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

**FORM 8-K**  
**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 6, 2012**

**NOVELIS INC.**

(Exact name of Registrant as specified in its charter)

Canada 001-32312 98-0442987

(State or other jurisdiction (Commission File Number) (I.R.S. Employer of incorporation) Identification No.)

3560 Lenox Road, Suite 2000, Atlanta, GA 30326 (Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (404) 760-4000

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Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 2.02. Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition." Consequently, it is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or Securities Act of 1933 if such subsequent filing specifically references this Form 8-K.

On November 6, 2012, Novelis Inc. issued a press release reporting the company's financial results for its quarter ended September 30, 2012. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein in its entirety. A copy of investor presentation materials relating to such financial results is attached hereto as Exhibit 99.2 and is incorporated by reference herein in its entirety. The presentation materials use the following non-GAAP financial measures: EBITDA, Adjusted EBITDA, Free Cash Flow, Free Cash Flow Before CapEx, Net Income (Loss) Excluding Special Items and Total Liquidity.

**EBITDA and Adjusted EBITDA.** EBITDA consists of earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA further adjusts EBITDA for unrealized (gains) losses on change in fair value of certain derivative instruments, impairment of goodwill, gains (losses) on extinguishment of debt, adjustment to include proportional consolidation, restructuring charges and certain other costs. EBITDA and Adjusted EBITDA are measures commonly used in the company's industry, and the company presents EBITDA and Adjusted EBITDA to enhance investors' understanding of the company's operating performance. Novelis believes that EBITDA and Adjusted EBITDA are operating performance measures, and not liquidity measures, that provide investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies.

However, EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP, and the company's EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. EBITDA and Adjusted EBITDA have important limitations as an analytical tool, and investors should not consider them in isolation, or as a substitute for analysis of the company's results as reported under GAAP. For example, EBITDA and Adjusted EBITDA:

- do not reflect the company's cash expenditures or requirements for capital expenditures or capital commitments;
- do not reflect changes in, or cash requirements for, the company's working capital needs; and
- do not reflect any costs related to the current or future replacement of assets being depreciated and amortized.

Management believes that investors' understanding of the company's performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing the company's ongoing results of operations. Many investors are interested in understanding the performance of the company's business by comparing its results from ongoing operations from one period to the next and would ordinarily add back items that are not part of normal day-to-day operations of the company's business. By providing these non-GAAP financial measures, together with reconciliations, the company believes it is enhancing investors' understanding of its business and its results of operations, as well as assisting investors in evaluating how well it is executing strategic initiatives.

Additionally, a form of adjusted EBITDA, defined in the company's senior secured credit facilities, 8.375% senior notes and 8.75% senior notes, is used for debt covenant compliance purposes, which has additional adjustments to Adjusted EBITDA which may decrease or increase adjusted EBITDA for purposes of these financial covenants.

The company also uses EBITDA and Adjusted EBITDA:

- as measures of operating performance to assist the company in comparing its operating performance on a consistent basis because it removes the impact of items not directly resulting from the company's core operations;
  - for planning purposes, including the preparation of the company's internal annual operating budgets and financial projections;
  - to evaluate the performance and effectiveness of the company operational strategies; and
  - to calculate incentive compensation payments for the company's key employees.
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**Free Cash Flow and Free Cash Flow Before CapEx.** Free Cash Flow consists of: (a) net cash provided by (used in) operating activities; (b) plus net cash provided by (used in) investing activities and (c) less proceeds from sales of assets. Free Cash Flow before Cap Ex consists of: (a) Free Cash Flow, plus (b) capital expenditures. Management believes that Free Cash Flow and Free Cash Flow Before CapEx are relevant to investors as they provide a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, Free Cash Flow and Free Cash Flow Before CapEx are not measurements of financial performance or liquidity under GAAP and does not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of Free Cash Flow. In addition, the company's method of calculating Free Cash Flow and Free Cash Flow Before CapEx may not be consistent with that of other companies.

**Net Income (Loss) Excluding Special Items.** Net Income (Loss) Excluding Special Items adjusts net income (loss) for restructuring charges, gains (losses) on sale of assets held for sale, and the tax effect of such special items. Novelis believes that Net Income (Loss) Excluding Special Items enhances the overall understanding of the company's current financial performance. Specifically, management believes this non-GAAP financial measure provides useful information to investors by excluding or adjusting certain items, which impact the comparability of the company's core operating results. With respect to restructuring charges, gains (losses) on sale of assets held for sale, and the tax effect of such special items, management believes these excluded items are not reflective of fixed costs that the company believes it will incur over the long term. This financial measure should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with GAAP.

**Total Liquidity.** Total Liquidity consists of: (a) cash and cash equivalents; (b) less overdrafts; (c) plus gross availability under the ABL facility and (d) less borrowing availability limitation under the ABL facility due to fixed charge coverage ratio. In addition to presenting available cash and cash equivalents, management believes that presenting Total Estimated Liquidity enhances investors' understanding of the liquidity that is actually available to the company. This financial measure should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with GAAP.

All information in the news release and the presentation materials speak as of the date thereof, and Novelis does not assume any obligation to update said information in the future.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Press release, dated November 6, 2012 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated November 6, 2012 (furnished to the Commission as a part of this Form 8-K).

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**EXHIBIT INDEX**

| Exhibit<br>Number | Description  |
|-------------------|--|
| 99.1              | Press release, dated November 6, 2012 (furnished to the Commission as a part of this Form 8-K).          |
| 99.2              | Presentation materials, dated November 6, 2012 (furnished to the Commission as a part of this Form 8-K). |

# News Release

For Immediate Release

## **Novelis Reports Second Quarter of Fiscal Year 2013 Results** *Company Continues to Execute on Strategic Plans*

- **Net Income, Excluding Special Items, of \$62 million**
- **Adjusted EBITDA of \$277 million**
- **Solid Cash Flow before CapEx of \$153 million**
- **Strong Liquidity of \$919 million**
- **Global Expansions Progressing Well; Commissions Asia's Largest Beverage Can Recycling Operation**

ATLANTA, November 6, 2012– Novelis Inc., the world's leading producer of aluminum rolled products, today reported net income attributable to its common shareholder of \$49 million for the second quarter of fiscal 2013. Excluding tax-effected special items in both periods, net income for the second quarter of 2013 was \$62 million, compared to \$129 million for the same period in 2012 mainly driven by lower Adjusted EBITDA and a tax benefit in the prior year that did not reoccur.

Adjusted EBITDA was \$277 million for the second quarter of 2013, compared to the Company's second highest EBITDA of \$301 million reported for the same quarter in 2012, primarily a result of higher employment and project start-up costs associated with its expansions.

"As expected, we had a strong second quarter with Adjusted EBITDA up seven percent sequentially, and are operating at or near capacity in all of our regions," said Phil Martens, Novelis President and Chief Executive Officer. "The actions we've taken over the last few years have strengthened our operations and will help better position us as we continue to transition the business for future growth. Although we see near-term pressure due to a slowdown in the global economy, we continue to believe in the strong long-term growth outlook for can, automotive, and specialties and expect our expansions to deliver strong EBITDA contributions once they are fully commissioned."

Shipments of aluminum rolled products totaled 719 kilotonnes for the second quarter of fiscal 2013, flat compared to shipments of 720 kilotonnes for the same period last year.

Net sales for the second quarter of fiscal 2013 were \$2.4 billion, a 15 percent decrease compared to the \$2.9 billion reported in the same period a year ago. This decrease was mainly the result of a 20 percent decline in average aluminum prices when compared to the previous year.

| (in \$M)                                  | Q2FY13 |           | Q1FY13    |
|---|--------|-----------|-----------|
|   |        | 9/30/2012 | 6/30/2012 |
| Cash and cash equivalents                 | \$     | 227       | \$ 263    |
| Overdrafts                                |        | (3)       | (2)       |
| Gross availability under the ABL facility |        | 695       | 607       |
| Total Liquidity                           | \$     | 919       | \$ 868    |

| (in \$M)                    | Q2FY13 |           | Q2FY12    |
|-----------------------------|--------|-----------|-----------|
|                             |        | 9/30/2012 | 9/30/2011 |
| Free Cash Flow              | \$     | (25)      | \$ 130    |
| Capex                       |        | 178       | 107       |
| Free Cash Flow before Capex | \$     | 153       | \$ 237    |

For the second quarter of fiscal 2013, Novelis reported liquidity of \$919 million. "Our liquidity was very strong. In the third quarter, our liquidity will be pressured by a few factors, mainly the semi-annual bond interest payment and our aggressive capital expenditures program," said Steve Fisher, SVP and Chief Financial Officer of Novelis. Free cash flow was a negative \$25 million for the second quarter of 2013, primarily due to capital investments of \$178 million.

### Strategic Expansions

The Company continues to execute its strategy. Last month, it opened Asia's largest fully integrated recycling and casting facility in South Korea. Once fully commissioned, the facility will have an annual capacity of approximately 265 kilotonnes. Together with the Company's other recycling operations worldwide, this new state-of-the-art facility makes Novelis the world's leading recycler of aluminum, reduces operating costs and furthers its sustainability commitment and goals.

### Business Outlook

The Company is monitoring some market related variables due to further slowing of the global economy and increased competitive pressures in some of its regions. While too early to be certain, these factors could impact the second half of the fiscal year.

### Quarterly Report on Form 10-Q

The results described in this press release have been reported in detail on the Company's Form 10-Q on file with the SEC, and investors are directed to that document for a complete explanation of the Company's financial position and results through September 30, 2012. The Novelis Form 10-Q and other SEC filings are available for review on the Company's website at [www.novelis.com](http://www.novelis.com).

### Second Quarter of Fiscal 2013 Earnings Conference Call

Novelis will discuss its second quarter of fiscal 2013 results via a live webcast and conference call for investors at 9:00 a.m. ET on Tuesday, November 6, 2012. Participants may access the webcast at <https://cc.callinfo.com/r/12odf83eikpbe>. To join by telephone, dial toll-free in North America at 800 754 1391, India toll-free at 0008001007929 or the international toll line at +1 212 231 2921. Access information may also be found at [www.novelis.com/investors](http://www.novelis.com/investors).

### About Novelis

Novelis Inc. is the global leader in aluminum rolled products and the world's largest recycler of used aluminum cans. For fiscal year 2012, the company operated in 11 countries, had more than 11,000 employees and reported revenue of \$11.1 billion. Novelis supplies premium aluminum sheet and foil products to automotive, transportation, packaging, construction, industrial, electronics and printing markets throughout North America, Europe, Asia and South America. Novelis is a subsidiary of Hindalco Industries

Limited (BSE: HINDALCO), one of Asia's largest integrated producers of aluminum and a leading copper producer. Hindalco is a flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai, India. For more information, visit [www.novelis.com](http://www.novelis.com) and follow us on Twitter at [twitter.com/Novelis](https://twitter.com/Novelis).

### **Non-GAAP Financial Measures**

This press release and the presentation slides for the earnings call contain non-GAAP financial measures as defined by SEC rules. We think that these measures are helpful to investors in measuring our financial performance and liquidity and comparing our performance to our peers. However, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures used by other companies. These non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for GAAP financial measures. To the extent we discuss any non-GAAP financial measures on the earnings call, a reconciliation of each measure to the most directly comparable GAAP measure will be available in the presentation slides filed as Exhibit 99.2 to our Current Report on Form 8-K furnished to the SEC concurrent with the issuance of this press release. In addition, the Form 8-K includes a more detailed description of each of these non-GAAP financial measures, together with a discussion of the usefulness and purpose of such measures.

Attached to this news release are tables showing the Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Cash Flows, Reconciliation to Net Income excluding Special Items, Reconciliation to Adjusted EBITDA and Free Cash Flow.

### **Forward-Looking Statements**

Statements made in this news release which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. An example of forward looking statements in this new release is our expectation for the annual capacity of our Yeongju facility upon full commissioning. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and that Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our metal hedging activities, including our internal used beverage cans (UBCs) and smelter hedges; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing for future capital requirements; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, labor relations and negotiations, breakdown of equipment and other events; the impact of restructuring efforts in the future; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions including deterioration in the global economy, particularly sectors in which our customers operate; changes in the fair value of derivative instruments; cyclical demand and pricing within the principal markets for our products as well as seasonality in certain of our customers' industries; changes in government regulations, particularly those affecting taxes, derivative instruments, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our principal credit agreement and other financing agreements; the effect of taxes and changes in tax rates; our indebtedness and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors included under the



caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2012 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, are specifically incorporated by reference into this news release.

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

|   | Three Months Ended |               | Six Months Ended |               |
|---|--------------------|---------------|------------------|---------------|
|   | September 30,      |               | September 30,    |               |
|   | 2012               | 2011          | 2012             | 2011          |
|   | (unaudited)        |               | (unaudited)      |               |
| Net sales   | \$ 2,441           | \$ 2,880      | \$ 4,991         | \$ 5,993      |
| Cost of goods sold (exclusive of depreciation and amortization) | 2,077              | 2,549         | 4,279            | 5,257         |
| Selling, general and administrative expenses                    | 102                | 91            | 204              | 186           |
| Depreciation and amortization                                   | 69                 | 81            | 142              | 170           |
| Research and development expenses                               | 13                 | 12            | 25               | 24            |
| Interest expense and amortization of debt issuance costs        | 73                 | 77            | 147              | 154           |
| Loss (gain) on assets held for sale                             | 2                  | —             | (3)              | —             |
| Restructuring charges, net                                      | 16                 | 11            | 21               | 30            |
| Equity in net loss of non-consolidated affiliates               | 3                  | 3             | 5                | 5             |
| Other income, net   | (1)                | (67)          | (28)             | (92)          |
|   | <u>2,354</u>       | <u>2,757</u>  | <u>4,792</u>     | <u>5,734</u>  |
| Income before income taxes                                      | 87                 | 123           | 199              | 259           |
| Income tax provision (benefit)                                  | 37                 | (7)           | 58               | 52            |
| Net income  | 50                 | 130           | 141              | 207           |
| Net income attributable to noncontrolling interests             | 1                  | 10            | 1                | 25            |
| Net income attributable to our common shareholder               | <u>\$ 49</u>       | <u>\$ 120</u> | <u>\$ 140</u>    | <u>\$ 182</u> |

**Novelis Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)(In millions)**

|  | September 30,<br>2012 | March 31, 2012  |
|--|-----------------------|-----------------|
| <b>ASSETS</b>  |                       |                 |
| <b>Current assets</b>  |                       |                 |
| Cash and cash equivalents  | \$ 227                | \$ 317          |
| Accounts receivable, net   |                       |                 |
| — third parties (net of allowances of \$4 and \$5 as of September 30, 2012 and March 31, 2012, respectively)                                       | 1,304                 | 1,331           |
| — related parties  | 28                    | 36              |
| Inventories  | 1,163                 | 1,024           |
| Prepaid expenses and other current assets  | 90                    | 61              |
| Fair value of derivative instruments   | 58                    | 99              |
| Deferred income tax assets   | 139                   | 151             |
| Assets held for sale   | 4                     | 81              |
| <b>Total current assets</b>  | <b>3,013</b>          | <b>3,100</b>    |
| Property, plant and equipment, net   | 2,848                 | 2,689           |
| Goodwill   | 611                   | 611             |
| Intangible assets, net   | 671                   | 678             |
| Investment in and advances to non-consolidated affiliates  | 656                   | 683             |
| Fair value of derivative instruments, net of current portion   | 3                     | 2               |
| Deferred income tax assets   | 88                    | 74              |
| Other long-term assets   |                       |                 |
| — third parties  | 164                   | 168             |
| — related parties  | 14                    | 16              |
| <b>Total assets</b>  | <b>\$ 8,068</b>       | <b>\$ 8,021</b> |
| <b>LIABILITIES AND EQUITY</b>  |                       |                 |
| <b>Current liabilities</b>   |                       |                 |
| Current portion of long-term debt  | \$ 25                 | \$ 23           |
| Short-term borrowings  | 111                   | 18              |
| Accounts payable   |                       |                 |
| — third parties  | 1,201                 | 1,245           |
| — related parties  | 48                    | 51              |
| Fair value of derivative instruments   | 119                   | 95              |
| Accrued expenses and other current liabilities   | 522                   | 476             |
| Deferred income tax liabilities  | 28                    | 34              |
| Liabilities held for sale  | —                     | 57              |
| <b>Total current liabilities</b>   | <b>2,054</b>          | <b>1,999</b>    |
| Long-term debt, net of current portion   | 4,326                 | 4,321           |
| Deferred income tax liabilities  | 534                   | 581             |
| Accrued postretirement benefits  | 665                   | 687             |
| Other long-term liabilities  | 277                   | 310             |
| <b>Total liabilities</b>   | <b>7,856</b>          | <b>7,898</b>    |
| Commitments and contingencies  |                       |                 |
| <b>Shareholder's equity</b>  |                       |                 |
| Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2012 and March 31, 2012 | —                     | —               |
| Additional paid-in capital   | 1,659                 | 1,659           |
| Accumulated deficit  | (1,239)               | (1,379)         |
| Accumulated other comprehensive loss   | (242)                 | (191)           |
| <b>Total equity of our common shareholder</b>  | <b>178</b>            | <b>89</b>       |
| <b>Noncontrolling interests</b>  | <b>34</b>             | <b>34</b>       |
| <b>Total equity</b>  | <b>212</b>            | <b>123</b>      |

**Total liabilities and equity**

\$ 8,068

\$ 8,021

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

|   | Six Months Ended September 30, |               |
|---|--------------------------------|---------------|
|   | 2012                           | 2011          |
| <b>OPERATING ACTIVITIES</b>   |                                |               |
| Net income  | \$ 141                         | \$ 207        |
| Adjustments to determine net cash provided by operating activities:   |                                |               |
| Depreciation and amortization   | 142                            | 170           |
| Gain on unrealized derivatives and other realized derivatives in investing activities, net  | (11)                           | (106)         |
| Gain on assets held for sale  | (3)                            | —             |
| Deferred income taxes   | 13                             | 32            |
| Write-off and amortization of fair value adjustments, net   | 13                             | 13            |
| Equity in net loss of non-consolidated affiliates   | 5                              | 5             |
| Gain on foreign exchange remeasurement of debt  | (7)                            | (1)           |
| (Gain) loss on sale of assets   | (1)                            | 2             |
| Non-cash impairment charges   | 1                              | 14            |
| Amortization of debt issuance costs   | 8                              | 8             |
| Other, net  | 1                              | (2)           |
| Changes in assets and liabilities including assets and liabilities held for sale (net of effects from acquisitions and divestitures): |                                |               |
| Accounts receivable   | 30                             | 40            |
| Inventories   | (148)                          | 45            |
| Accounts payable  | (5)                            | (261)         |
| Other current assets  | (31)                           | (11)          |
| Other current liabilities   | (8)                            | (90)          |
| Other noncurrent assets   | (6)                            | 18            |
| Other noncurrent liabilities  | (17)                           | (27)          |
| <b>Net cash provided by operating activities</b>  | <b>117</b>                     | <b>56</b>     |
| <b>INVESTING ACTIVITIES</b>   |                                |               |
| Capital expenditures  | (345)                          | (174)         |
| Proceeds from sales of assets, third party  | 5                              | 1             |
| Proceeds from sale of assets, related party   | 2                              | —             |
| Proceeds from investment in and advances to non-consolidated affiliates, net  | 1                              | 1             |
| Proceeds (outflow) from related party loans receivable, net   | 2                              | (4)           |
| Proceeds from settlement of other undesignated derivative instruments, net  | 31                             | 57            |
| <b>Net cash used in investing activities</b>  | <b>(304)</b>                   | <b>(119)</b>  |
| <b>FINANCING ACTIVITIES</b>   |                                |               |
| Proceeds from issuance of debt  | 46                             | 6             |
| Principal payments  | (11)                           | (11)          |
| Short-term borrowings, net  | 54                             | 48            |
| Dividends, noncontrolling interest  | (2)                            | (1)           |
| <b>Net cash provided by financing activities</b>  | <b>87</b>                      | <b>42</b>     |
| Net decrease in cash and cash equivalents   | (100)                          | (21)          |
| <b>Effect of exchange rate changes on cash</b>  | <b>10</b>                      | <b>(4)</b>    |
| Cash and cash equivalents — beginning of period   | 317                            | 311           |
| Cash and cash equivalents — end of period   | <b>\$ 227</b>                  | <b>\$ 286</b> |

## Reconciliation from Net Income Attributable to our Common Shareholder to Adjusted EBITDA

Novelis is providing disclosure of the reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

| (in millions)  | Three Months Ended |               | Six Months Ended |               |
|--|--------------------|---------------|------------------|---------------|
|  | September 30,      |               | September 30,    |               |
|  | 2012               | 2011          | 2012             | 2011          |
| <b>Net income attributable to our common shareholder</b>               | \$ 49              | \$ 120        | \$ 140           | \$ 182        |
| Noncontrolling interests   | (1)                | (10)          | (1)              | (25)          |
| Income tax (provision) benefit   | (37)               | 7             | (58)             | (52)          |
| Interest, net  | (72)               | (73)          | (145)            | (146)         |
| Depreciation and amortization  | (69)               | (81)          | (142)            | (170)         |
| <b>EBITDA</b>  | <u>228</u>         | <u>277</u>    | <u>486</u>       | <u>575</u>    |
| Unrealized gain (loss) on derivatives                                  | (24)               | (1)           | (11)             | 25            |
| Realized gain on derivative instruments not included in segment income | —                  | —             | 2                | 2             |
| Proportional consolidation   | (9)                | (12)          | (20)             | (25)          |
| Loss (gain) on assets held for sale                                    | 2                  | —             | (3)              | —             |
| Restructuring charges, net   | (16)               | (11)          | (21)             | (30)          |
| Other income, net  | 2                  | —             | (3)              | (4)           |
| <b>Adjusted EBITDA</b>   | <u>\$ 277</u>      | <u>\$ 301</u> | <u>\$ 536</u>    | <u>\$ 607</u> |

The following table shows the negative “Free cash flow” for the six months ended September 30, 2012 and 2011 and the ending balances of cash and cash equivalents (in millions).

|   | Six Months Ended September 30, |                |
|---|--------------------------------|----------------|
|   | 2012                           | 2011           |
| Net cash provided by operating activities | \$ 117                         | \$ 56          |
| Net cash used in investing activities     | (304)                          | (119)          |
| Less: Proceeds from sales of assets       | (7)                            | (1)            |
| Free cash flow                            | <u>\$ (194)</u>                | <u>\$ (64)</u> |
| Ending cash and cash equivalents          | <u>\$ 227</u>                  | <u>\$ 286</u>  |

The following table shows Net Income attributable to our common shareholder excluding Special Items for the three months ended September 30, 2012 and 2011 (in millions).

|                                     | Three Months Ended September 30, |               |
|-------------------------------------|----------------------------------|---------------|
|                                     | 2012                             | 2011          |
| Net Income                          | \$ 49                            | \$ 120        |
| Special Items:                      |                                  |               |
| Loss on assets held for sale        | 2                                | —             |
| Restructuring charges               | 16                               | 11            |
| Tax effect on Special Items         | 5                                | 2             |
| Net Income, excluding Special Items | <u>\$ 62</u>                     | <u>\$ 129</u> |



# Novelis Second Quarter FY 2013 Earnings Conference Call

November 6, 2012

**Philip Martens**  
President and Chief Executive Officer

**Steve Fisher**  
Senior Vice President and Chief Financial Officer

# Novelis

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# Safe Harbor Statement

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## Forward-Looking Statements

Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward-looking statements in this presentation are statements about future global growth in flat rolled products and our anticipated capital expenditures in fiscal year 2013. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and that Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our metal hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing for future capital requirements; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, labor relations and negotiations, breakdown of equipment and other events; the impact of restructuring efforts in the future; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions including deterioration in the global economy, particularly sectors in which our customers operate; changes in the fair value of derivative instruments; cyclical demand and pricing within the principal markets for our products as well as seasonality in certain of our customers' industries; changes in government regulations, particularly those affecting taxes, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our principal credit agreement and other financing agreements; the effect of taxes and changes in tax rates; and our indebtedness and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2012 and our quarterly report on Form 10-Q for the quarter ended September 30, 2012, are specifically incorporated by reference into this presentation.

## Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures as defined by SEC rules. We think that these measures are helpful to investors in measuring our financial performance and liquidity and comparing our performance to our peers. However, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures used by other companies. These non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for GAAP financial measures. We have included reconciliations of each of these measures to the most directly comparable GAAP measure. In addition, a more detailed description of these non-GAAP financial measures used in this presentation, together with a discussion of the usefulness and purpose of such measures, is included as Exhibit 99.2 to our Current Report on Form 8-K furnished to the SEC with our earnings press release.



# Agenda

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- Business Review
- Novelis Strategy
- Detailed Financial Performance
- Summary & Outlook

Business Review

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# Second Quarter Highlights

- **Strong Performance; Operating at Near Capacity Levels**
- **Key Financial Metrics Improved Sequentially**
- **Continued Executing on our Strategy**
- **Expansion Projects Progressing Well; Commissioned Asia's Largest Fully-Integrated Beverage Can Recycling Operation**



Solid Second Quarter Results

# Regional Business Performance



Novelis' Strategy

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# **Novelis' Strategy**

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## **Continue to Strengthen the Business**

- Completed Divestiture of Foil Plants and Saguenay Closure
- Began ERP Implementation in North America

## **Capture Growth in our FRP Markets**

- Major Rolling Expansions Progressing Well
  - Broke Ground in China

## **80% Recycled Content in our Products by 2020**

- Major Recycling Expansions Progressing Well
  - Commissioned Yeongju, the Largest Fully-Integrated Beverage Can Recycling System in Asia
  - Exited Evermore, Established North America UBC Procurement Organization
  - Broke Ground on Fully-Integrated Recycling Center in Europe

# Global Rolling Investments



Solidifying Leadership Position



# Changzhou, China



- ~\$100 million Investment for ~120kt Heat Treatment Line to be Operational by Early 2014

- **China Facts\*:**

- Largest FRP Market
- ~30% of Global FRP Demand
- FRP Market Growing 10% per year



**Broke Ground on Heat Treatment Line Last Month**

\* CAGR (CY11-16), Novelis Estimates, February 2012 CRU  
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**Not just aluminum, Novelis Aluminum.**



# Global Recycling Investments



Unmatched Global Recycling Footprint

# New Recycling Facilities



Commissioned Yeongju

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Broke Ground in Europe

Not just aluminum, Novelis Aluminum.

## Detailed Financial Performance

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# Second Quarter Highlights

(Q2FY13 vs. Q2FY12)

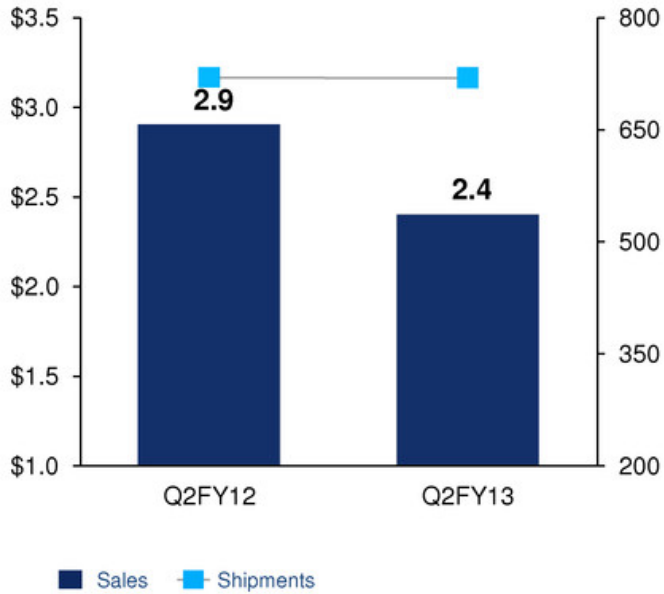
- **Shipments Flat at 719 Kilotonnes**
- **Net Sales Down 15% to \$2.4 Billion**
- **Adjusted EBITDA Down 8% to \$277 Million**
- **Net Income of \$49 Million (Excluding Special Items, Net Income of \$62 Million)**
- **Free Cash Flow Before CapEx of \$153 Million**
- **Liquidity of \$919 Million**

**Solid Performance Against a Near-Record Q2FY12**

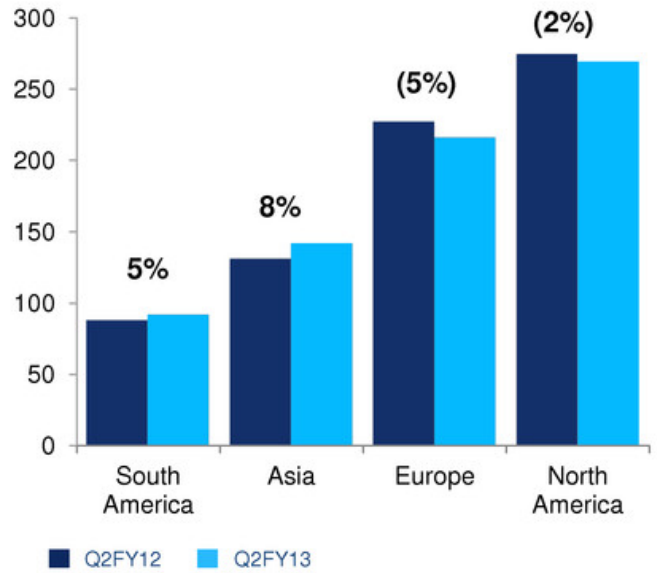
# Shipments & Sales

Sales (Billions) • Shipments (Kt)

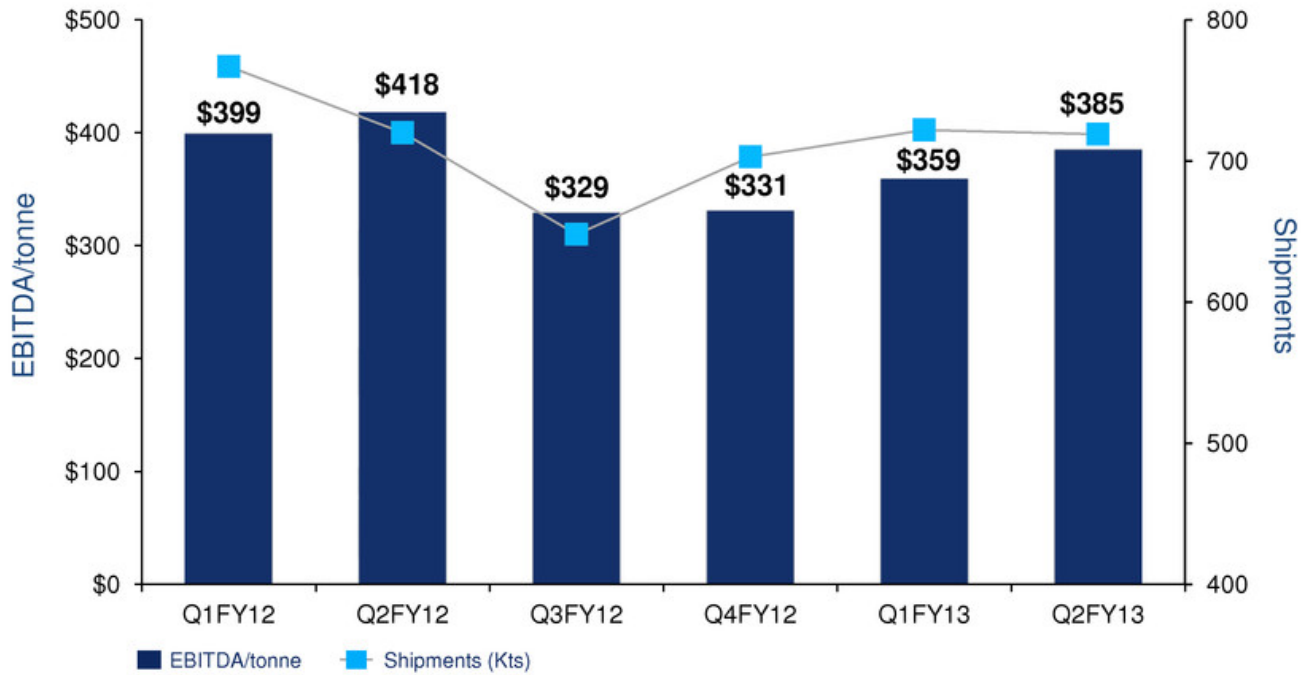
### Total Company



### Shipments by Region



# Adjusted EBITDA/tonne & Shipments



Performance Improved Sequentially

# Q2FY13 Adjusted EBITDA

(Millions)

|                           |              |   |
|---------------------------|--------------|---|
| <b>Q2FY12</b>             | <b>\$301</b> |   |
| Metal Mix                 | (15)         | Higher Third Party Sheet Ingot Premiums |
| Incentives and Benefits   | (10)         | Long-Term Incentive Plan/Pension Cost   |
| Infrastructure for Growth | (9)          | Expansions & ERP Implementation         |
| Cost Inflation            | (3)          |   |
| Price/Mix                 | 10           | Good Cost Management                    |
| Volume                    | 3            |   |
| Exchange Rates            | (10)         |   |
| Metal Price Lag           | 10           |   |
| <b>Q2FY13</b>             | <b>\$277</b> |   |

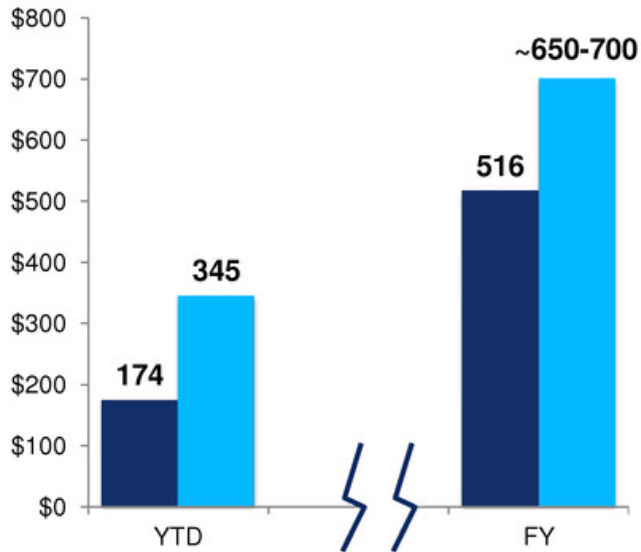


# CapEx and Free Cash Flow Before CapEx

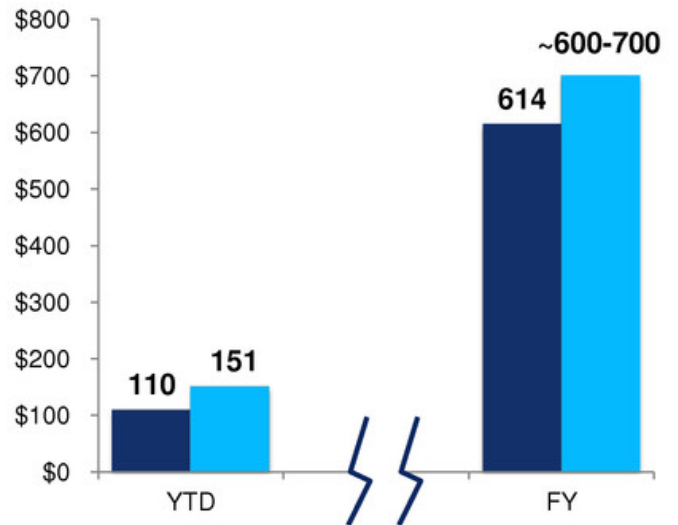
(Millions)

■ FY12 ■ FY13

### Capital Expenditures



### FCF before CapEx



Continued Reinvestment for Future Growth



## Summary & Outlook

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# **Business Outlook**

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## **Short-Term**

- **Typical Q3 Seasonality**
- **Uncertainty due to Further Slowing of the Global Economy**
- **Competitive Pricing Pressures in North America and Asia**
- **Lower LME Aluminum Prices Compared to Last Year**

**Uncertain Short-Term Outlook...**

# Business Outlook

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## Long-Term

- **Growth Fundamentals Remain Strong**
  - Urbanization
  - Substitution
  - Sustainability
- **Still Expect Strong Long-term Growth in Key Product Segments\***
  - Global Can up ~4-5%
  - Global Automotive up ~25%
  - Global Specialties up ~6%

...Strong Long-Term Growth Fundamentals

\*CAGR (CY11-16), Novelis Estimates, February 2012 CRU  
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**Not just aluminum, Novelis Aluminum.**

## Questions & Answers

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Appendix

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# Income Statement Reconciliation To Adjusted EBITDA

| (in \$ m)   | Q1<br>FY12 | Q2<br>FY12 | Q3<br>FY12  | Q4<br>FY12   | FY12         | Q1<br>FY13 | Q2<br>FY13 |
|---|------------|------------|-------------|--------------|--------------|------------|------------|
| <b>Net Income (loss) Attributable to Our Common Shareholder</b>                 | <b>62</b>  | <b>120</b> | <b>(12)</b> | <b>(107)</b> | <b>63</b>    | <b>91</b>  | <b>49</b>  |
| - Interest, net   | (73)       | (73)       | (71)        | (73)         | (290)        | (73)       | (72)       |
| - Income tax (provision) benefit  | (59)       | 7          | 10          | 3            | (39)         | (21)       | (37)       |
| - Depreciation and amortization   | (89)       | (81)       | (79)        | (80)         | (329)        | (73)       | (69)       |
| - Noncontrolling interests  | (15)       | (10)       | (1)         | (1)          | (27)         | -          | (1)        |
| <b>EBITDA</b>   | <b>298</b> | <b>277</b> | <b>129</b>  | <b>44</b>    | <b>748</b>   | <b>258</b> | <b>228</b> |
| - Unrealized gain (loss) on derivatives   | 25         | (1)        | (63)        | (23)         | (62)         | 13         | (24)       |
| - Realized gain (loss) on derivative instruments not included in segment income | 2          | -          | (3)         | 2            | 1            | 2          | -          |
| - Proportional consolidation  | (13)       | (12)       | (9)         | (15)         | (49)         | (11)       | (9)        |
| - Restructuring charges, net  | (19)       | (11)       | (1)         | (29)         | (60)         | (5)        | (16)       |
| - Gain (loss) on assets held for sale   | -          | -          | -           | (111)        | (111)        | 5          | (2)        |
| - Others costs, net   | (3)        | -          | (8)         | (13)         | (24)         | (5)        | 2          |
| <b>Adjusted EBITDA</b>  | <b>306</b> | <b>301</b> | <b>213</b>  | <b>233</b>   | <b>1,053</b> | <b>259</b> | <b>277</b> |
| <b>Other Income (expense) Included in Adjusted EBITDA</b>                       |            |            |             |              |              |            |            |
| - Metal price lag   | 5          | 15         | 8           | (19)         | 9            | 6          | 26         |
| - Foreign currency remeasurement  | (8)        | -          | (2)         | (4)          | (14)         | 4          | 2          |
| - Purchase accounting   | (3)        | (3)        | (3)         | (3)          | (13)         | (3)        | (3)        |

# Free Cash Flow

| (in \$m)  | FY12  |      |      |       |           | FY13  |       |
|---|-------|------|------|-------|-----------|-------|-------|
|   | Q1    | Q2   | Q3   | Q4    | Full Year | Q1    | Q2    |
| Cash Provided by (used in) Operating Activities | (115) | 171  | 149  | 351   | 556       | (5)   | 122   |
| Cash Provided by (used in) Investing Activities | (79)  | (40) | (76) | (247) | (442)     | (152) | (152) |
| Less: Proceeds from Sales of Fixed Assets       | 0     | (1)  | (10) | (5)   | (16)      | (12)  | 5     |
| Free Cash Flow                                  | (194) | 130  | 63   | 99    | 98        | (169) | (25)  |

# Explanation of Other Income (Expense) in Adjusted EBITDA

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## 1) Metal Price Lag Net of Related Hedges:

On certain sales contracts we experience timing differences on the pass through of changing aluminum prices from our suppliers to our customers. Additional timing differences occur in the flow of metal costs through moving average inventory cost values and cost of goods sold. This timing difference is referred to as Metal Price Lag. We have a risk management program in place to minimize impact of this “lag”.

## 2) Foreign Currency Remeasurement Net of Related Hedges:

All non-functional currency denominated Working Capital and Debt gets remeasured every period by the period end exchange rates. This impacts our profitability. Like Metal Price Lag, we have a risk management program in place to minimize impact of such Remeasurement.

## 3) Purchase Accounting:

Following our acquisition, the consideration and transaction costs paid by Hindalco in connection with the transaction were “pushed down” to us and were allocated to the assets acquired and the liabilities assumed. These allocations are amortized over periods, impacting our profitability.



