
EFFECTIVE AUGUST 23RD, 2004

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 19, 2005

Novelis Inc.

(Exact name of registrant as specified in its charter)

CANADA

001-32312

(State or other jurisdiction of incorporation)

*(Commission
File Number)*

*(I.R.S. Employee
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

(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 (see General Instruction A.2. below):

- ☐ 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))
-

Item 7.01 Regulation FD Fair Disclosure

On May 19, 2005, Novelis Inc. management presented information to analysts in a special meeting at the Company’s Oswego, NY facility. A copy of the press release is attached hereto as exhibit 99.1. The presentation is attached hereto as exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

- (c) Exhibits
 - 99.1 Press Release issued by Novelis Inc. May 19, 2005.
 - 99.2 Management presented information to analysts in a special meeting at the Company’s Oswego, NY facility.
-

SIGNATURES

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

May 19, 2005

NOVELIS INC.
(Registrant)

/s/ DAVID KENNEDY

David Kennedy
Secretary

Novelis Management Hosts Analyst Meeting

ATLANTA, May 19 /PRNewswire-FirstCall/ -- Novelis Inc. (NYSE, TSX: NVL) leadership today will present the Company's strategy to analysts in a special meeting at Novelis' Oswego, NY facility. The presentation slides are available at www.novelis.com, and a replay of the management commentary will be available on the same website after 10 p.m. this evening. The presentation has also been filed on Form 8-K with the Securities and Exchange Commission.

Novelis, which was spun-off by Alcan effective Jan. 6, 2005, is the global leader in aluminum rolled products and aluminum can recycling. Novelis has 36 operating facilities in 11 countries and more than 13,500 dedicated employees. Novelis has the unique ability to provide its customers with a regional supply of high-end rolled aluminum products throughout Asia, Europe, North America, and South America. Through its advanced production capabilities, Novelis supplies aluminum sheet and foil to the automotive and transportation, beverage and food packaging, construction and industrial, and printing markets. For more information on the company, visit www.novelis.com.

SOURCE Novelis Inc.

-0- 05/19/2005

/CONTACT: Media, Jennifer Dervin, +1-404-814-4208, or Investors, Holly Ash, +1-404-814-4212, both of Novelis Inc./

/Web site: <http://www.novelis.com> /

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Delivering on Our Strategy

Novelis Analyst Meeting

May 19, 2005





Delivering on Our Strategy

Brian Sturgell, CEO

May 19, 2005



Safe Harbor Statement



The slides included in this presentation (the "Presentation") contain proprietary information regarding the operations of Novelis Inc. ("Novelis"). The information herein has been prepared on the basis of information provided by Alcan and other sources deemed reliable. Neither Alcan nor Novelis make any express or implied warranty or representation as to the accuracy or completeness of either the materials contained herein or any other written or oral statement. Neither Alcan nor Novelis undertake any duty to update the information contained herein. Nothing contained within this Presentation is, or should be relied upon as, a promise or representation as to the future. The projected financial information has been provided to assist in a review of strategic alternatives for Novelis. The projected financial information is based on management's analysis of information available at the time this Presentation was prepared and assumptions deemed reasonable by management. However, there is no representation, warranty or other assurance that any of the projections will be realized. Because the projected financial information is based upon estimates and assumptions about circumstances and events that have not yet taken place and are subject to change, actual results may significantly vary from projected results. Forward looking statements involve risks and uncertainty and our actual results may differ materially as a result of many factors, including our separation from Alcan; the level of our indebtedness; our ability to generate cash flow; relationships with and conditions of our customers and suppliers; prices and availability of raw materials; supply of and prices for energy; access to financing; fluctuating currencies; litigation; labor relations; economic, regulatory and political conditions in the countries in which we operate; and government regulations, including environmental, health or safety compliance. In several instances in this presentation, Commodities Research Universe (CRU) has been sourced in order to provide information regarding certain market data such as growth rates, sizes, etc. Alcan nor Novelis make any representation as to nor accept any responsibility for the accuracy of this information. Investors should conduct their own investigation and analysis of the business, data and property described herein.



Oswego Plant Tour



Oswego Plant Tour Overview



- Technologically Sophisticated Assets
- Recycling
- Technology of Rolling
- Why The Assets Matter
- Product Mix

3 Components of the Strategy

Technically Sophisticated Assets
Strong, Differentiated Portfolio Mix
Strong Financial Results

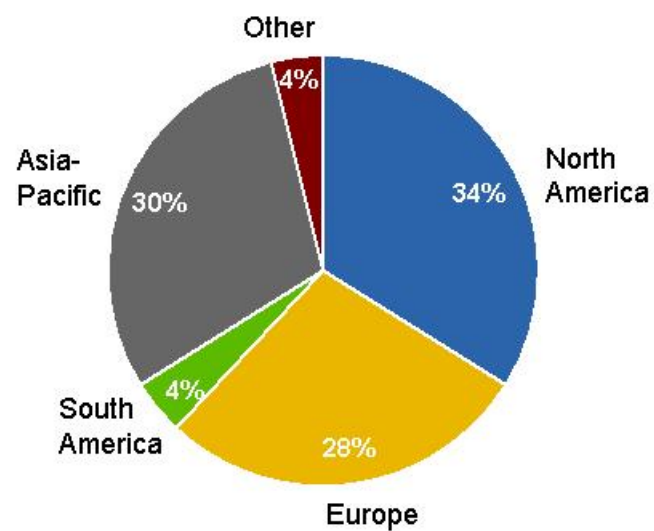
Technically Sophisticated Assets

Rolled Products Shipments by Region



Market size 2004

Total = 14,900 kt



Source : CRU – The Aluminum Flat Rolled Products Quarterly Market Service (Feb. 2005)

Rolled Aluminum Market Product Groups



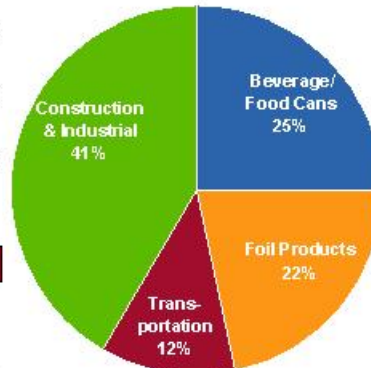
Total Rolled Aluminum Market Size:
14,900 kt

Construction & Industrial

2004 Market Size: 6,211 kt
2002-2004 Growth CAGR: 7.2 %
2004-2009 CRU Growth Forecast: 4.6 %
Primary End Market: Construction
Key Growth Drivers: Housing starts, capital spending, economic growth

Transportation

2004 Market Size: 1,741 kt
2002-2004 Growth CAGR: 9.4 %
2004-2009 CRU Growth Forecast: 5.3 %
Primary End Market: Automotive and Truck, Bus, Trailer
Key Growth Drivers: Auto sales, environmental regulations, fuel cost



Beverage/food cans

2004 Market Size: 3,739 kt
2002-2004 Growth CAGR: 1.1 %
2004-2009 CRU Growth Forecast: 1.7 %
Primary End Market: Beverage cans
Key Growth Drivers: Disposable income, package choice, weather, seasonality

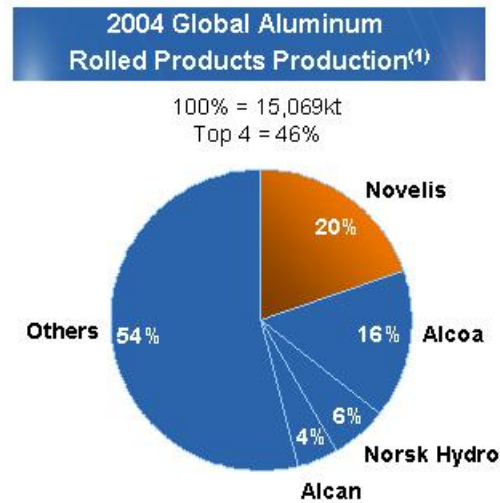
Foil Products

2004 Market Size: 3,222 kt
2002-2004 Growth CAGR: 7.3 %
2004-2009 CRU Growth Forecast: 4.7 %
Primary End Market: Converter foil and Household foil
Key Growth Driver: Disposable income

Market Position – Global Leader in Rolled Aluminum



- Number one rolled product supplier in the world
 - #1 in Europe
 - #2 in North America
 - #1 in Asia-Pacific
 - #1 in South America
- Leading market positions in regional and global segments
 - #1 in can, auto and foil
- Leading recycling position
- Leader in rolling technology
- Leader in continuous casting technology
- Industry position enables Novelis to participate in industry consolidation

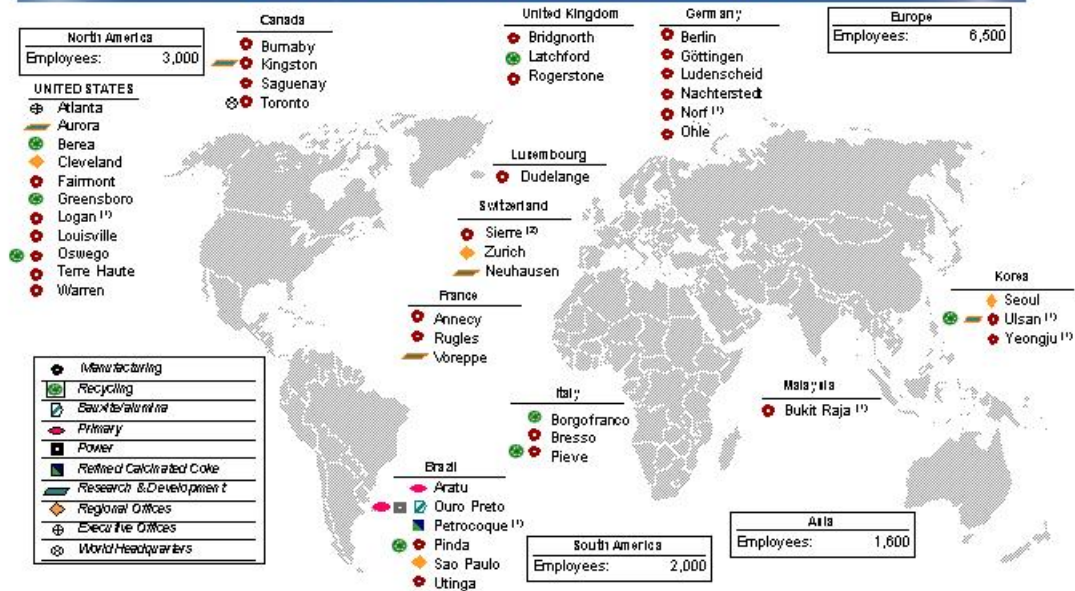


Note: (1) Includes aerospace products production.
Source: CRU, based on production data.

Technologically Sophisticated Assets Globally Positioned



36 Plants, 13,000+ Employees in 11 Countries



Notes: (1) Jointly owned companies or facilities.
(2) Long-term lease.



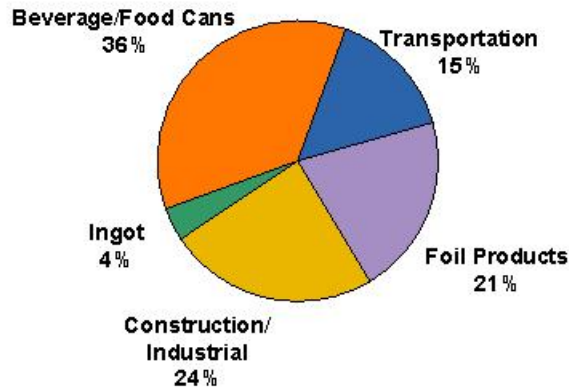
Strong, Differentiated Portfolio Mix

High-end Diversified Product Portfolio and Geographical Mix

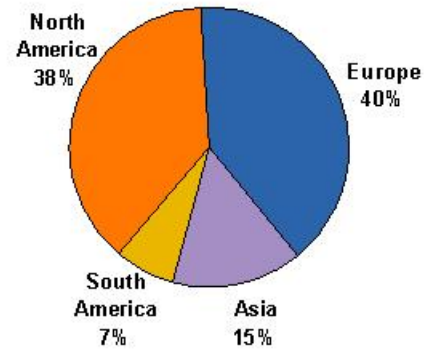


**Only producer capable of supplying high-end sheet products for
global customers on four continents**

Novelis Revenues by End Market



Novelis Revenues by Geography



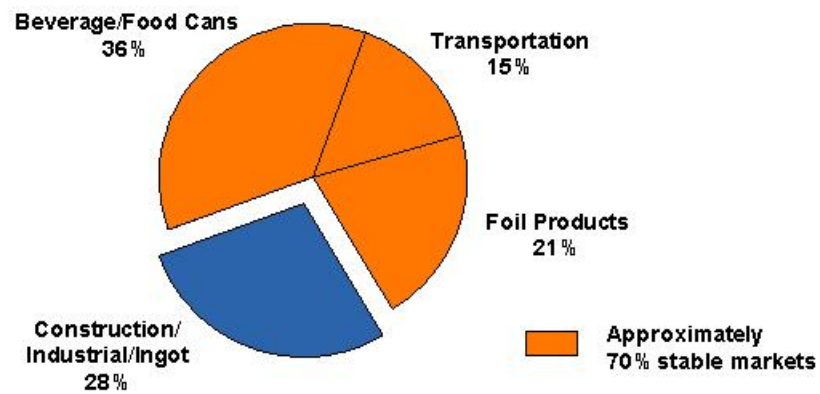
2004 Revenues \$7.8Bn

Market Stability

High-end Diversified Product Portfolio Mix



Novelis Revenues by End Market



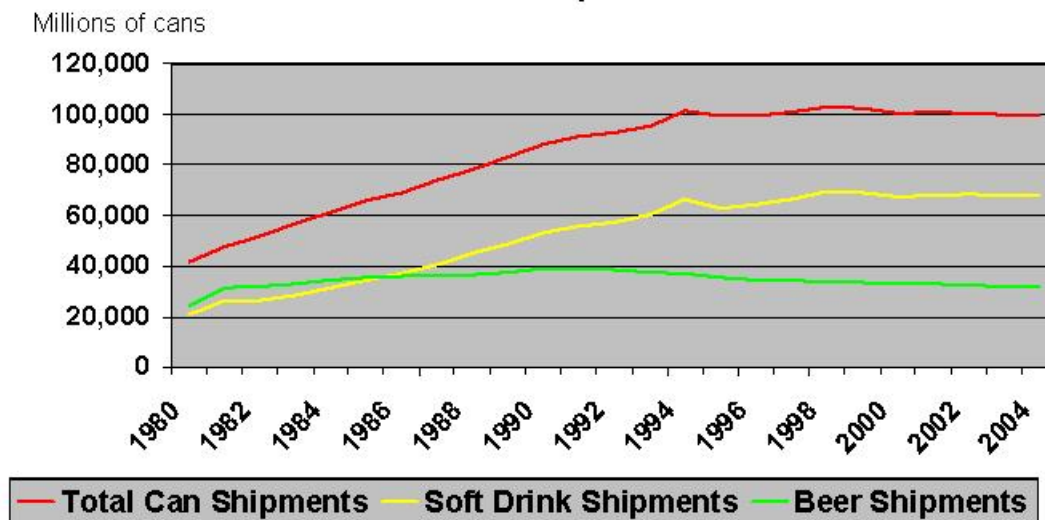
2004 Revenues	North America	Europe	South America	Asia
Stable Mkts	78%	57%	86%	77%

2004 Revenues \$7.8Bn

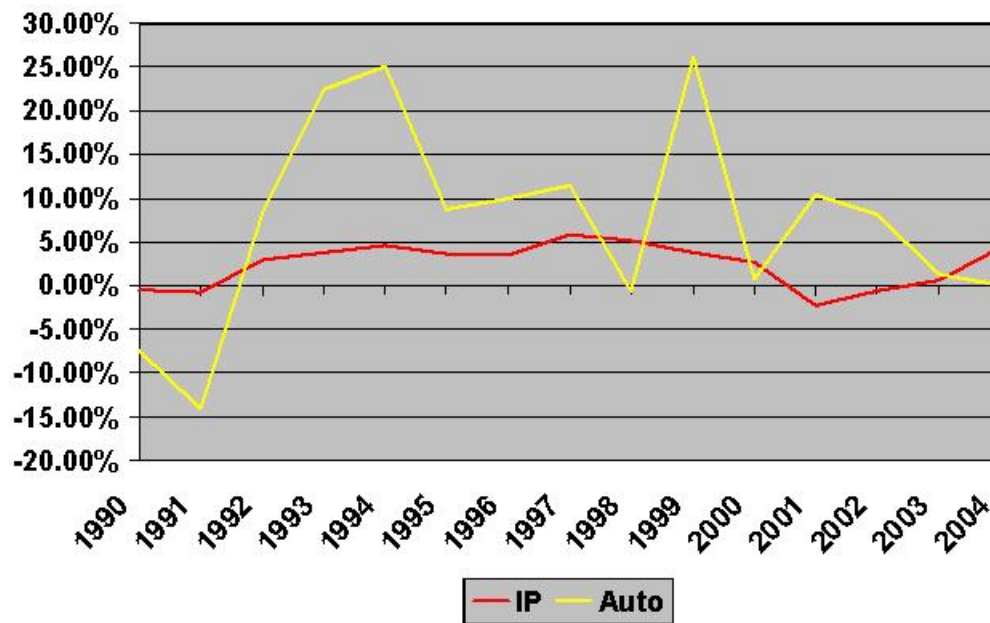
North American Total Can Consumption, by Beverage Type - 1980-2004



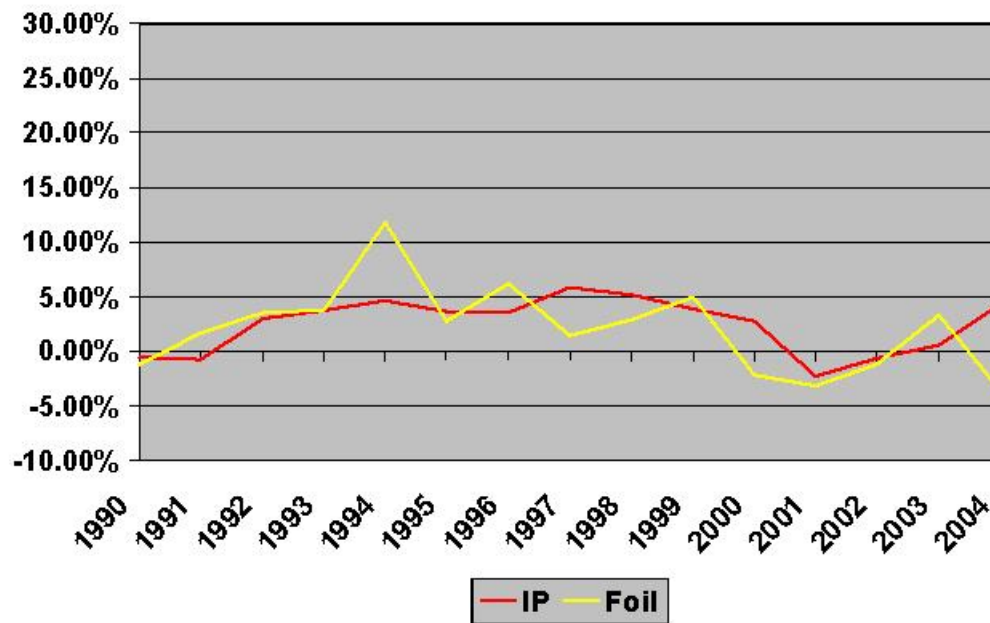
Total Can Shipments



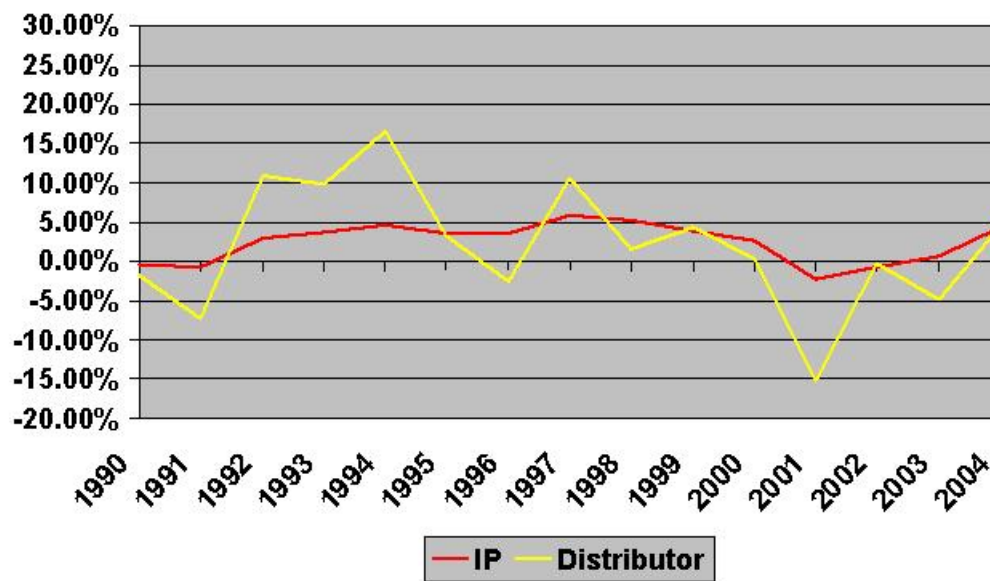
Auto vs. Industrial Production (IP) Growth (US)



Foil vs. Industrial Production (IP) Growth (US)



Distributor vs. Industrial Production (IP) Growth (US)





Strong Financial Results

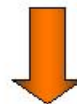
3 Key Components of the Novelis Strategy



Technically Sophisticated Assets



Differentiated Portfolio Mix – a strong mix of products in stable markets



Strong Financial Results – a conversion company, not a metals company

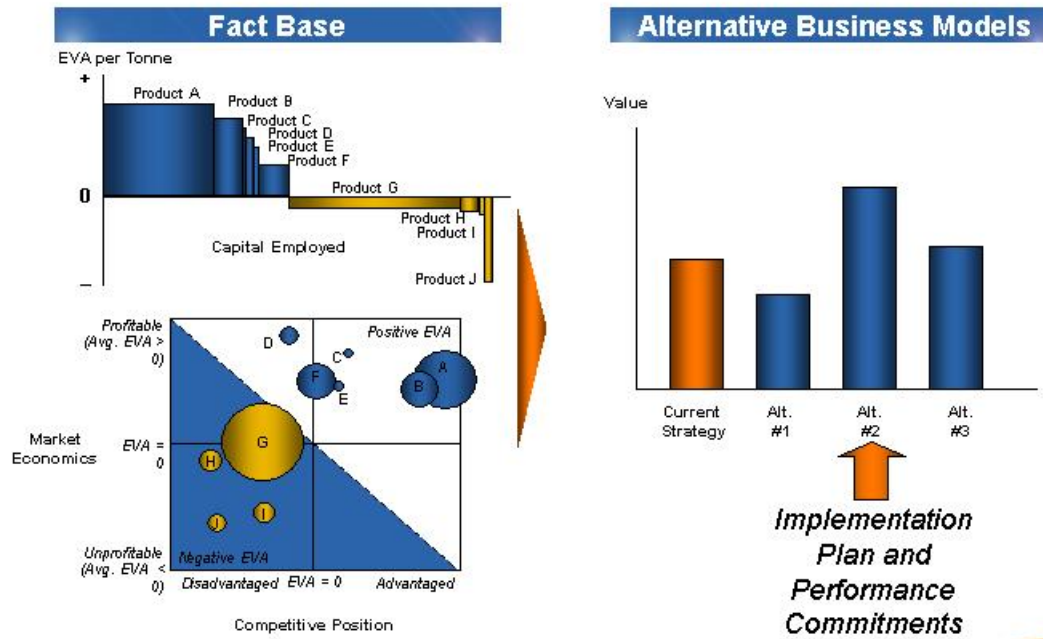
Strategic Management Approach



The 'fact base' is the cornerstone of the strategy development process

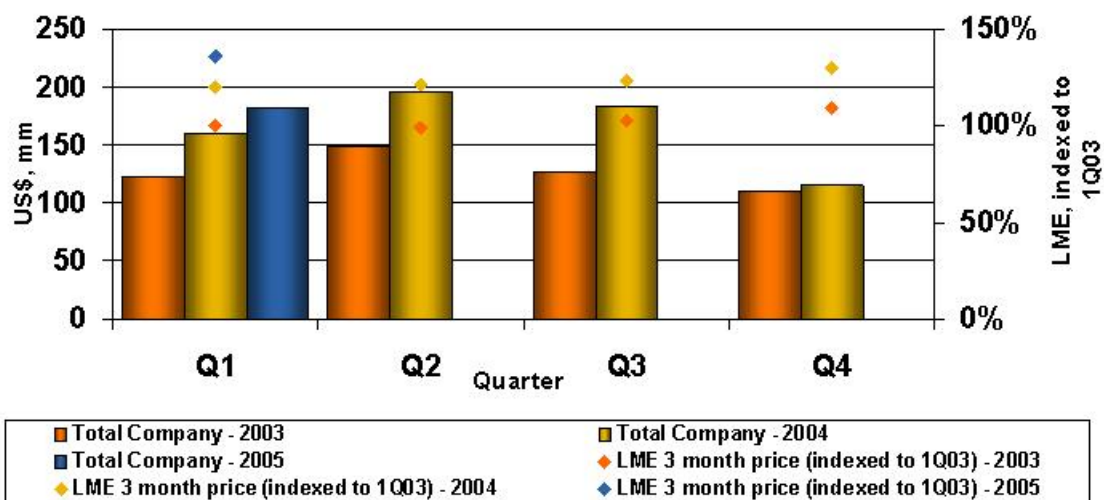
Approach	What It Means to Novelis
Market Segmentation	<ul style="list-style-type: none">Defining markets in insightful ways
Financial Assessment	<ul style="list-style-type: none">Creating a granular view of financial sources & drivers of profitability by product, customer, etc.
Competitive Position	<ul style="list-style-type: none">Understanding current & future customer needs, as well as cost and offer position vs. competitors
Market Economics	<ul style="list-style-type: none">Identifying attractive market segments based on size and growth of profit pools
Comp. Bus. Models	<ul style="list-style-type: none">Anticipating and pre-empting competitor actions
Strategic Pos. & Valuation	<ul style="list-style-type: none">Understanding levers we can pull to drive value growth
New Market Assessment	<ul style="list-style-type: none">Prioritizing incremental investment into adjacent or related market segments
Strategic Issues & Opps.	<ul style="list-style-type: none">Focusing management on the highest value issues & opportunities for the business

Strategic Management Approach

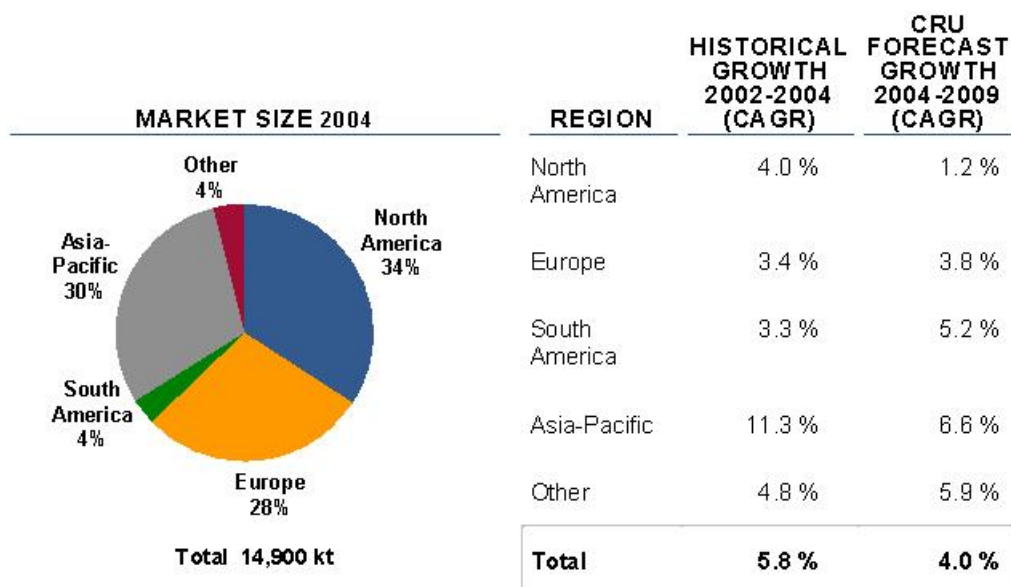


Financial Growth Strategy

Regional Income & LME Price



Rolled Products Shipments and Growth Rates by Region



Source : CRU – The Aluminum Flat Rolled Products Quarterly Market Service (Feb. 2005)

Examples of Cost Cutting Activities



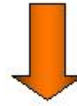
- 4Q04 – Plant closure at Flemalle, Belgium (Pechiney)
- 3Q04 – Plant closure at Falkirk, Scotland, consolidated into UK aluminum sheet rolling activities in Rogerstone, Wales
- 2004 – Closures of corporate offices in Germany & UK
- 2001 Restructuring program
 - A detailed business portfolio review was undertaken to identify high cost operations, excess capacity and non-core products. Implemented a restructuring program resulting in a series of plant sales, closures, restructurings, and divestments.

Novelis Strategy

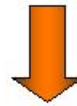
3 Key Components of the Novelis Strategy



Technically Sophisticated Assets

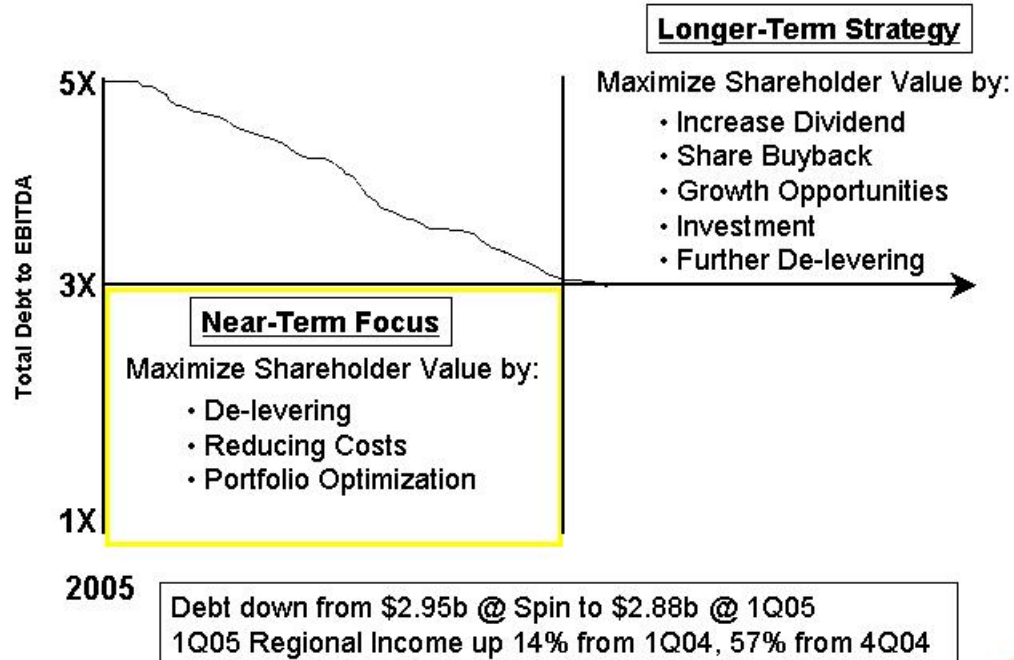


Differentiated Portfolio Mix – a strong mix of products in stable markets



Strong Financial Results – a conversion company, not a metals company

Focus and Strategy



3 Components of the Strategy

Technically Sophisticated Assets
Strong, Differentiated Portfolio Mix
Strong Financial Results



Delivering on Our Strategy

Martha Brooks – COO

May 19, 2005

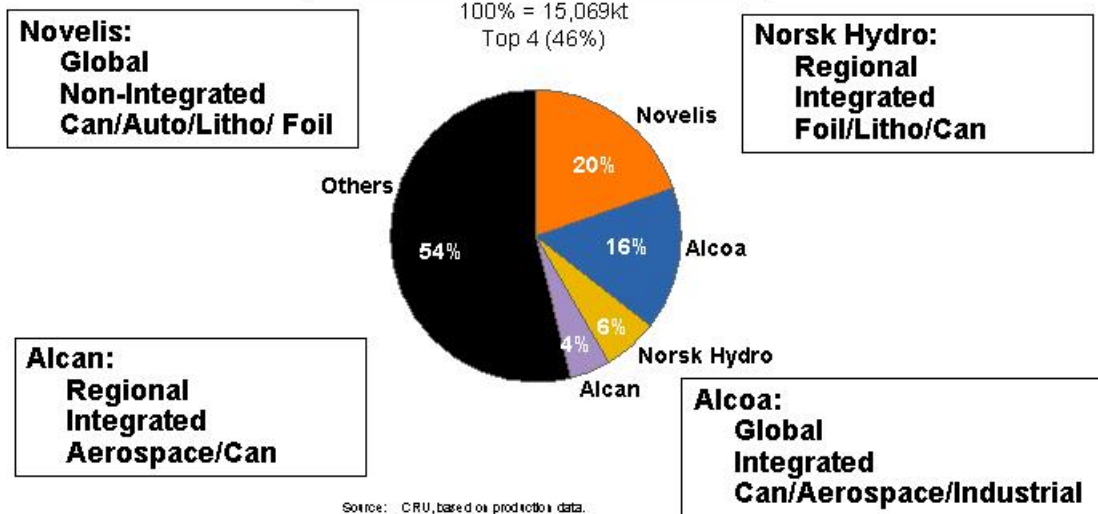


Market Position – 2004

Global Leader in Rolled Aluminum



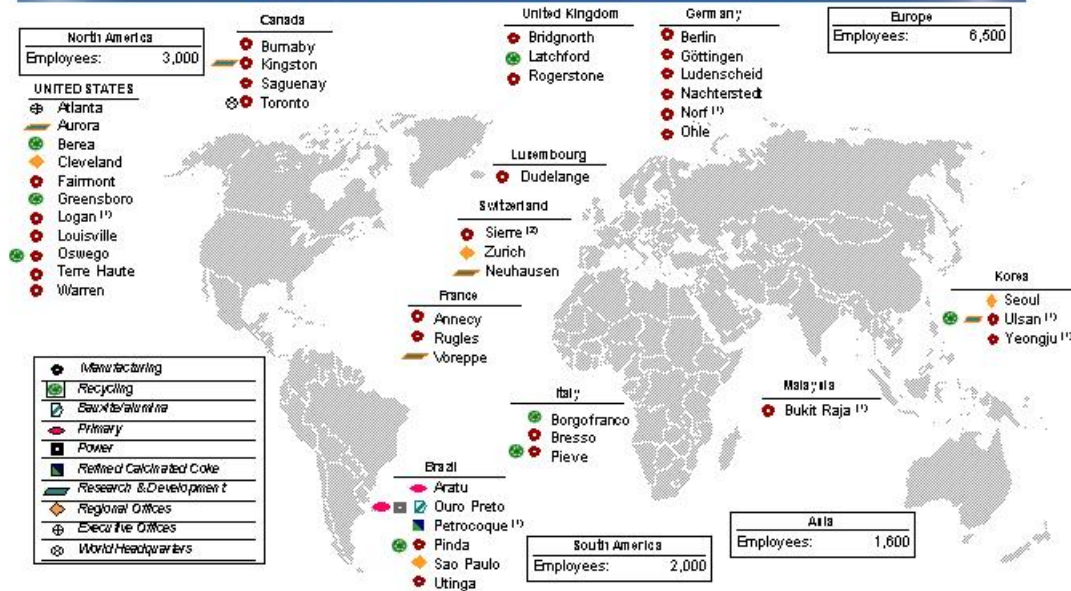
2004 Global Aluminum Rolled Products⁽¹⁾



Technologically Sophisticated Assets Globally Positioned



36 Plants, 13,000+ Employees in 11 Countries



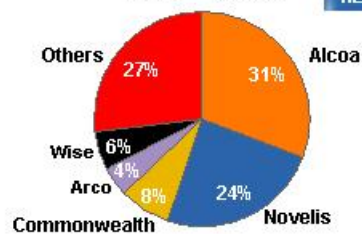
Industry Structure – Consolidating



North America

100% = 4,925kt

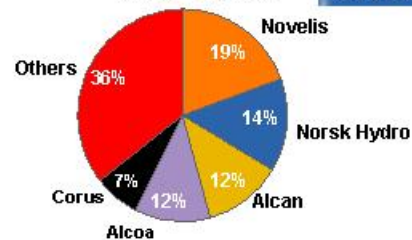
1.2% CAGR



Europe

100% = 5,461kt

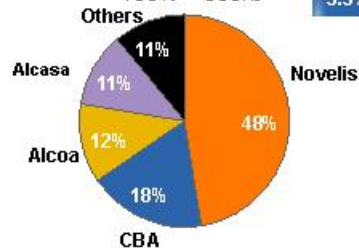
4.0% CAGR



South America

100% = 506kt

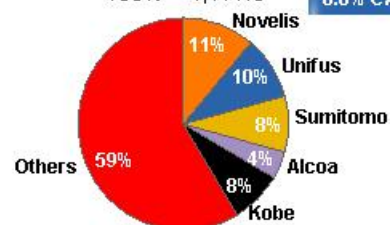
5.3% CAGR



Asia-Pacific

100% = 4,177kt

6.6% CAGR



2004 Data

Source : CRU

Note: CAGRs above per CRU forecast (2004 – 2008).

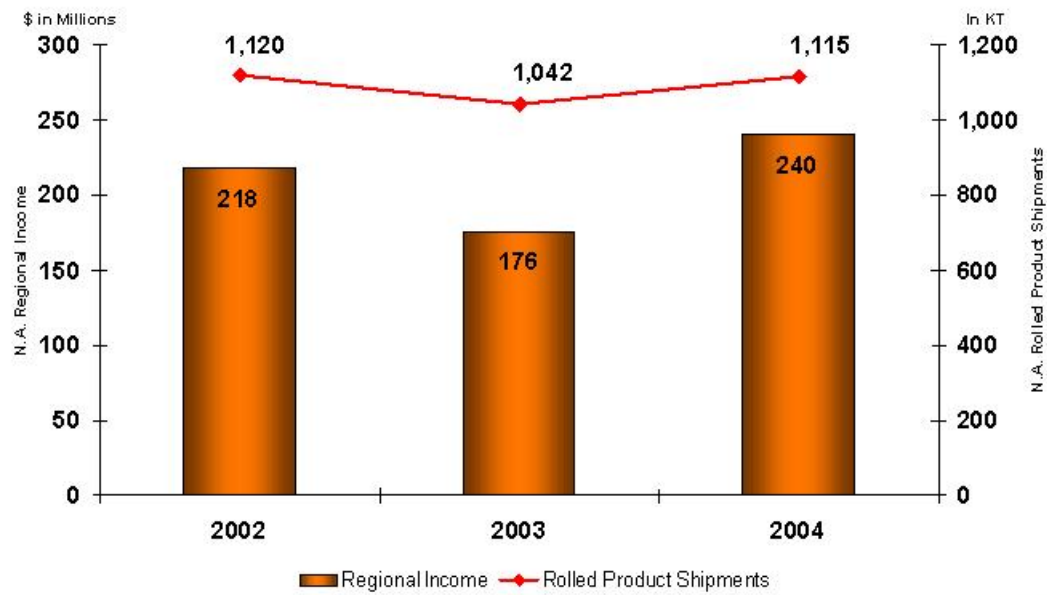
Europe includes Africa and Middle East. North America includes Mexico.
Asia-Pacific includes China's volume which is not segmented by manufacturer.

What Makes Novelis Unique?

- Technically sophisticated assets - globally positioned
 - Top drawer R&D
 - Best practices leveraged globally
 - Steady cost and quality improvement
- Strong and differentiated portfolio
 - Markets not vulnerable to economic cycles
 - Global customers
- Strong Financial Results
 - Not a volatile metals company
 - Metal pass through pricing
 - Strong, steady cash flows

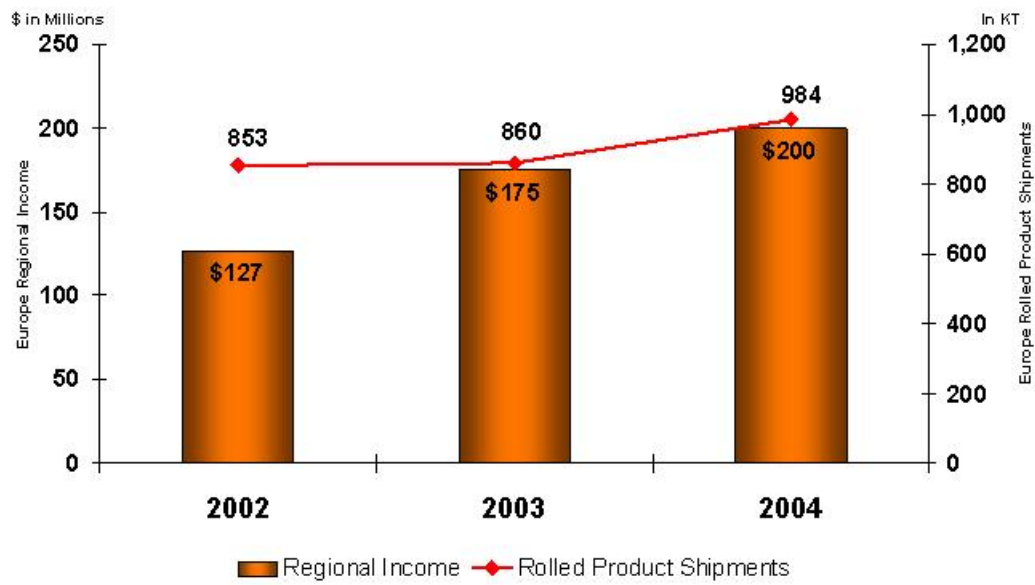
- Technically Sophisticated Assets
 - Constant cost and productivity improvement
 - Technical upgrading of product
 - Grow profits in mature markets with the right portfolio
- Strong and Differentiated portfolio
 - Weaker players and plants still dropping out
 - Heavy participation in can, foil and automotive
 - New product introduction opportunities

North America



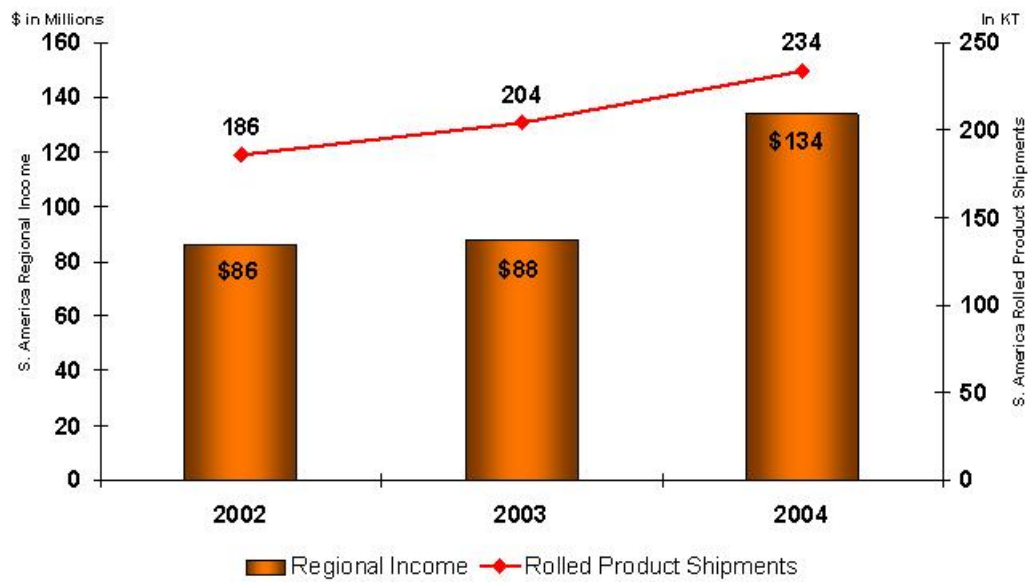
- Technically sophisticated assets
 - Norf is largest mill in the world, very advanced
 - Strong position in continuous cast
- Strong and differentiated portfolio
 - Can growing fast in Middle East and Eastern Europe
 - Conversion from steel in Western Europe
 - Highest grade litho growing rapidly globally
 - Only automotive supplier producing on 2 continents
 - Significantly more product diversity

Europe

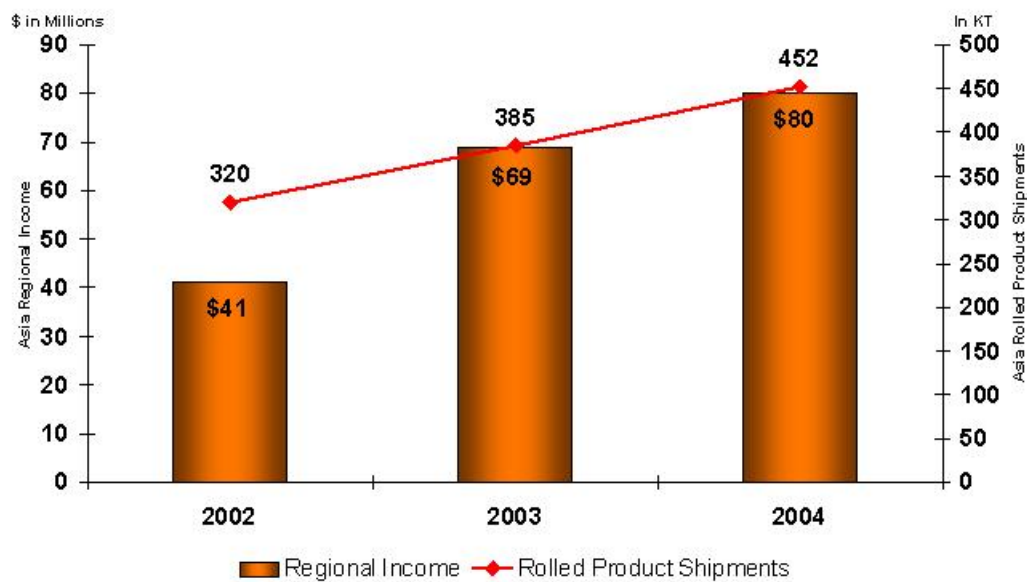


- Technically sophisticated assets
 - Only hot rolling mill in region
 - Utilize 90% of output from our smelters
 - Very successful recycling
- Strong and differentiated portfolio
 - Only producer of can sheet
 - Imports are not competitive
 - Built an export portfolio which insulates us from economic downturns

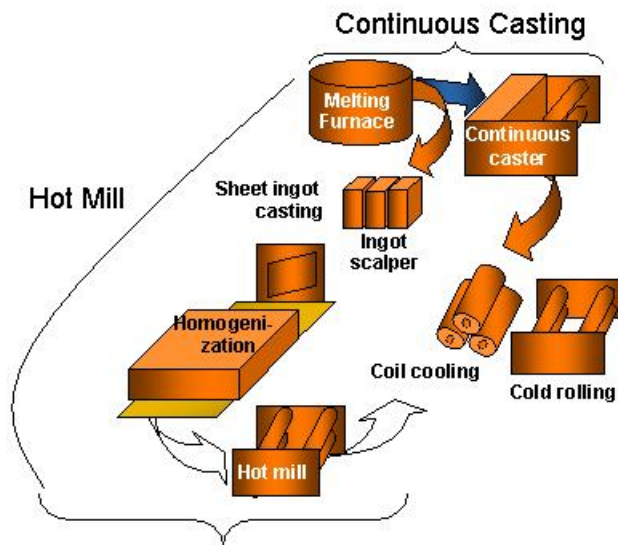
South America



- Technically sophisticated assets
 - Success in application of our knowledge in Korea to improve quality and output
 - Malaysian operation has strong position in coated market
- Strong and differentiated portfolio
 - Can is growing extremely fast: New equipment enables further 20% growth in can business
 - Second largest seller into fast growing Chinese market with high grade product portfolio
 - Beginning to penetrate Japanese market



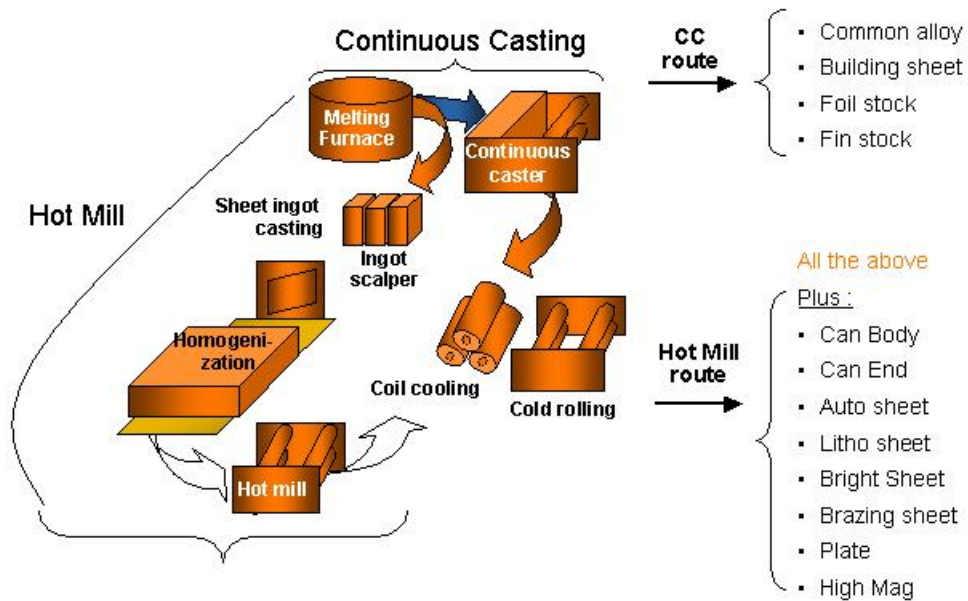
All Mills Are Not Created Equal



Finishing Equipment :

Heat Treat
Chemical Cleaning
Coating
Tension leveling
Edge trimming
Slitting to narrow widths
Laser Blanking
Surface engineering
... and more

DC vs. CC Product Capabilities



- Our people are driven for innovation:
 - Step changes that differentiate our quality, cost and speed to market
 - New technically differentiated products that enhance portfolio mix
- Rolling experience and technology shared across 36 plants
 - Patents, collective knowledge of people is critical
 - Buying top-of-line equipment does not guarantee success
 - Greenfield plants and large new lines take longer

Technically Sophisticated Assets

Novelis Asset Values

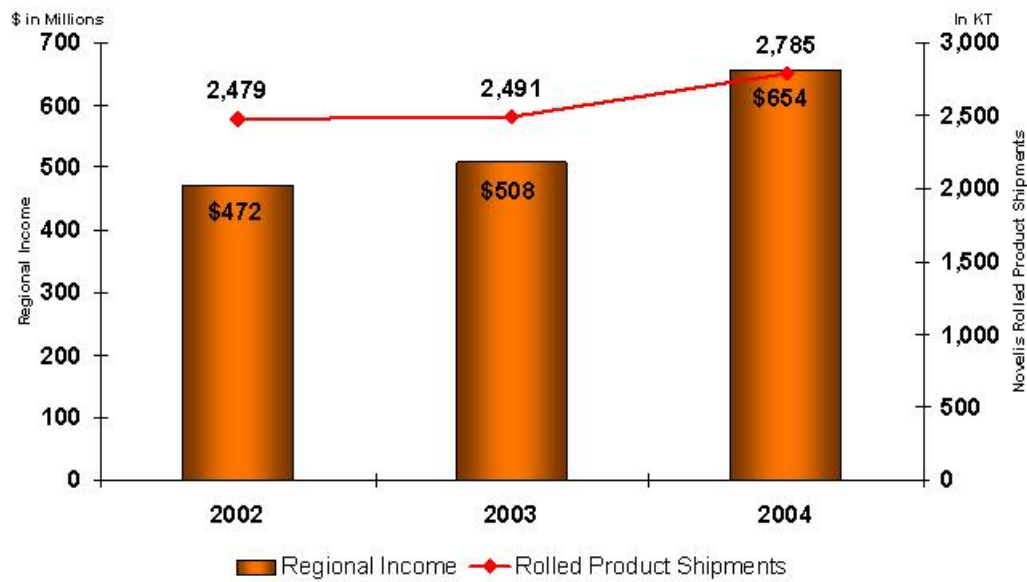


	Value of Assets
Replacement Value	\$10 to \$15 billion
Original Cost	\$5.5 billion
Net Book Value	\$2.2 billion

Strong and Differentiated Portfolio



- Dynamic selection process
- Constant improvement to distance our products and services from competitors and drive value
- Tremendous diversity of choice given quality of assets around the world





Delivering on Our Strategy

Geoff Batt – SVP & CFO

May 19, 2005



- Historical BGP vs. Regional Income
- First Quarter Highlights
- FAS 133 – Mark-to-Market Accounting
- Norf and Other JV Accounting
- Pass-through Metal Pricing
- 2005 Business Group vs. Regional Income Guidance

Historical BGP vs. Regional Income

New Reporting Structure Regional Income vs. Business Group Profit



- Regional Income and Business Group Profit both exclude Asset Impairment and FAS 133 activity and include JV Profit
- The differences between the two are the following:

	<u>Regional Income</u>	<u>BGP</u>
– Regional Overheads	Includes All	Includes Some
– Pension Expense	Includes All	Service Cost Only
– Rationalization	Excludes All	Includes Some
– Restructuring	Excludes All	Includes Some

- Represents the way management is evaluated
 - From both a strategic and compensation standpoint
- Regional management is responsible for their region
- Narrowed the scope and simplified the calculation

Reconciliation of Total Regional Income



(US\$ millions)	First Quarter		Fourth Quarter
	2005	2004	2004
Regional Income			
Novelis North America	57	69	32
Novelis Europe	57	42	38
Novelis Asia	30	20	18
Novelis South America	38	28	28
Total Regional Income	182	159	116
Corporate Office	(27)	(10)	(18)
Additional Items for Reconciliation			
Equity accounted joint venture eliminations	(11)	(11)	(16)
Change in fair market value of derivatives	19	49	40
Restructuring, rationalization & impairment	1	7	(74)
Depreciation & amortization	(58)	(61)	(68)
Interest	(44)	(19)	(19)
Income before income taxes and other items	62	114	(39)

The attached table summarizes the reconciliation of Regional Income to Income before income taxes and other items. Regional Income comprises earnings before interest, taxes, depreciation and amortization excluding certain items, such as corporate office and asset, restructuring, rationalization, goodwill impairments, and the change in fair market value of our derivatives, which are not under the control of the regional management. These items are managed by the company's head office, which focuses on strategy development and oversees governance, policy, legal, compliance, human resources and finance matters. Financial information for individual regional groups includes the results of certain joint ventures on a proportionately consolidated basis, which is consistent with the way the regional groups are managed. Under U.S. GAAP, these joint ventures are accounted for under the equity method. Therefore, in order to reconcile to income before income taxes and other items, the regional income of these joint ventures is removed from total regional income for the company and the net after-tax results are reported as equity income. The change in the fair market value of derivatives has been removed from individual business group results and is shown on a separate line. This presentation provides a more accurate portrayal of underlying regional group results and is in line with the company's portfolio approach to risk management.



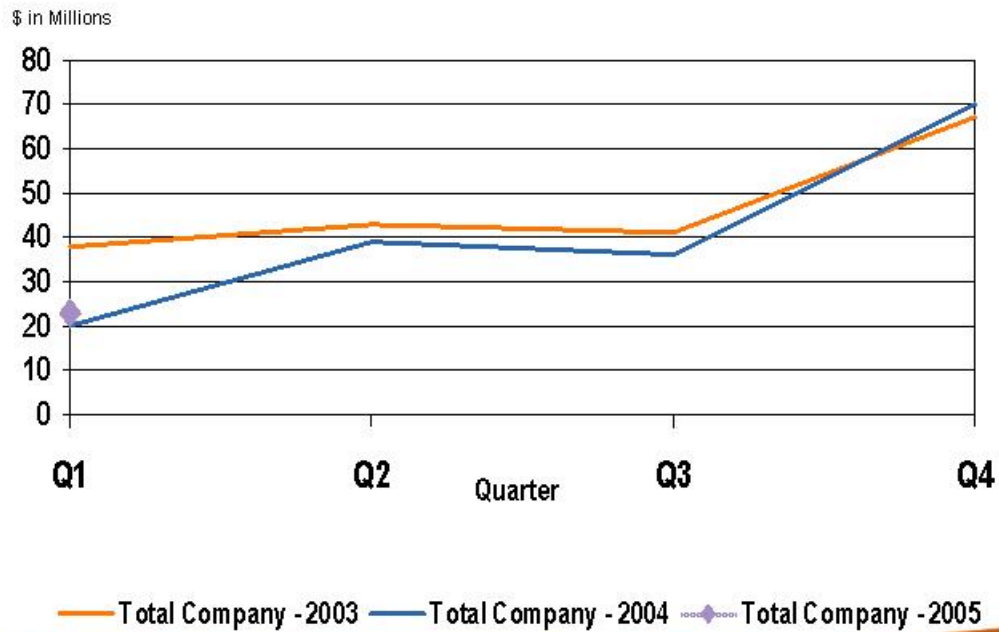
1st Quarter Highlights

Recap of 1st Quarter Performance Highlights



- Growth in regional income of 14%
 - Despite the fact that foreign currency and metal price impact were both negative
 - Volume growth
 - Price improvement
 - Portfolio enhancements
 - Continued emphasis on costs
- Free cash flow of \$76 million
 - Growth in the business
 - Working capital improvements
- Paid down \$70 million of long-term debt
 - Maximizing value agenda through delevering

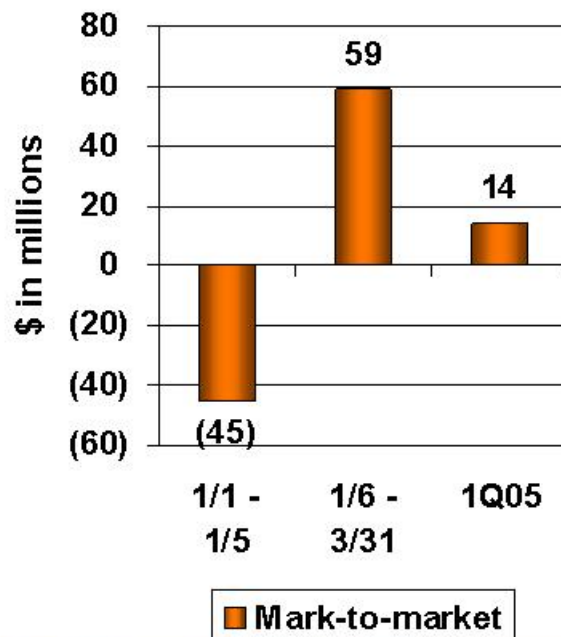
Capital Expenditures by Quarter





FAS 133 Mark to Market Accounting

Recap of 1st Quarter Performance – FAS 133 Activity (pre-tax, GAAP basis)



- Jan 1 – Jan 5 – Meaningful drop in aluminum prices
 - No retained earnings impact (reduced owner's net investment)
- Jan 6 – March 31 – Aluminum prices rebound
 - Flowed through retained earnings

- Overview of FAS 133:
 - Our derivatives are normally forward:
 - Metal price contracts
 - Metal call options to protect ceiling prices
 - Foreign exchange contracts
 - Interest rate swaps
 - Energy contracts
 - Derivatives - reported at fair value on balance sheet
 - Changes in fair value of derivatives not qualifying as a hedge are recorded currently in earnings
 - Over time, as hedges close out, mark to market gains/losses will net to zero

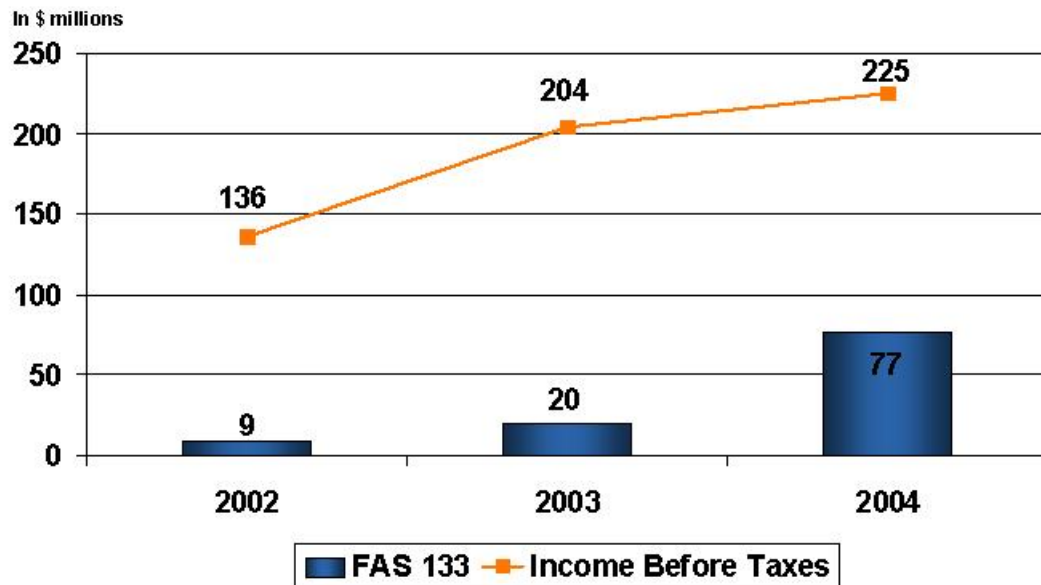
Criteria for Obtaining Hedge Accounting



- Requires formal documentation and extensive financial analysis at hedge inception for both the hedge relationship and hedge strategy
- Analysis includes prospective assessment of effectiveness based on regression analysis, forward rate curves and other techniques
- In order for a hedge to be effective, derivative must be “highly effective” in offsetting changes in the exposure
 - This means that a loss incurred by the exposure must be offset within an 80% to 125% ratio by the gain on the hedging instrument

- The following items will be analyzed and proposed for hedge accounting by year end 2005:
 - Interest Rate Hedges
 - Metal Hedges
 - Foreign Currency Hedges
 - Energy Contracts and Hedges
- Hedge accounting treatment is effective starting on the date of designation

FAS 133 vs. Income Before Taxes (Segmented Profit Basis)



Norf and Other JV Accounting

Norf and Other JV Accounting Income Statement



- Income Statement, Novelis share (in \$ millions)

	<u>2004</u>	<u>2003</u>
JV Regional Income	\$ 48	\$ 42
Depreciation	(<u>37</u>)	(<u>32</u>)
	11	10
Interest Exp & Other	(<u>2</u>)	(<u>1</u>)
Pre-Tax Income	9	9
Income Taxes	<u>3</u>	<u>3</u>
Net Income	\$ 6	\$ 6

Norf and Other JV Accounting Cash Flows



- Cash Flows, Novelis share (in \$ millions)

	<u>2004</u>	<u>2003</u>
Net Income	\$ 6	\$ 6
Depreciation	37	32
Cap Ex	(16)	(14)
Operating Cash Flows	\$ 27	\$ 24

Pass Through Metal Pricing

Pass Through Metal Pricing – Price Ceilings



- Price ceiling on North America can sheet business
- Until the price ceiling is hit, customers pay the price of the metal
- Effective hedging policy minimizes risk
 - Volume from smelters used as a natural hedge
 - Benefit from spreads between UBC and LME prices
 - Purchase call options
 - 100% hedged for upcoming 6 months
 - Two thirds hedged for the following 3 months
 - One-third hedged for the last 3 months
 - Exposure to price ceiling was mitigated in 1st quarter due to effective hedging policy

Pass Through Metal Pricing – Metal Timing Differences



- Approximately 10% of our business sold on 6 month average metal price
- Balance is 2 month lag, tolling, but majority is 1 month lag
- Purchases are normally 1 month lag basis for ingot, spot price for scrap
- Metal portion of sales invoices is as above
- Metal portion of cost of sales on weighted average cost basis
- Results in differences on a monthly basis, but equalizes over time

Business Group Profit (BGP) vs. Regional Income (RI) Guidance



Old Metric:

BGP Guidance – 5-10% Growth

2005 BGP Range

2004 Total BGP = \$597mm

5-10% Growth = \$30-60mm

2005 BGP = \$627-657mm

New Metric:

RI Guidance – 5-10% Growth

2005 BGP Range

2004 Total RI = \$654mm

5-10% Growth = \$33-65mm

2005 RI = \$687-719mm



Novelis Inc.

Question & Answer Session
