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 16, 2006

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))

ITEM 2.02 RESULTS OF OPERATION AND FINANCIAL CONDITION.

On May 16, 2006, Novelis Inc. issued a press release announcing, among other matters, its financial results for the third quarter ended September 30, 2005, the filing of its amended quarterly reports for the first and second quarters of 2005, and full year 2005 and 2006 highlights. A copy of the press release is furnished as Exhibit 99.1 and is herein incorporated by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

99.1 Press release issued by Novelis Inc. on May 16, 2006

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: May 22, 2006

By: /s/ David Kennedy
David Kennedy
Secretary

INDEX TO EXHIBITS

Exhibit

Number	Description
99.1	Press release issued by Novelis Inc. on May 16, 2006

Exhibit 99.1

NOVELIS CONCLUDES ACCOUNTING RESTATEMENT AND REVIEW

REVIEW AND RESTATEMENT RESULTS IN $11 MILLION BENEFIT TO NET INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2005

COMPANY REPORTS THIRD QUARTER 2005 RESULTS; PROVIDES HIGHLIGHTS OF FOURTH QUARTER 2005 AND FULL YEAR 2006

ATLANTA, May 16 /PRNewswire-FirstCall/ -- Novelis Inc. (NYSE: NVL) (TSX: NVL) today announced that it has concluded its restatement and review of the contingencies, reserves and adjustments made to create the Company's opening balance sheet. The overall impact was an increase to net income of $11 million for the first six months of 2005, including a $4 million net gain from out-of-period errors that were recorded in the first quarter.

Novelis' completed financial results for the third quarter and nine months ended September 30, 2005, are included in this press release. The Company has also filed with the U.S. Securities and Exchange Commission its amended quarterly reports for the first and second quarters of 2005, and its quarterly report for the third quarter of 2005.

"Our financial review process was extremely thorough and comprehensive," said Brian W. Sturgell, president and chief executive officer of Novelis. "The review covered several years and a number of complex issues, and it required documentation involving individual plants and the input and approval of a number of outside parties. As a result, the process took longer than we originally anticipated.

"We look forward to finalizing our financial results for the fourth quarter of 2005 and refocusing all of our energies on 2006 and beyond," added Sturgell.

$2 Million Net Positive Impact from Prior-Year Review

On January 31, 2006, Novelis reported that the review process could result in the need to restate the Company's financial statements for 2002, 2003 or 2004. At the conclusion of the review, the Company determined that no restatement of the prior-year results was necessary because the full net income impact was a $2 million net gain, the components of which were immaterial to any of the prior years. The review process identified a total of $4 million of favorable prior-year adjustments. The original Form 10-Q for the first quarter of 2005 included a $2 million negative impact from prior year out-of-period errors. Therefore, the net impact of prior-year adjustments on net income recorded in the first quarter of 2005 is positive $2 million.

Six-Months Restatement Summary

As previously announced, in November 2005, the Audit Committee of Novelis' Board of Directors decided to delay the release of the Company's third quarter financial statements, restate the previously issued financial statements for the first and second quarters of 2005, and conduct a review of contingent liabilities and reserves, equity accounts and other adjustments made to arrive at the opening balance sheet of Novelis as a public entity.

The decision to restate the first and second quarters of 2005 related to two issues: a favorable court ruling in June 2005 in a long-standing Brazilian tax litigation matter that resulted in a $4.6 million pre-tax gain from the partial reversal of a related reserve in the second quarter; and tax accounting for currency translations on loans made by Novelis to its European subsidiaries that, after completion of the review, required no net adjustment to net income for the six-month period.

Components of the $11 million increase in net income for the six months ended June 30, 2005, are included in the following chart, which reconciles net income as previously reported to net income as restated.

Summary of Restatement Adjustments

($ in millions)	Six Months Ended June 30, 2005
Net income - as previously reported	$ 11
Net adjustments:	
1. Misapplication of GAAP related to liability recognition	3
2. Errors in income tax accounting	4
3. Out-of-period errors	4
Total net adjustments	11
Net income - as restated	$ 22

1. Misapplication of GAAP related to liability recognition: The only individually significant item included was the Brazilian tax litigation matter referenced above.

2. Errors in income tax accounting: Errors in this category included the following:

a. A shift in an agreement by one of the Company's German operations from a manufacturing and sale arrangement to a tolling arrangement, triggering additional deferred income taxes on the potential deemed disposition of goodwill.
b. Tax accounting for currency translation on loans made by Novelis to its European subsidiaries, as referenced above, with the impact in the second quarter offsetting the impact in the first quarter.
c. Calculation errors leading to the incorrect allocation of other currency gains and losses between capital and operating for income tax purposes, which impacted the effective tax rate used.
d. The tax treatment on certain spin transactions and related foreign currency gains and losses.

3. Out-of-period errors: This relates to errors in prior years that were corrected in the first quarter of 2005. The original Form 10-Q for the first quarter of 2005 included a $2 million negative impact from prior year out-of-period errors. The review process identified a total of $4 million of favorable prior-year adjustments, and therefore the net impact of prior-year adjustments on net income for the first quarter of 2005 is positive $2 million.

Third Quarter 2005 Results

For the third quarter of 2005, sales and operating revenues increased almost 3% to $2,053 million from $2,000 million in the third quarter of 2004. Rolled product shipments were 725 kilotonnes (kt), essentially unchanged from the third quarter of 2004. Net income declined to $10 million from $34 million in the same period of 2004, due primarily to the following items on an after-tax basis:

- Unrealized gains of $28 million on the change in market value of derivatives in 2005, compared to unrealized gains of $16 million in 2004.
- Foreign currency balance sheet translation losses of $21 million in 2005, mainly in Canada and South America, compared to a loss of $8 million in 2004.
- An increase of $20 million in the Company's interest expense as a stand-alone company in 2005, compared with the carve-out allocation of interest expense from Alcan for 2004.

Earnings per share were $0.14 for the third quarter of 2005 versus $0.47 in the same period of 2004.

The following table highlights certain key financial and operating results for the quarter and nine months ended September 30, 2005, and September 30, 2004, respectively.

<TABLE>
<CAPTION>

($ in millions)	3rd Qtr 2005	3rd Qtr 2004	% Chg	9 months 2005	9 months 2004	% Chg
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales and Operating Revenues	2,053	2,000	3%	6,337	5,739	10%
Regional Income(*)	153	184	-17%	468	538	-13%
Rolled Product Shipments (kt)	725	722	0%	2,168	2,114	3%
Regional Income per Tonne	211	255	-17%	216	254	-15%
Depreciation	56	60	-7%	173	178	-3%
Capital Expenditures	45	36	25%	104	95	9%
Total Assets	5,264	6,084	-13%	5,264	6,084	-13%
Free Cash Flow(*)	84	164	-49%	305	193	58%
Net Income	10	34	-71%	32.0	148.0	-78%

</TABLE>

*See Attachment A for a description of Regional Income and a reconciliation of Regional Income to Income Before Income Taxes and Other Items. Attachment B provides the reconciliation of Net Income to Free Cash Flow.

The following table reconciles the changes from 2004 Regional Income to 2005 Regional Income by significant component of change, for both the quarterly and year-to-date periods ended September 30.

<TABLE>
<CAPTION>

Total Regional Income	Regional Income 2004	Volume/ Price/ Mix/Cost Variance	Metal Variance	Currency Balance Sheet	Currency P&L	Regional Income 2005

<S>	<C>	<C>	<C>	<C>	<C>	<C>
3rd Quarter	184	(24)	8	1	(16)	153
Nine Months	538	(21)	(24)	(9)	(16)	468

</TABLE>

In the third quarter of 2005, Regional Income was $153 million versus $184 million in the third quarter of 2004. Regional Income in the third quarter of 2005 was positively impacted by increases in pricing, as the Company's regions worked to offset higher costs. Metal timing differences had a positive impact on Regional Income for the quarter, as the price of metal charged to customers rose faster in the period than did the price of metal charged to cost of goods sold. These benefits were more than offset by the negative effect of currency, namely the Brazilian Real and the Korean Won, as well as the can price ceiling in North America and high energy and transportation costs. Capacity utilization was very strong in three of the four regions, with European economies continuing to be sluggish.

Regional Results

Novelis North America

<TABLE>
<CAPTION>

North America (in millions)	3rd Qtr 2005	3rd Qtr 2004	% Chg	9 months 2005	9 months 2004	% Chg
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales and Operating Revenues	836	810	3%	2,500	2,229	12%
Regional Income	54	67	-19%	141	208	-32%
Rolled Product Shipments (kt)	285	296	-4%	852	859	-1%
Regional Income per Tonne	189	226	-16%	165	242	-32%
Depreciation	18	18	0%	54	52	4%
Capital Expenditures	14	3	367%	37	20	85%
Total Assets	1,388	1,975	-30%	1,388	1,975	-30%

</TABLE>

Novelis North America experienced a decline in shipments and Regional Income in the third quarter of 2005 versus the same period in 2004. These lower shipments occurred for the most part in the industrial products segment, particularly in the distributor and automotive markets.

<TABLE>
<CAPTION>

North America	Regional Income 2004	Volume/ Price/ Mix/Cost Variance	Metal Variance	Currency Balance Sheet	Currency P&L	Regional Income 2005
<S>	<C>	<C>	<C>	<C>	<C>	<C>
3rd Quarter	67	(10)	(4)	3	(2)	54
Nine Months	208	(28)	(37)	2	(4)	141

</TABLE>

Regional Income in North America declined, as rising costs related to freight, energy and operating expenses were only partially offset by an improvement in conversion prices and the release of an environmental reserve. Metal prices negatively impacted Regional Income by $4 million. However, the significant negative effect of the can price ceiling was mostly offset by favorable metal timing differences.

Novelis Europe

<TABLE>
<CAPTION>

Europe (in millions)	3rd Qtr 2005	3rd Qtr 2004	% Chg	9 months 2005	9 months 2004	% Chg
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales and Operating Revenues	737	766	-4%	2,376	2,289	4%
Regional Income	52	64	-19%	161	162	-1%
Rolled Product Shipments (kt)	252	251	0%	768	756	2%
Regional Income per Tonne	206	255	-19%	210	214	-2%
Depreciation	23	27	-15%	74	79	-6%
Capital Expenditures	17	19	-11%	39	51	-24%
Total Assets	2,129	2,458	-13%	2,129	2,458	-13%

</TABLE>

Shipments in Europe were flat, while Regional Income declined almost 19%. Novelis Europe achieved an increase in can sheet shipments, with new aluminum can making lines operating in Eastern Europe and can producer line conversions from steel to aluminum taking place throughout Western Europe. However, reduced shipments in the foil and packaging markets partially offset this benefit.

<TABLE>
<CAPTION>

Europe	Regional Income 2004	Volume/ Price/ Mix/Cost Variance	Metal Variance	Currency Balance Sheet	Currency P&L	Regional Income 2005
<S>	<C>	<C>	<C>	<C>	<C>	<C>
3rd Quarter	64	(11)	4	0	(5)	52
Nine Months	162	(11)	2	0	8	161

</TABLE>

The decrease in Regional Income was attributable to higher energy costs, lower ingot shipments associated with the closure of the Borgofranco facility, and an adverse currency impact. Metal timing had a positive impact on Regional Income for the quarter.

Novelis Asia

<TABLE>
<CAPTION>

Asia (in millions)	3rd Qtr 2005	3rd Qtr 2004	% Chg	9 months 2005	9 months 2004	% Chg
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales and Operating Revenues	328	292	12%	1,025	858	19%
Regional Income	23	19	21%	80	62	29%
Rolled Product Shipments (kt)	119	111	7%	356	334	7%
Regional Income per Tonne	193	171	13%	225	186	21%
Depreciation	12	11	9%	37	34	9%
Capital Expenditures	5	9	-44%	15	17	-12%
Total Assets	971	941	3%	971	941	3%

</TABLE>

Novelis Asia's shipments grew 7% in the third quarter of 2005 versus the third quarter of 2004. The growth in shipments was due in large part to can market share advances in China and Southeast Asia.

<TABLE>
<CAPTION>

Asia	Regional Income 2004	Volume/ Price/ Mix/Cost Variance	Metal Variance	Currency Balance Sheet	Currency P&L	Regional Income 2005
<S>	<C>	<C>	<C>	<C>	<C>	<C>
3rd Quarter	19	5	2	0	(3)	23
Nine Months	62	27	(3)	0	(6)	80

</TABLE>

Regional Income climbed by 21% in the third quarter of 2005 versus the third quarter of 2004. Regional Income in Asia for the quarter benefited from improved costs and increased shipments. The strengthening of the Korean Won had a $3 million adverse impact on the segment. However, this was partially offset by favorable metal timing differences.

Novelis South America

<TABLE>
<CAPTION>

South America (in millions)	3rd Qtr 2005	3rd Qtr 2004	% Chg	9 months 2005	9 months 2004	% Chg
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales and Operating Revenues	157	134	17%	448	369	21%
Regional Income	24	34	-29%	86	106	-19%
Rolled Product Shipments (kt)	68	64	6%	191	165	16%
Regional Income per Tonne	353	531	-34%	450	642	-30%
Depreciation	11	12	-8%	33	36	-8%
Capital Expenditures	5	5	0%	13	12	8%
Total Assets	780	804	-3%	780	804	-3%

</TABLE>

In South America, shipments of rolled products increased in the quarter due primarily to the growth in the regional can market.

<TABLE>
<CAPTION>

South America	Regional Income 2004	Volume/ Price/ Mix/Cost Variance	Metal Variance	Currency Balance Sheet	Currency P&L	Regional Income 2005
<S>	<C>	<C>	<C>	<C>	<C>	<C>
3rd Quarter	34	(8)	6	(2)	(6)	24
Nine Months	106	(9)	14	(11)	(14)	86

</TABLE>

Regional Income in South America declined due to higher energy costs, higher smelter production costs, and a negative impact of $8 million as a result of the strengthening of the Brazilian Real by 26% during the third quarter of 2005 versus the third quarter of 2004. The favorable impact of increasing London Metal Exchange (LME) prices on production from the smelters resulted in a $6 million benefit to Regional Income.

Balance Sheet Highlights

Cash and cash equivalents at the end of the third quarter of 2005 were $124 million, down slightly from $127 million at the end of the second quarter of 2005.

As of September 30, 2005, Novelis had reduced its debt to $2,685 million from $2,951 million at the time of Novelis' spin-off from Alcan, a total reduction of $266 million.

Working capital improvements positively impacted cash flows during the third quarter. As a result of these working capital improvements and a review of the overall impact of rising metal prices on working capital, Novelis was able to revise its estimate of the impact on cash of metal price movements for the long-term. The Company now expects that for every $100 change in the price of metal per tonne, working capital is impacted by approximately $30 million, compared with its previous estimate of $40 million. Most of the difference is attributable to structural improvements made in working capital levels in 2005. The Company continues to make progress on working capital turns, and any sustained improvements should further reduce the impact from metal price fluctuations.

Full Year 2005 and 2006 Highlights

Novelis took actions during the third and fourth quarters of 2005 that have significant implications for 2006 and beyond. As previously announced, for the first half of 2006, the Company hedged its metal price ceiling exposure above its internal hedge volume by purchasing $29 million in call options positioned to cover the exposure at the ceiling price for the first six months.

For the second half of 2006, the Company has hedged its metal price ceiling exposure above its internal hedge volume with call option positions at various strike prices above the ceiling price. As a result, at anticipated sales volumes and at today's metal price, the maximum metal price ceiling exposure (beyond internal hedges) is expected to be $45 million, in addition to the $14 million cost of the options for the last six months of 2006. The maximum exposure assumes the hedge effectiveness of Novelis' used beverage can (UBC) and smelter output in this unusually high and sustained metal price environment. The options were paid in cash in 2005, but will be expensed for accounting purposes in 2006.

The Company expects that, beginning in 2007, it will no longer have metal price ceiling exposure beyond its internal hedge position since the Company's total volume, subject to contracts with a metal price ceiling, will decrease to approximately 10% from the 2006 level of 20%. This remaining can ceiling exposure volume level is roughly at or below the Company's internal hedge volume.

Novelis was aggressive in repaying debt in 2005, paying down more than $300 million. In the first quarter of 2006, the Company repaid $80 million of its Term Loan, as well as other debt, driven by cash flows from operations and working capital improvements. Notably, the Company was able to do this during a period of sustained high metal prices, which required additional working capital.

As the Company modified its metal hedging strategy, it also revised its currency hedging strategy. Novelis South America has entered into Brazilian Real foreign currency forward contracts, which will hedge the rate at which U.S. dollar-denominated revenue is converted into Real to pay for local costs such as labor and electricity. These contracts currently cover approximately one-half of the Company's projected net, Real-denominated cash flow exposure in South America for the next twelve months. The covered amount is slightly more than

$100 million and has an average rate of $R2.32 per U.S. dollar.

Novelis expects Regional Income for the fourth quarter of 2005 to improve versus $116 million in the fourth quarter of 2004. However, Regional Income for the full year 2005 is expected to decrease compared with record Regional Income of $654 million in 2004. The decline would be primarily due to high metal prices and the ceiling price effect on North American can sheet sales, currency impacts and continued increases in energy and transportation costs. For the first nine months of 2005, the overall adverse metal effect was $24 million, while energy and transportation costs increased.

Foreign currency fluctuations negatively affected Regional Income for the first nine months of 2005 by approximately $25 million, and are also expected to have a negative impact on results in the fourth quarter, primarily due to the strengthening of the Brazilian Real from an average of $R2.920 per U.S. dollar in 2004 to an average of $R2.417 per U.S. dollar in 2005, a 21 percent change in dollar-equivalent terms.

Outlook for 2006

Preliminary data suggests that Novelis' financial results in the first half of 2006 will benefit from positive metal timing. However, the expenses related to the restatement and review process will negatively impact the half- year results.

With respect to the second half of 2006, a number of factors contribute to uncertainty and hinder visibility. These include fluctuating metal prices affecting the direction of metal timing, the Company's remaining $45 million risk exposure on metal option hedging, the effectiveness of its internal hedges from used beverage cans and its Brazilian smelters, and currency trends. In addition, Novelis will incur additional costs in the second half of 2006 as it brings current its financial statements.

With the 2005 restatement and review process completed, the Company is taking the steps necessary to put the financial reporting process back on a normal cycle. Novelis has received the waiver from its lenders extending the reporting deadlines for the full year 2005 and the first, second and third quarters of 2006, and will now focus on returning to a normal reporting cycle no later than year end. The business continues to move forward, and the time is right to turn to accelerating execution of the strategy and focusing on profitable portfolio opportunities and growth.

Attachment A

The following table summarizes the reconciliation of Regional Income to Income before income taxes and other items.

<TABLE>
<CAPTION>

($ in millions)	Third Quarter 2005	Third Quarter 2004	Second Quarter 2005 (restated)	First Quarter 2005 (restated)
<S>	<C>	<C>	<C>	<C>
Regional Income				
Novelis North America	54	67	35	52
Novelis Europe	52	64	55	54
Novelis Asia	23	19	27	30
Novelis South America	24	34	24	38
Total Regional Income	153	184	141	174
Corporate office *	(17)	(11)	31	(25)
Other Adjustments				
Depreciation & amortization	(56)	(60)	(58)	(59)
Adjustments for equity- accounted joint ventures	(11)	(11)	(10)	(12)
Change in market value of derivatives	43	15	(61)	19
Restructuring, rationalization & impairment (costs)/recoveries	(10)	(20)	9	3
Interest expense	(48)	(17)	(49)	(45)
Income before income taxes and other items	54	80	3	55

</TABLE>

* Corporate costs include the $45 million gain realized on the monetization of cross-currency interest rate swaps in the second quarter of 2005.

Regional Income comprises earnings before interest, income taxes, equity income, minority interests, depreciation and amortization and excludes certain items, such as corporate, restructuring costs, impairment and other rationalization charges. These items are managed by our corporate head office, which focuses on strategy development and oversees governance, policy, legal compliance, human resources and finance matters. Regional Income is the measure by which management evaluates the profitability and financial performance of our operating segments.

Financial information for the 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 GAAP, these joint ventures are accounted for under the equity method. Therefore, in order to reconcile Regional Income to Income before income taxes and other items, the Regional Income attributable to these joint ventures is removed from Regional Income for us and the net after-tax results are reported as equity income.

The change in the fair market value of derivatives, with the exception of unrealized gains or losses on certain cash flow hedges, has been removed from individual regional results and is shown on a separate line in the reconciliation between total Regional Income and Income before income taxes and other items. This presentation provides a portrayal of our underlying regional group results that is in line with our portfolio approach to risk management.

Attachment B

The following table summarizes the reconciliation of Net Income to Free Cash Flow.

Free Cash Flow ($ in millions)	Nine Months 2005	Nine Months 2004
Net income	32	148
Unrealized losses (gains) on derivatives	-	(36)
Other non-cash income items(A)	87	206
Increase (decrease) in interest payable	19	(1)
Increase (decrease) in accrued income taxes	59	(18)
Other changes in assets and liabilities(B)	169	(7)
Net cash provided by operating activities	366	292
Dividends	(27)	(4)
Premiums paid and net proceeds on derivatives	70	-
Capital expenditures	(104)	(95)
Free cash flow (C)	305	193
Ending cash balance	124	27

(A) Other non-cash income items comprise: Depreciation and amortization, Deferred income taxes, Write-off and amortization of debt issue costs, Provision for uncollectible accounts, Gains from sale of fixed assets, Equity in net income of non-consolidated affiliates, Provision for asset impairments and Stock option compensation, and realized losses (gains) on derivatives.

(B) Other changes in assets and liabilities comprise: increases or decreases in Accounts receivable (third and related parties), Prepaid expenses, Inventories, Other current assets, Accounts payable trade (third and related parties), Accrued expenses, Deferred charges and other assets, Deferred credits and other liabilities and Other items . net.

(C) Free cash flow (which is a non-GAAP measure) consists of cash provided by operating activities plus or minus capital expenditures, premiums paid and net proceeds on derivatives and dividends. Dividends include those paid by our less than wholly-owned subsidiaries to their minority shareholders and dividends to our common shareholders. Management believes that free cash flow is relevant to investors as it provides a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, free cash flow does not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of free cash flow. We believe the line on our unaudited condensed consolidated and combined statement of cash flows entitled "Cash provided by operating activities" is the most directly comparable measure to free cash flow. Our method of calculating free cash flow may not be consistent with that of other companies.

Novelis is the global leader in aluminum rolled products and aluminum can recycling. The Company operates in 11 countries and has approximately 13,000 employees. 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. For more information, visit www.novelis.com .

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, among other matters, our expectations with respect to the impact on cash of metal price movements, our metal price ceiling exposure, our performance expectations for the fourth quarter of 2005, our outlook for 2006 and our efforts to return to a normal SEC reporting cycle by the end of 2006. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and that Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: continuing obligations and other relationships resulting from our spin-off from Alcan; the level of our indebtedness and our ability to generate cash; relationships with, and financial and operating conditions of, our customers and suppliers; changes in the prices and availability of aluminum (or premiums associated with such price) or other raw materials we use; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing for future capital requirements; changes in the relative values of various currencies; factors affecting our operations, such as litigation, labor relations and negotiations, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions; changes to and volatility of metal prices; our ability to improve and maintain effective internal control over financial reporting and disclosure controls and procedures in the future; our ability to properly account for adjustments made to arrive at our opening balance sheet as of January 6, 2005; changes in market value of derivatives; the effectiveness of our hedging activities, including our internal UBC and smelter hedges; the continued cooperation of debt holders and regulatory authorities with respect to extensions of our 2006 filing deadlines; cyclical demand and pricing within the principal markets for our products as well as seasonality in certain of our customers' industries; and changes in government regulations, particularly those affecting environmental, health or safety compliance. The financial information provided in this news release was prepared by management and has not been audited. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our registration statement on Form S-4, as amended and filed with the SEC, and may be discussed in subsequent filings with the SEC. The risk factors included in our registration statement on Form S-4, as amended, are specifically incorporated by reference into this news release.

Novelis Inc.

CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF INCOME (unaudited)
(in millions of US$, except per share amounts)

	Third Quarter		Nine Months	
Periods ended September 30	2005	2004	2005	2004
Sales and operating revenues				
- third parties	2,053	1,893	6,337	5,416
- related parties	-	107	-	323
	2,053	2,000	6,337	5,739
Costs and expenses				
Cost of sales and operating expenses, excluding depreciation and amortization noted below				
- third parties	1,833	1,661	5,677	4,744
- related parties	-	96	-	288
Depreciation and amortization	56	60	173	178
Selling, general and administrative expenses	79	72	243	182
Research and development expenses	10	3	29	13
Research and development expenses - related parties	-	10	-	28
Other expenses (income) - net				
- third parties	(27)	-	(38)	8
- related parties	-	1	(1)	(21)
Interest expense				
- third parties	48	10	142	31
- related parties	-	7	-	24
	1,999	1,920	6,225	5,475
Income before income taxes and other items	54	80	112	264
Income taxes	37	45	67	111
Income before other items	17	35	45	153
Equity in net income of non-consolidated affiliates	2	1	6	4
Minority interests in earnings of consolidated affiliates	(9)	(2)	(19)	(9)
Net income	10	34	32	148
Earnings per share				
Net income per share - basic	0.14	0.47	0.43	2.01
Net income per share - diluted	0.14	0.47	0.43	2.00

Dividends per common share	0.09	-	0.27	-

Novelis Inc.

CONDENSED CONSOLIDATED AND COMBINED BALANCE SHEETS (unaudited)
(in millions of US$, except number of shares)

As of	September 30, 2005	December 31, 2004
ASSETS		
Current assets		
Cash and cash equivalents	124	31
Trade receivables (net of allowances of $28 in 2005 and $33 in 2004)		
- third parties	959	710
- related parties	-	87
Other receivables		
- third parties	8	5
- related parties	30	846
Prepaid expenses	52	36
Inventories		
Aluminum	941	1,081
Raw materials	20	20
Other supplies	126	125
	1,087	1,226
Other current assets	181	77
Total current assets	2,441	3,018
Deferred charges and other assets	219	71
Long-term receivables from related parties	77	104
Property, plant and equipment, net	2,170	2,348
Investments in non-consolidated affiliates	100	122
Intangible assets (net of accumulated amortization of $10 in 2005 and $9 in 2004)	29	35
Goodwill	228	256
Total assets	5,264	5,954

Novelis Inc.

CONDENSED CONSOLIDATED AND COMBINED BALANCE SHEETS (unaudited) - (Continued)
(in millions of US$, except number of shares)

<TABLE>
<CAPTION>

As of	September 30, 2005	December 31, 2004
<S>	<C>	<C>
LIABILITIES AND SHAREHOLDERS'/INVESTED EQUITY		
Current liabilities		
Current portion of long-term debt		
- third parties	3	1
- related parties	-	290
Short-term borrowings		
- third parties	35	229
- related parties	-	312
Accounts payable, trade		
- third parties	752	496
- related parties	38	401
Accrued expenses	418	339
Interest payable	22	2
Accrued income taxes	58	1
Other current liabilities	14	21
Total current liabilities	1,340	2,092
Long-term debt, net of current portion		
- third parties	2,647	139
- related parties	-	2,307
Accrued post-retirement benefits	307	284
Deferred credits and other liabilities	224	188
Deferred income taxes	191	249
Commitments and contingencies		
Minority interests in equity of consolidated affiliates	151	140
Shareholders'/invested equity		
Preferred shares - unlimited number of first preferred and second preferred shares authorized; none issued	-	-
Common shares, no par value - unlimited number of shares authorized; issued and outstanding: 74,005,649 shares as of September 30, 2005	-	-
Additional paid-in capital	433	-
Retained earnings	41	-

Accumulated other comprehensive income (loss)	(70)	88
Owner's net investment	-	467
Total shareholders'/invested equity	404	555
Total liabilities and shareholders'/invested equity	5,264	5,954

</TABLE>

Novelis Inc.

CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS (unaudited)
(in millions of US$)

Nine months ended September 30	2005	2004
OPERATING ACTIVITIES		
Net cash provided by operating activities	366	292
INVESTING ACTIVITIES		
Capital expenditures	(104)	(95)
Proceeds from sales of fixed assets and investments	9	8
Proceeds from loans receivable - net		
- third parties	19	-
- related parties	373	501
Premiums paid on purchased derivatives	(26)	-
Net proceeds from settlement of derivatives	96	501
Net cash provided by investing activities	367	414
FINANCING ACTIVITIES		
Proceeds from issuance of new debt - third parties	2,750	443
Principal repayments		
- third parties	(1,742)	(895)
- related parties	(1,180)	-
Short-term borrowings - net		
- third parties	(137)	(133)
- related parties	(302)	4
Dividends - common shareholders	(20)	-
Dividends - minority interest	(7)	(4)
Net receipts from (payments to) Alcan	72	(121)
Debt issuance costs paid	(71)	-
Net cash used in financing activities	(637)	(706)
Net increase in cash and cash equivalents	96	-
Effect of exchange rate changes on cash balances held in foreign currencies	(3)	-
Cash and cash equivalents - beginning of period	31	27
Cash and cash equivalents - end of period	124	27

SOURCE Novelis Inc.
-0- 05/16/2006
/CONTACT: Media, Charles Belbin, +1-404-814-4260, or charles.belbin@novelis.com, or Investors, Holly K. Ash, +1-404-814-4212, or holly.ash@novelis.com, both of Novelis Inc./
/Web site: http://www.novelis.com /
(NVL)