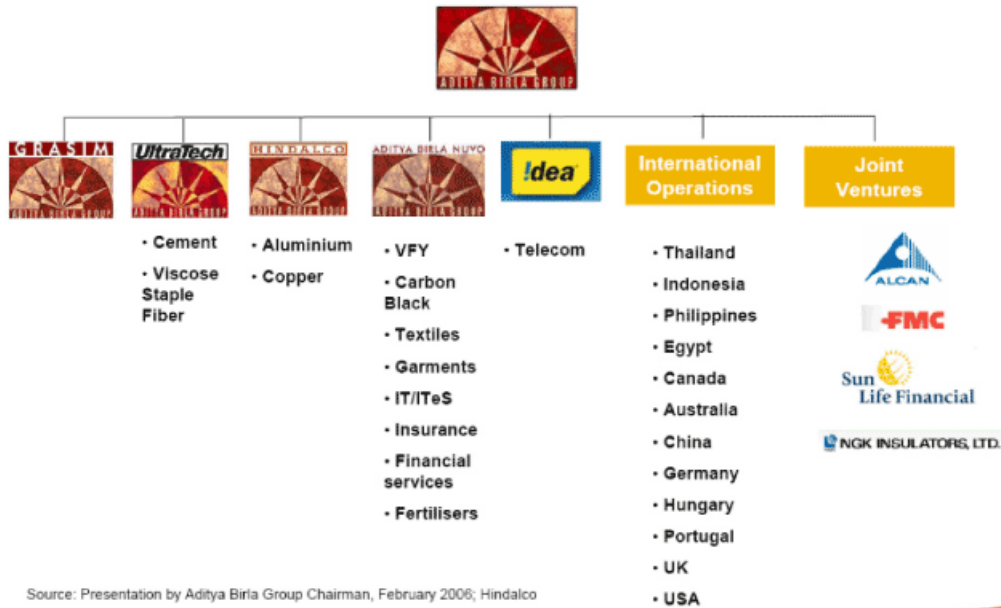
The Aditya Birla Group

- Amongst the largest and most reputed business groups in India
- Successful track record of growth
- Aggregate revenues of US\$12.0 Bn; \$20+ Bn group market capitalization
- Domestic market leadership in many businesses
- Successful global operations
 - Overseas operations contribute over 30% of revenues
 - 18 countries across 4 continents
- Anchored by 85,000 employees; Trusted by over 1 million shareholders

Source: Presentation by Aditya Birla Group Chairman, February 2006; Hindalco

4
For Internal Use Only

The Aditya Birla Group



Source: Presentation by Aditya Birla Group Chairman, February 2006; Hindalco

**News Release****Hindalco Industries Ltd. and Novelis Inc. Announce an Agreement for Hindalco's Acquisition of Novelis for Approximately \$6.0 Billion**

ATLANTA, Feb. 11 /PRNewswire-FirstCall/ — Hindalco Industries Limited (BSE: HINDALCO), India's largest non-ferrous metals company, and Novelis Inc. (NYSE: NVL) (TSX: NVL), the world's leading producer of aluminum rolled products, today announced that they have entered into a definitive agreement for Hindalco to acquire Novelis in an all-cash transaction which values Novelis at approximately \$6.0 billion, including approximately \$2.4 billion of debt. Under the terms of the agreement, Novelis shareholders will receive \$44.93 in cash for each outstanding common share.

Based in Mumbai, India, Hindalco is a leader in Asia's aluminum and copper industries, and is the flagship company of the Aditya Birla Group, a \$12 billion multinational conglomerate, with a market capitalization in excess of \$20 billion. Following the transaction, Hindalco, with Novelis, will be the world's largest aluminum rolling company, one of the biggest producers of primary aluminum in Asia, and India's leading copper producer.

Mr. Kumar Mangalam Birla, Chairman of the Aditya Birla Group, said, "The acquisition of Novelis is a landmark transaction for Hindalco and our Group. It is in line with our long-term strategies of expanding our global presence across our various businesses and is consistent with our vision of taking India to the world. The combination of Hindalco and Novelis will establish a global integrated aluminum producer with low-cost alumina and aluminum production facilities combined with high-end aluminum rolled product capabilities. The complementary expertise of both these companies will create and provide a strong platform for sustainable growth and ongoing success."

Acting Chief Executive Officer of Novelis, Mr. Ed Blechschmidt, said, "After careful consideration, the Board has unanimously agreed that this transaction with Hindalco delivers outstanding value to Novelis shareholders. Hindalco is a strong, dynamic company. The combination of Novelis' world-class rolling assets with Hindalco's growing primary aluminum operations and its downstream fabricating assets in the rapidly growing Asian market is an exciting prospect. Hindalco's parent, the Aditya Birla Group, is one of the largest and most respected business groups in India, with growing global activities and a long-term business view."

Mr. Debu Bhattacharya, Managing Director of Hindalco and Director of Aditya

Birla Management Corporation Ltd., said, "There are significant geographical market and product synergies. Novelis is the global leader in aluminum rolled products and aluminum can recycling, with a global market share of about 19%. Hindalco has a 60% share in the currently small but potentially high-growth Indian market for rolled products. Hindalco's position as one of the lowest cost producers of primary aluminum in the world is leverageable into becoming a globally strong player. The Novelis acquisition will give us immediate scale and a global footprint."

The transaction has been unanimously approved by the Boards of Directors of both companies. The closing of the transaction is not conditional on Hindalco obtaining financing. The transaction will be completed by way of a plan of arrangement under applicable Canadian Law. It will require the approval of 66 2/3% of the votes cast by shareholders of Novelis Inc. at a special meeting to be called to consider the arrangement followed by Court approval. The transaction is also subject to certain other customary conditions, including the receipt of regulatory approvals. The transaction is expected to be completed in the second quarter of 2007.

About Novelis

Novelis is the global leader in aluminum rolled products and aluminum can recycling. The Company operates in 11 countries, has approximately 12,500 employees, and reported \$8.4 billion in 2005 revenue. Novelis has the unrivaled capability to provide its customers with a regional supply of technologically sophisticated rolled aluminum products throughout Asia, Europe, North America and South America. Through its advanced production capabilities, the Company supplies aluminum sheet and foil to the automotive and transportation, beverage and food packaging, construction and industrial, and printing markets. Visit <http://www.novelis.com>.

About the Aditya Birla Group

The Aditya Birla Group is India's first truly multinational corporation, with a workforce of 85,000 employees belonging to over 20 different nationalities. Its 74 state-of-the-art manufacturing units and service facilities span India, Thailand, Laos, Indonesia, Philippines, Egypt, Canada, Australia, China, USA, UK, Germany, Hungary and Portugal. A premium conglomerate, the Aditya Birla Group participates in a wide range of market sectors including, viscose staple fiber, non-ferrous metals, cement, viscose filament yarn, branded apparel, carbon black, chemicals, fertilizers, sponge iron, insulators, financial services, telecom, BPO and IT services. Visit <http://www.adityabirla.com>.

About Hindalco

Established in 1958, Hindalco is currently structured into two strategic businesses, aluminum and copper, with 2006 revenues of approximately \$2.6 billion. Hindalco's integrated operations and operating efficiency have positioned the company as Asia's largest integrated primary producer of aluminum and among the most cost-efficient producers globally. Its copper smelter is the world's largest custom smelter at a single location. Hindalco stock is publicly traded on the Bombay Stock Exchange and the National Stock Exchange of India Ltd. Its current market capitalization is \$4.3 billion. Visit <http://www.hindalco.com>.

Additional Information and Where to Find it

In connection with the proposed arrangement and required shareholder approval, Novelis Inc. will file a proxy statement with the U.S. Securities and Exchange Commission (the "SEC"). INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE PROXY STATEMENT AND OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT NOVELIS AND THE ARRANGEMENT. Investors and security holders may obtain free copies of these documents (when they are available) and other documents filed with the SEC at the SEC's web site at www.sec.gov. In addition, the documents filed by Novelis with the SEC may be obtained free of charge by contacting Novelis at 3399 Peachtree Road NE, Suite 1500, Atlanta, GA 30326, Attention: Corporate Secretary. Our filings with the SEC are also available on our website at www.novelis.com.

Participants in the Solicitation

Novelis and its officers and directors may be deemed to be participants in the solicitation of proxies from Novelis' shareholders with respect to the arrangement. Information about Novelis' officers and directors and their ownership of Novelis' common shares is set forth in the proxy circular for Novelis' 2006 Annual Meeting of Shareholders, which was filed with the SEC on September 15, 2006. Investors and security holders may obtain more detailed information regarding the direct and indirect interests of Novelis and its respective officers and directors in the acquisition by reading the preliminary and definitive proxy statements regarding the arrangement, which will be filed with the SEC.

Statements made in this news release which describe Novelis' intentions, expectations or predictions may be forward-looking statements within the meaning of securities laws. Examples of forward-looking statements in this news release include those related to Novelis' expectation to close the sale during the second quarter. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty. 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. Important risk factors which could impact Novelis' ongoing

review of its strategic alternatives are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2005, as filed with the SEC, and are specifically incorporated by reference into this news release.

SOURCE Novelis Inc.

CONTACT: Media: Charles Belbin, +1-404-814-4260,
charles.belbin@novelis.com, or
Investor: Eric Harris, +1-404-814-4304,
eric.harris@novelis.com,
both of Novelis Inc.; or
Dr. Pragnya Ram of Aditya Birla, +91-22-6652-5160,
Handset: +91-98210-24395,
pragnyaram@adityabirla.com



\$150 Million Incremental Term Loan

April 23, 2007

Agenda

- Purpose
 - Sources and Uses
 - Pro Forma Capitalization
 - Background
 - Hindalco Update
 - Financial Update
 - Summary of Terms
 - Financing Timetable
-

Purpose



Novelis is seeking to add \$150 million of incremental Term Loan to assure adequate liquidity in a period of high aluminum prices. (Proceeds from the Term Loan placement will be used to repay the Revolving Credit Facility.)

Estimated Sources and Uses



(\$ in millions)

Sources		Uses	
Add-On Term Loan B	150.0	Revolver	\$149.0
Cash	1.5	Fees and Expenses ⁽¹⁾	2.5
Total Sources	\$151.5	Total Uses	\$151.5

(1) Assumes 100% participation in the Amendment.

Pro Forma Capitalization



(\$ in millions)	FYE 12/31/06	Adjustments	Pro Forma
Cash	\$73.0	(\$1.5)	71.5
Revolving Credit Facility	\$149.0	(\$149.0)	0.0
Term Loan B	708.0	149.0	857.0
Korean Bank Loans ⁽¹⁾	141.0		141.0
Capital Leases	51.0		51.0
Total Sr. Sec. Debt	\$1,049.0	\$0.0	\$1,049.0
7.25% Senior Notes Due 2015	\$1,400.0		\$1,400.0
Other	2.0		2.0
Total Debt	\$2,451.0	\$0.0	\$2,451.0
Selected Operating Data			
FYE 12/31/06 Adjusted EBITDA	\$415.0		\$415.0
FYE 12/31/06 Cash Interest	207.0		207.0
EBITDA / Cash Interest	2.0x		2.0x
First Lien Sr. Secured Debt / Adjusted EBITDA	2.5x		2.5x
Total Debt / Adjusted EBITDA	5.9x		5.9x

(1) Please refer to the Company's 10-K filed 12/31/06 for a discussion of these facilities

These factors contribute to the need for additional liquidity to support working capital:

- **Certain provisions in the Credit Agreement** have required the repayment of the Term Loan, rather than the Revolver, resulting in a reduction in available liquidity
 - **Sustained high metal prices** are increasing working capital needs
 - **Strong growth in Europe**
 - **One-time events**: M&A (>\$20M); senior executive severance (>\$10M);
 - **Timing events**: M6 contracts (>\$20M); customer hedging (>20M); heavy intra-month vendor payments on 2nd and 15th (>\$140M)
-

Hindalco Update



- Definitive Proxy filed on April 6, 2007
 - Shareholder meeting on May 10, 2007
 - Target closing on or around May 15, 2007
 - Novelis will tender at 101 for the Sr. Notes due 2015, after the acquisition, as required by the Indenture
 - Hindalco's committed financing is not conditioned on the outcome of the change of control tender offer
-

Financial Update



- 10-K filed on time
 - All covenants are in compliance
 - \$265 Million estimated Q1 2007 Revolver balance
 - \$241 million borrowed
 - \$24 million L/Cs
-

Summary Terms and Conditions



Borrower:	Novelis, Inc.
Facility:	\$150 million Add-on Term Loan B ("TLB")
Guarantors:	Same as existing Senior Secured Credit Facilities
Security:	Same as existing Senior Secured Credit Facilities
Maturity:	Same as existing Term Loan B (January 7, 2012)
Indicative Pricing:	Same as existing Term Loan B (L+225 bps)
Amortization:	Same as existing Term Loan B
Financial Covenant:	Same as existing Senior Secured Credit Facilities

Financing Timetable



April							May						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5
8	9	10	11	12	13	14	6	7	8	9	10	11	12
15	16	17	18	19	20	21	13	14	15	16	17	18	19
22	23	24	25	26	27	28	20	21	22	23	24	25	26
29	30						27	28	29	30	31		

Note: Shading denotes U.S. holiday.

Date:

Event:

April 23rd

- Lender Conference call

April 27th

- Signature pages due via fax by 5:00 PM EST on the Third Amendment

May 2nd

- Close and Fund Add-on Term Loan B and Third Amendment

SPECIAL NOTICE REGARDING PUBLICLY AVAILABLE INFORMATION

THE COMPANY HAS REPRESENTED THAT THE INFORMATION CONTAINED IN THIS CONFIDENTIAL INFORMATION MEMORANDUM IS EITHER PUBLICLY AVAILABLE OR DOES NOT CONSTITUTE MATERIAL NON-PUBLIC INFORMATION WITH RESPECT TO THE COMPANY OR ITS SECURITIES. THE RECIPIENT OF THIS CONFIDENTIAL INFORMATION MEMORANDUM HAS STATED THAT IT DOES NOT WISH TO RECEIVE MATERIAL NON-PUBLIC INFORMATION WITH RESPECT TO THE COMPANY OR ITS SECURITIES AND ACKNOWLEDGES THAT OTHER LENDERS HAVE RECEIVED A CONFIDENTIAL INFORMATION MEMORANDUM THAT CONTAINS ADDITIONAL INFORMATION WITH RESPECT TO THE COMPANY OR ITS SECURITIES THAT MAY BE MATERIAL. NEITHER THE COMPANY NOR THE ARRANGER TAKES ANY RESPONSIBILITY FOR THE RECIPIENT'S DECISION TO LIMIT THE SCOPE OF THE INFORMATION IT HAS OBTAINED IN CONNECTION WITH ITS EVALUATION OF THE COMPANY AND THE FACILITY.

**PUBLIC LENDERS —
THIRD AMENDMENT PACKAGE**

\$500,000,000 Senior Secured Revolving Credit Facility
\$708,000,000 Senior Secured Term Loan B
\$150,000,000 Add-On Term Loan B

April 2007

TABLE OF CONTENTS

<i>Table of Contents</i>	<i>i</i>
<i>Company Authorization Letter</i>	<i>ii</i>
<i>Notice to and Undertaking by Recipients</i>	<i>iii</i>
<i>Third Amendment and Add-on TLB Calendar</i>	<i>v</i>
<i>Contact List</i>	<i>vi</i>
I. Third Amendment Request	1
II. Executive Summary	2
A. Transaction Overview	2
III. Letter From Novelis Inc.	4
IV. Legal Form of Third Amendment	5
V. Summary of Terms and Conditions	6

COMPANY AUTHORIZATION LETTER

Novelis Inc.
3399 Peachtree Road NE, Suite 1500
Atlanta, GA 30326

April 23, 2007

Citigroup Global Markets Inc.
Attention: Arnold Wong, Director

Ladies and Gentlemen:

We refer to the \$1,208,000,000 Credit Facility (the "Facility") for NOVELIS, INC. (the "**Company**") and are requesting a Third Amendment Package and \$150 million Add-on Term Loan B forwarded herewith (the "**Third Amendment Package**"). We have reviewed or participated in preparing the Third Amendment Package and Add-on Term Loan B and the information contained therein.

The Company has reviewed the information contained in the Third Amendment Package and represents and warrants to you that, to the Company's knowledge, the information contained in the Third Amendment Package does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not materially misleading. Any management projections or forward-looking statements included in the Third Amendment Package are based on assumptions and estimates developed by management of the Company in good faith and management believes such assumptions and estimates to be reasonable as of the date of the Third Amendment Package. Whether or not such projections or forward-looking statements are in fact achieved will depend upon future events some of which are not within the control of the Company. Accordingly, actual results may vary from the projections and such variations may be material. Statements as to the terms of the proposed waiver are qualified by reference to the waiver documentation attached hereto.

The Company represents and warrants that the information contained in the Confidential Information Memorandum is either publicly available information or not material information (although it may be sensitive and proprietary) with respect to the Company or its securities for purposes of United States federal and state securities laws.

We request that you distribute the Third Amendment Package to such financial institutions that are included in the Facility, as you may deem appropriate. We understand that the information provided in the Third Amendment Package is subject to the Confidentiality Agreement contained in Section 10.18 of the Credit Agreement dated January 7, 2005 and to the Notice to and Undertaking by Recipients contained in the Amendment Package.

Yours sincerely,

Novelis Inc.



Orville Lunking
Vice President and Treasurer

NOTICE TO AND UNDERTAKING BY RECIPIENTS

This Third Amendment Package has been prepared solely for informational purposes from information supplied by or on behalf of Novelis, Inc., and is being furnished by Citigroup Global Markets Inc. (the "**Arranger**") to you in your capacity as a Lender party to the Credit Agreement dated as of January 7, 2005 (as amended or otherwise modified, the "Credit Facility") or prospective Lender (the "**Recipient**") in considering the proposed waiver to the Credit Facility described in the Third Amendment (the "Amendment").

ACCEPTANCE OF THIS THIRD AMENDMENT PACKAGE CONSTITUTES AN AGREEMENT TO BE BOUND BY THE TERMS OF THIS NOTICE AND UNDERTAKING AND THE SPECIAL NOTICE SET FORTH ON THE COVER PAGE HEREOF (THE "SPECIAL NOTICE"). IF THE RECIPIENT IS NOT WILLING TO ACCEPT THE THIRD AMENDMENT PACKAGE ON THE TERMS SET FORTH IN THIS NOTICE AND UNDERTAKING AND THE SPECIAL NOTICE, IT MUST RETURN THE THIRD AMENDMENT PACKAGE TO THE ARRANGER IMMEDIATELY WITHOUT MAKING ANY COPIES THEREOF, EXTRACTS THEREFROM OR USE THEREOF.

I. Confidentiality

As used herein: (a) "**Evaluation Material**" refers to the Third Amendment Package and any other information regarding the Company or Amendment furnished or communicated to the Recipient by or on behalf of the Company in connection with the Amendment (whether prepared or communicated by the Arranger or the Company, their respective advisors or otherwise) and (b) "**Internal Evaluation Material**" refers to all memoranda, notes, and other documents and analyses developed by the Recipient using any of the information specified under the definition of Evaluation Material.

The Recipient acknowledges that the Company considers the Evaluation Material to include confidential, sensitive and proprietary information and agrees that it shall use reasonable precautions in accordance with its established procedures to keep the Evaluation Material confidential; *provided however* that (i) it may make any disclosure of such information to which the Company gives its prior written consent, (ii) any of such information may be disclosed to it, its affiliates, and their respective partners, directors, officers, employees, agents, advisors and other representatives (collectively, "**Representatives**") (it being understood that such Representatives shall be informed by it of the confidential nature of such information and shall be directed by the Recipient to treat such information in accordance with the terms of the Notice and Undertaking and the Special Notice) and (iii) it (and each Representative of the Recipient) may make any disclosure to any and all persons, without limitation of any kind, of the U.S. federal income tax treatment and U.S. federal income tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to the Recipient (or any Representative of the Recipient) relating to such tax treatment and tax structure. The Recipient agrees to be responsible for any breach of the Notice and Undertaking or the Special Notice that results from the actions or omissions of its Representatives.

The Recipient shall be permitted to disclose the Evaluation Material in the event that it is required by law or regulation or requested by any governmental agency or other regulatory authority (including any self-regulatory organization having or claiming to have jurisdiction) or in connection with any legal proceedings. The Recipient agrees that it will notify the Arranger as soon as practical in the event of any such disclosure (other than at the request of a regulatory authority), unless such notification shall be prohibited by applicable law or legal process.

The Recipient shall have no obligation hereunder with respect to any Evaluation Material to the extent that such information (i) is or becomes generally available to the public other than as a result of a disclosure by the Recipient in violation of this agreement, or (ii) was within the Recipient's possession prior to its being furnished pursuant hereto or is or becomes available to the Recipient on a non-confidential basis from a source other than the Company or its Representatives, *provided* that the source of such information was not known by the Recipient to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company or any other party with respect to such information.

In the event that the Recipient of the Evaluation Material decides not to participate in the transaction described herein, upon request of the Arranger, such Recipient shall as soon as practicable return all Evaluation Material (other than Internal Evaluation Material) to the Arranger or represent in writing to the Arranger that the Recipient has destroyed all copies of the Evaluation Material (other than Internal Evaluation Material) unless prohibited from doing so by the Recipient's internal policies and procedures.

II. Information

The Recipient acknowledges and agrees that (i) the Arranger received the Evaluation Material from Fourth party sources (including the Company) and it is provided to the Recipient for informational purposes, (ii) the Arranger and its affiliates bear no responsibility (and shall not be liable) for the accuracy or completeness (or lack thereof) of the Evaluation Material or any information contained therein, (iii) no representation regarding the Evaluation Material is made by the Arranger or any of its affiliates, (iv) neither the Arranger nor any of its affiliates has made any independent verification as to the accuracy or completeness of the Evaluation Material, and (v) the Arranger and its affiliates shall have no obligation to update or supplement any Evaluation Material or otherwise provide additional information.

The Evaluation Material has been prepared to assist interested parties in making their own evaluation of the Company and the Amendment and does not purport to be all-inclusive or to contain all of the information that a prospective participant may consider material or desirable in making its decision. Each Recipient of the information and data contained herein should take such steps as it deems necessary to assure that it has the information it considers material or desirable in making its decision and should perform its own independent investigation and analysis of the Waiver or the transactions contemplated thereby and the creditworthiness of the Company. The Recipient represents that it is sophisticated and experienced in extending credit to entities similar to the Company. The information and data contained herein are not a substitute for the Recipient's independent evaluation and analysis and should not be considered as a recommendation by the Arranger or any of its affiliates that any Recipient approve the Amendment.

The Evaluation Material may include certain forward looking statements and projections provided by the Company. Any such statements and

projections reflect various estimates and assumptions by the Company concerning anticipated results. No representations or warranties are made by the Company or any of its affiliates as to the accuracy of any such statements or projections. Whether or not any such forward looking statements or projections are in fact achieved will depend upon future events some of which are not within the control of the Company. Accordingly, actual results may vary from the projected results and such variations may be material. Statements contained herein describing documents and agreements are summaries only and such summaries are qualified in their entirety by reference to such documents and agreements.

III. General

It is understood that unless and until a definitive agreement regarding the Amendment between the parties thereto has been executed, the Recipient will be under no legal obligation of any kind whatsoever with respect to the Amendment by virtue of this Notice and Undertaking except for the matters specifically agreed to herein and in the Special Notice.

The Recipient agrees that money damages would not be a sufficient remedy for breach of this Notice and Undertaking or of the Special Notice, and that in addition to all other remedies available at law or in equity, the Company and the Arranger shall be entitled to equitable relief, including injunction and specific performance, without proof of actual damages.

The terms and conditions of this Notice and Undertaking and the Special Notice shall apply until such time, if any, that the Recipient becomes a party to the definitive agreements regarding the Amendment, and thereafter the provisions of such definitive agreements relating to confidentiality shall govern. This Notice and Undertaking and the Special Notice shall be governed by and construed in accordance with the law of the State of New York, without regard to principles of conflicts of law (except Section 5-1401 of the New York General Obligation Law to the extent that it mandates that the law of the State of New York govern).

THIRD AMENDMENT AND ADD-ON TLB CALENDAR

APRIL 2007							MAY 2007						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30						29	30	31				

Shading Denotes U.S. Holiday

Shading Denotes U.S. Holiday

DATE	EVENT
	Public Lenders' Call:
	11:00 AM (EST)
	For Public Lenders:
	(877) 765-2085 (Toll Free)
	(706) 643-0899 (International)
	Passcode: "Novelis"
	Replay Information available until April 27:
	(800) 642-1687 (Toll Free)
	(706) 645-9291 (International)
	Public Passcode: 6594231
	Signature pages due via fax by 5:00 PM EST on the Third Amendment
April 23, 2007	
April 27, 2007	Fax to:
	Weil, Gotshal & Manges LLP
	Attn: Brandon Cherry
	Fax: 212-310-8007
	Tel: 212-310-8088
May 2, 2007	Close and Fund Add-on Term Loan B and Third Amendment

CONTACT LIST***Novelis Inc.***

3399 Peachtree Road NE, Suite 1500
Atlanta, GA 30326

Corporate Novelis

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Orville Lunking	Vice President, Treasurer	(404) 814-4248	(404) 814-4252	orville.lunking@novelis.com

Citigroup Global Markets Inc.
390 Greenwich Street, First Floor
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Global Loans Sales

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Emily Jaffe	Vice President	(212) 723-6506	(212) 723-8541	emily.jaffe@citigroup.com

Citigroup Global Relationship Bank

630, Rene-Levesque Boulevard West, Suite 2450
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Global Relationship Bank

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Azita Taravati	Analyst	(514) 393-7527	(514) 393-7545	azita.taravati@citigroup.com

Weil, Gotshal & Manges LLP — Lenders' Counsel

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Banking

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Brandon Cherry	Associate	(212) 310-8088	(212) 310-8007	brandon.cherry@weil.com

I. THIRD AMENDMENT REQUEST

**Citicorp North America Inc.
390 Greenwich Street
New York, NY 10013**

April 23, 2007

To: All Lenders

Re: Novelis Inc.'s Request for a Third Amendment and \$150 million Add-on Term Loan B to the US\$1,208,000,000 Credit Agreement Dated January 7, 2005 (the "Credit Agreement")

Citicorp North America Inc. ("CNAI"), as Administrative Agent, is in receipt of a letter from Novelis Inc. dated April 23, 2007 (the "Novelis Letter", See Section II), in which Novelis requests a Third Amendment and \$150 million Add-on Term Loan B (the "Third Amendment Package") of its Credit Agreement dated as of January 7, 2005 (the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Amendment requires majority lender consent and consent of each lender committing to the Add-on Term Loan.

Novelis will pay a fee of 12.5 basis points to Lenders who consent to the Amendment and Add-on Term Loan B by 5:00 PM EST on Friday, April 27, 2007.

Please provide your consent to the Third Amendment and Add-on Term Loan B at the Company's request by signing and returning the attached consent form to Weil, Gotshal & Manges LLP, Attention: Brandon Cherry: (212) 310-8007. We will notify you promptly upon receipt of the required consents for the Amendment request.

Please feel free to call Orville Lunking of Novelis at 404-814-4248, Isabelle Cote of Citigroup at 514-393-7502 or your Citigroup salesperson, if you have any business questions. For legal questions, please contact Junine Johnson of Weil at 315-577-3268.

Sincerely,

Citicorp North America Inc., as Administrative Agent

II. EXECUTIVE SUMMARY**A. TRANSACTION OVERVIEW**

Novelis, Inc. ("Novelis", the "Company" or the "Borrower"), intends to amend its existing senior secured credit agreement (\$500 million revolving credit facility and \$708 million Term Loan B). Novelis is seeking the Third Amendment of the Credit Agreement in order to accommodate the following (i) a \$150 million increase in the Term Loan, (ii) a waiver of three technical provisions in the Agreement that are affecting normal course operations of the business and (iii) a limited waiver of the change of control Event of Default (and deferral of the repayment date of the senior secured credit facilities), as further described in the Company's letter.

A number of one-time events and cash-timing factors have converged in the early part of 2007 to temporarily reduce the Company's availability under the Revolver. Novelis is seeking additional liquidity, as a precautionary measure, in case metal prices rise from their current level and create an additional use of working capital. The Company will apply the proceeds from \$150 million term loan to reduce the current revolver balance.

(i) SOURCES AND USES

(\$ in millions)

Sources	
Add-On Term Loan B	150.0
Cash	1.5
Total Sources	\$ 151.5
Uses	
Revolver	\$ 149.0
Fees and Expenses(1)	2.5
Total Uses	\$ 151.5

(1) Assumes 100% participation in the Amendment

(ii) PRO FORMA CAPITALIZATION

(\$ in millions)

	FYE 12/31/06	Adjustments	Pro Forma
Cash	\$ 73.0	(\$ 1.5)	71.5
Revolving Credit Facility	\$ 149.0	(\$ 149.0)	0.0
Term Loan B	708.0	149.0	857.0
Korean Bank Loans (1)	141.0		141.0
Capital Leases	51.0		51.0
Total Sr. Sec. Debt	\$ 1,049.0	\$ 0.0	\$ 1,049.0
7.25% Senior Notes Due 2015	\$ 1,400.0		\$ 1,400.0
Other	2.0		2.0
Total Debt	\$ 2,451.0	\$ 0.0	\$ 2,451.0

Selected Operating Data

FYE 12/31/06 Adjusted EBITDA	\$ 415.0	\$ 415.0
FYE 12/31/06 Cash Interest	207.0	207.0
EBITDA / Cash Interest	2.0x	2.0x
First Lien Sr. Secured Debt / Adjusted EBITDA	2.5x	2.5x
Total Debt / Adjusted EBITDA	5.9x	5.9x

(1) Please refer to the Company's 10-K filed 12/31/06 for a discussion of these facilities

(iii) ADD-ON TERM LOAN B SUMMARY OF TERMS

Borrower:	Novelis, Inc.
Amount:	\$150.0 million
Pricing:	Same as existing Term Loan B (L+225 bps)
Maturity:	Same as existing Term Loan B (January 7, 2012)
Amortization:	Same as existing Term Loan B
Security:	Same as existing
Guarantees:	Same as existing
Financial Covenants:	Same as existing

III. LETTER FROM NOVELIS INC.

Letter from Novelis Inc. dated April 23, 2007

IV. LEGAL FORM OF THIRD AMENDMENT

Legal form of the Third Amendment and Consent (to follow).

V. SUMMARY OF TERMS AND CONDITIONS

Please see term sheet posted on Intralinks.