

**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): February 10, 2014**

**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

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 February 10, 2014, Novelis Inc. issued a press release reporting the company's financial results for its quarter ended December 31, 2013. 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: Adjusted EBITDA, Free Cash Flow, Free Cash Flow Before CapEx, Net Income (Loss) Excluding Certain Items and 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 derivative instruments, net, except for foreign currency remeasurement hedging activities; impairment of goodwill; gains (losses) on extinguishment of debt; adjustment to include proportional consolidation; restructuring and impairment charges; gains or losses on disposals of property, plant and equipment and businesses; 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:

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- 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's operational strategies; and
- to calculate incentive compensation payments for the company's key employees.

**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 do 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 certain items.** Net income (loss) excluding certain items adjusts net income (loss) for restructuring and impairment charges, gains (losses) on sale of assets held for sale, and the tax effect of such items. We adjust for items which may recur in varying magnitude which affect the comparability of the operational results of our underlying business. Novelis believes that net income (loss) excluding certain 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 gains (losses) on sale of assets held for sale, and the tax effect of such certain items, management believes these excluded items are not reflective of fixed costs that the company believes it will incur over the long term. Management also adjusts for restructuring and impairment charges to enhance the comparability of the company's operating results between periods. However, the company has recorded similar charges in prior periods. The company will incur additional restructuring charges in connection with ongoing restructuring initiatives announced previously and may also incur additional restructuring and impairment charges in connection with future streamlining measures. The company may also incur additional impairment charges unrelated to restructuring initiatives. Net income (loss) excluding certain items should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with U.S. GAAP.

**Liquidity.** Liquidity consists of cash and cash equivalents plus availability under our committed credit facilities. In addition to presenting available cash and cash equivalents, management believes that presenting 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 U.S. 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 February 10, 2014 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated February 10, 2014 (furnished to the Commission as a part of this Form 8-K).

**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.

**NOVELIS INC.**

By:           /s/ Leslie J. Parrette, Jr.          

Leslie J. Parrette, Jr.

General Counsel, Corporate Secretary and  
Compliance Officer

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Date: February 10, 2014

## EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release, dated February 10, 2014 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated February 10, 2014 (furnished to the Commission as a part of this Form 8-K).

# News Release

## **Novelis Reports Third Quarter of Fiscal Year 2014 Results**

*Strategic Global Capacity Expansions Delivering Results*

- **Net Income, Excluding Certain Items, of \$23 million**
- **Adjusted EBITDA of \$203 million**
- **Free Cash Flow Before Capex of \$96 million**
- **Investing in High Growth Automotive Market**

ATLANTA, February 10, 2014 – Novelis, the world leader in aluminum rolling and recycling, today reported net income attributable to its common shareholder of \$13 million for the third quarter of fiscal 2014. Excluding certain tax-effected items, net income was \$23 million for the quarter, up \$14 million compared to \$9 million reported in the same period a year ago.

Adjusted EBITDA for the third quarter of fiscal 2014 was \$203 million, up 10 percent compared to \$185 million reported for the same period in the prior year. The increase was driven primarily by higher global shipments partially offset by continued pricing pressures in North America and Asia and reduced scrap benefits from lower aluminum prices.

“Our execution in the third quarter was excellent,” said Phil Martens, President and Chief Executive Officer for Novelis, “with year-over-year shipment growth in every operating region. We have made great progress in the commissioning of our major expansions and we are now seeing the benefits of some of these projects in our results. While external market pressures partially offset the bottom line impact of this volume growth, we are confident about the realizable potential for this business as the new projects come on-line.”

Shipments of aluminum rolled products totaled 721 kilotonnes for the third quarter of fiscal 2014, an increase of 11 percent compared to 647 kilotonnes for the same period last year. Despite being a seasonally low production quarter, shipments were up one percent sequentially compared to the second quarter. Net sales for the third quarter of fiscal 2014 were \$2.4 billion, up four percent compared to the prior year resulting from higher shipments partially offset by a 12 percent decrease in average aluminum prices and lower conversion premiums.

The Company continues to see strong demand for aluminum flat rolled products globally, particularly in the automotive segment. In December, the Company announced a \$205 million investment to further expand its global automotive aluminum capacity to 900,000 tons annually.

“We are the world's leading supplier of aluminum automotive sheet, pioneering advancements in cutting edge technologies and facilities to meet our customers' needs,” said Martens. “Ford's introduction last month of the aluminum intensive F-150 pickup truck will truly be a game changer for both the automotive and aluminum industries and Novelis is in an excellent position to capture the significant growth ahead.”

(in \$M)	Q3FY14		Q3FY13	
	12/31/2013		12/31/2012	
Free Cash Flow	\$	(61)	\$	(309)
Capital Expenditures		157		193
Free Cash Flow before CapEx	\$	96	\$	(116)

For the third quarter of fiscal 2014, Novelis reported liquidity of \$806 million. Free cash flow was negative \$61 million for the third quarter of fiscal 2014, in part due to \$107 million in semi-annual bond interest payments and \$157 million in capital expenditures. "We have successfully implemented several strategic actions to improve cash flow particularly around working capital activities, resulting in significantly higher free cash flow results than last year," said Steve Fisher, Chief Financial Officer for Novelis.

### Third Quarter of Fiscal 2014 Earnings Conference Call

Novelis will discuss its third quarter of fiscal 2014 results via a live webcast and conference call for investors at 9:00 a.m. ET on Monday, February 10, 2014. To view slides and listen only, visit the web at <https://cc.callinfo.com/r/15ebze4xstdvd&eom>. To join by telephone, dial toll-free in North America at 800 732 8470, India toll-free at 0008001007929 or the international toll line at +1 212 231 2907. Presentation materials and 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 aluminum. The company operates in 9 countries, had approximately 11,000 employees and reported revenue of \$9.8 billion for its 2013 fiscal year. Novelis supplies premium aluminum sheet and foil products to transportation, packaging, construction, industrial and consumer electronics markets throughout North America, Europe, Asia and South America. The company is part 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 Certain 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 statement that we are well-positioned to capture future growth

in the automotive and aluminum industries. 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, 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, 2013 are specifically incorporated by reference into this news release.

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

	<u>Three Months Ended December 31,</u>		<u>Nine Months Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net sales	\$ 2,422	\$ 2,321	\$ 7,257	\$ 7,312
Cost of goods sold (exclusive of depreciation and amortization)	2,112	2,036	6,304	6,315
Selling, general and administrative expenses	115	101	344	305
Depreciation and amortization	91	76	247	218
Research and development expenses	12	11	34	36
Interest expense and amortization of debt issuance costs	76	76	227	223
Gain on assets held for sale	(6)	—	(6)	(3)
Restructuring and impairment, net	19	7	46	29
Equity in net loss of non-consolidated affiliates	5	10	12	15
Other income, net	(12)	(10)	(27)	(39)
	<u>2,412</u>	<u>2,307</u>	<u>7,181</u>	<u>7,099</u>
Income before income taxes	10	14	76	213
Income tax (benefit) provision	(3)	11	26	69
Net income	13	3	50	144
Net income attributable to noncontrolling interests	—	—	—	1
<b>Net income attributable to our common shareholder</b>	<u>\$ 13</u>	<u>\$ 3</u>	<u>\$ 50</u>	<u>\$ 143</u>

**Novelis Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)**  
(In millions, except number of shares)

	December 31, 2013	March 31, 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 527	\$ 301
Accounts receivable, net		
— third parties (net of allowances of \$4 as of December 31, 2013 and \$3 as of March 31, 2013, respectively)	1,326	1,447
— related parties	50	38
Inventories	1,188	1,168
Prepaid expenses and other current assets	100	93
Fair value of derivative instruments	52	109
Deferred income tax assets	130	112
Assets held for sale	33	9
<b>Total current assets</b>	<b>3,406</b>	<b>3,277</b>
Property, plant and equipment, net	3,443	3,104
Goodwill	611	611
Intangible assets, net	642	649
Investment in and advances to non-consolidated affiliates	657	627
Deferred income tax assets	44	75
Other long-term assets		
— third parties	169	166
— related parties	13	13
<b>Total assets</b>	<b>\$ 8,985</b>	<b>\$ 8,522</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 93	\$ 30
Short-term borrowings	886	468
Accounts payable		
— third parties	1,198	1,207
— related parties	58	47
Fair value of derivative instruments	75	74
Accrued expenses and other current liabilities	470	497
Deferred income tax liabilities	18	28
Liabilities held for sale	12	1
<b>Total current liabilities</b>	<b>2,810</b>	<b>2,352</b>
Long-term debt, net of current portion	4,365	4,434
Deferred income tax liabilities	459	504
Accrued postretirement benefits	655	731
Other long-term liabilities	256	262
<b>Total liabilities</b>	<b>8,545</b>	<b>8,283</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 December 31, 2013 and March 31, 2013	—	—
Additional paid-in capital	1,654	1,654
Accumulated deficit	(1,127)	(1,177)
Accumulated other comprehensive loss	(115)	(268)
<b>Total equity of our common shareholder</b>	<b>412</b>	<b>209</b>
<b>Noncontrolling interests</b>	<b>28</b>	<b>30</b>
<b>Total equity</b>	<b>440</b>	<b>239</b>
<b>Total liabilities and equity</b>	<b>\$ 8,985</b>	<b>\$ 8,522</b>



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

	Nine Months Ended December 31,	
	2013	2012
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 50	\$ 144
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	247	218
Loss on unrealized derivatives and other realized derivatives in investing activities, net	9	11
Gain on assets held for sale	(6)	(3)
Deferred income taxes	(45)	3
Amortization of fair value adjustments, net	9	9
Equity in net loss of non-consolidated affiliates	12	15
Gain on foreign exchange remeasurement of debt	(3)	(5)
Loss on sale of assets	4	1
Impairment charges	19	3
Amortization of debt issuance costs and carrying value adjustments	19	22
Other, net	(6)	(5)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	151	78
Inventories	(30)	(193)
Accounts payable	(22)	(139)
Other current assets	35	(23)
Other current liabilities	(89)	(83)
Other noncurrent assets	(1)	(18)
Other noncurrent liabilities	3	(13)
<b>Net cash provided by operating activities</b>	<b>356</b>	<b>22</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(522)	(538)
Proceeds from sales of assets, third party, net of transaction fees	7	18
Proceeds from sales of assets, related party, net of transaction fees	8	2
(Outflows) proceeds from investment in and advances to non-consolidated affiliates, net	(12)	3
Proceeds from settlement of other undesignated derivative instruments, net	6	10
<b>Net cash used in investing activities</b>	<b>(513)</b>	<b>(505)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of debt	138	296
Principal payments	(113)	(93)
Short-term borrowings, net	359	304
Dividends, noncontrolling interest	—	(2)
Acquisition of noncontrolling interest in Novelis Korea Ltd.	—	(9)
Debt issuance costs	(8)	(3)
<b>Net cash provided by financing activities</b>	<b>376</b>	<b>493</b>
Net increase (decrease) in cash and cash equivalents	219	10
<b>Effect of exchange rate changes on cash</b>	<b>7</b>	<b>13</b>
Cash and cash equivalents — beginning of period	301	317
Cash and cash equivalents — end of period	<b>\$ 527</b>	<b>\$ 340</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 December 31,		Nine Months Ended December 31,	
	2013	2012	2013	2012
<b>Net income attributable to our common shareholder</b>	\$ 13	\$ 3	\$ 50	\$ 143
Noncontrolling interests	—	—	—	(1)
Income tax benefit (provision)	3	(11)	(26)	(69)
Interest, net	(74)	(74)	(223)	(219)
Depreciation and amortization	(91)	(76)	(247)	(218)
<b>EBITDA</b>	<b>175</b>	<b>164</b>	<b>546</b>	<b>650</b>
Unrealized gain (loss) on derivatives	3	4	(5)	(7)
Realized gain on derivative instruments not included in segment income	2	—	6	2
Proportional consolidation	(11)	(11)	(30)	(31)
Gain on assets held for sale	6	—	6	3
Restructuring and impairment, net	(19)	(7)	(46)	(29)
Other (expense) income, net	(9)	(7)	(20)	(9)
<b>Adjusted EBITDA</b>	<b>\$ 203</b>	<b>\$ 185</b>	<b>\$ 635</b>	<b>\$ 721</b>

The following table shows the "Free cash flow" for the nine months ended December 31, 2013 and 2012 and the ending balances of cash and cash equivalents (in millions).

	Nine Months Ended December 31,	
	2013	2012
Net cash provided by operating activities	\$ 356	\$ 22
Net cash used in investing activities	(513)	(505)
Less: Proceeds from sales of assets	(15)	(20)
Free cash flow	\$ (172)	\$ (503)
Ending cash and cash equivalents	\$ 527	340

The following table shows Net income attributable to our common shareholder excluding certain items for the three months ended December 31, 2013 and 2012 (in millions). We adjust for items which may recur in varying magnitude which affect the comparability of the operational results of our underlying business.

	Three Months Ended December 31,	
	2013	2012
Net income	\$ 13	\$ 3
Certain items:		
Gain on assets held for sale	(6)	—
Restructuring and impairment, net	19	7
Tax effect on certain items	(3)	(1)
Net income, excluding certain items	\$ 23	\$ 9



# Novelis Q3 Fiscal Year 2014 Earnings Conference Call

February 10, 2014

**Philip Martens**  
President and Chief Executive Officer

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

# Novelis

# 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 expected FRP industry growth. 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, 2013 are specifically incorporated by reference into this presentation.

# Agenda

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- **Business Review and Strategy**
- **Q3FY14 Financial & Operational Review**
- **Summary & Outlook**



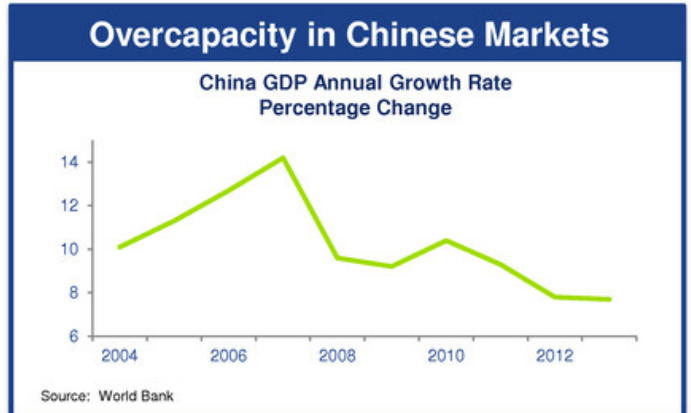
## Business Review and Strategy

# Novelis

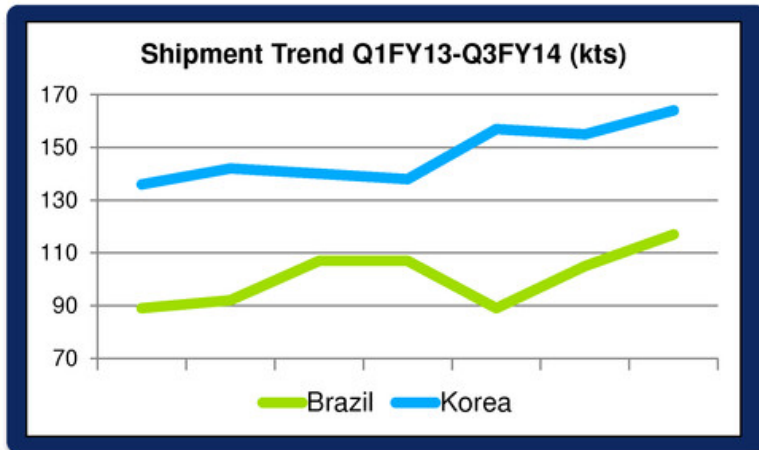
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# Market Pressures

## Various Industry-Wide Market Pressures Expected to Continue through 2014



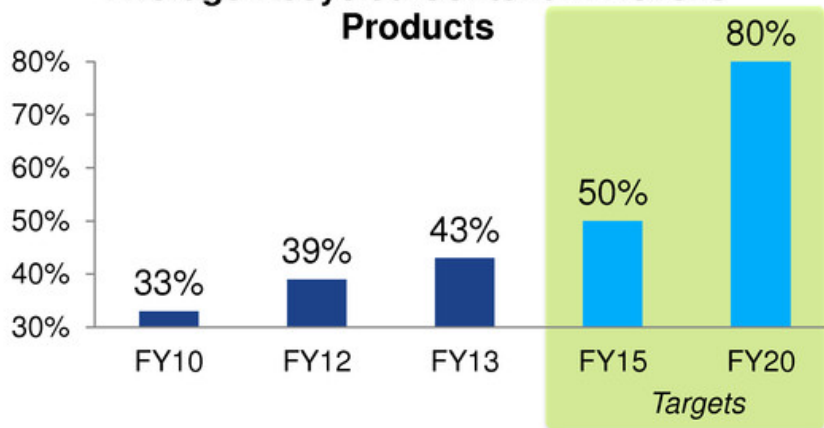
# Excellent Commissioning Process



**Record Q3 Production & Shipments in Asia & South America**

# Increasing Scrap Content in our Products

Average Recycled Content in Novelis Products

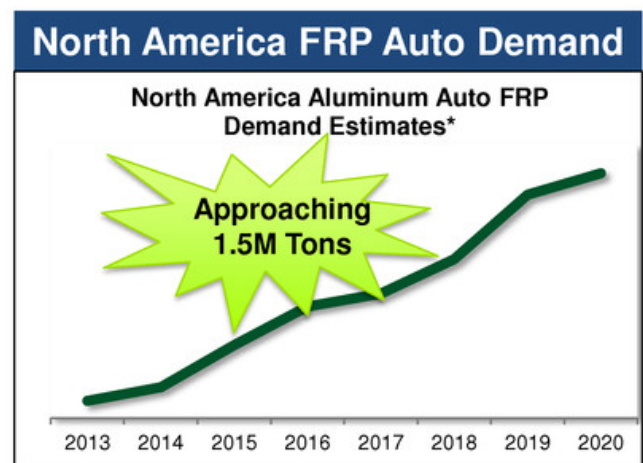
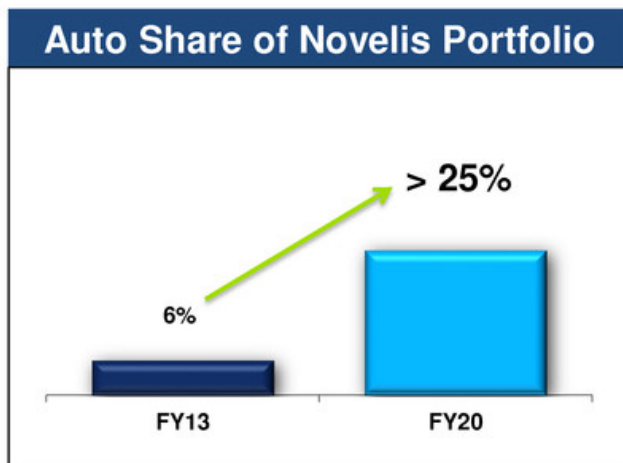


**Industry's First Independently Certified 90% Recycled Content Can Body Sheet**

Not just aluminum, Novelis Aluminum.

# Aggressively Growing Auto Capacity to Meet Demand

- New \$205M Investment in Germany & United States to add 240kt Auto Finishing Capacity Beginning End CY15
- Novelis' Auto Finishing Capacity Grows to ~900kt When Complete
- Global Automotive FRP Demand To Grow ~30% CAGR 2012-2020\*



Novelis is the World's Leading Supplier of Auto FRP

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\* Source: Novelis Industry Estimates

Not just aluminum, Novelis Aluminum.

## Operations & Financial Review

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## **Third Quarter Highlights**

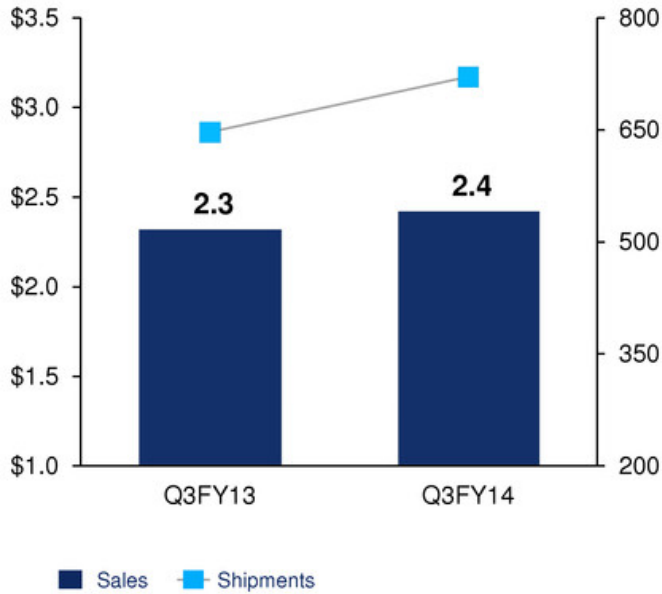
- **Shipments Up 11% YoY to 721 Kilotonnes, Up 1% Sequentially Despite Seasonally Low Quarter**
- **Adjusted EBITDA Up 10% YoY to \$203 Million**
- **Free Cash Flow Before Capex of \$96 Million, Up \$212 Million YoY**
- **Net Income of \$13 Million; Excluding Certain Items, Net Income \$23 Million**

**Excellent Operational Performance**

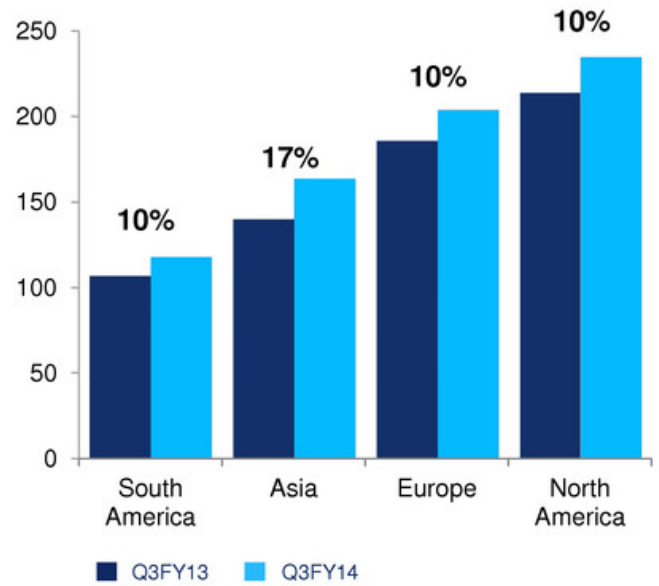
# Shipments & Sales

Sales (Billions) • Third Party Shipments (Kt)

## Consolidated Shipments & Sales



## Shipments by Region

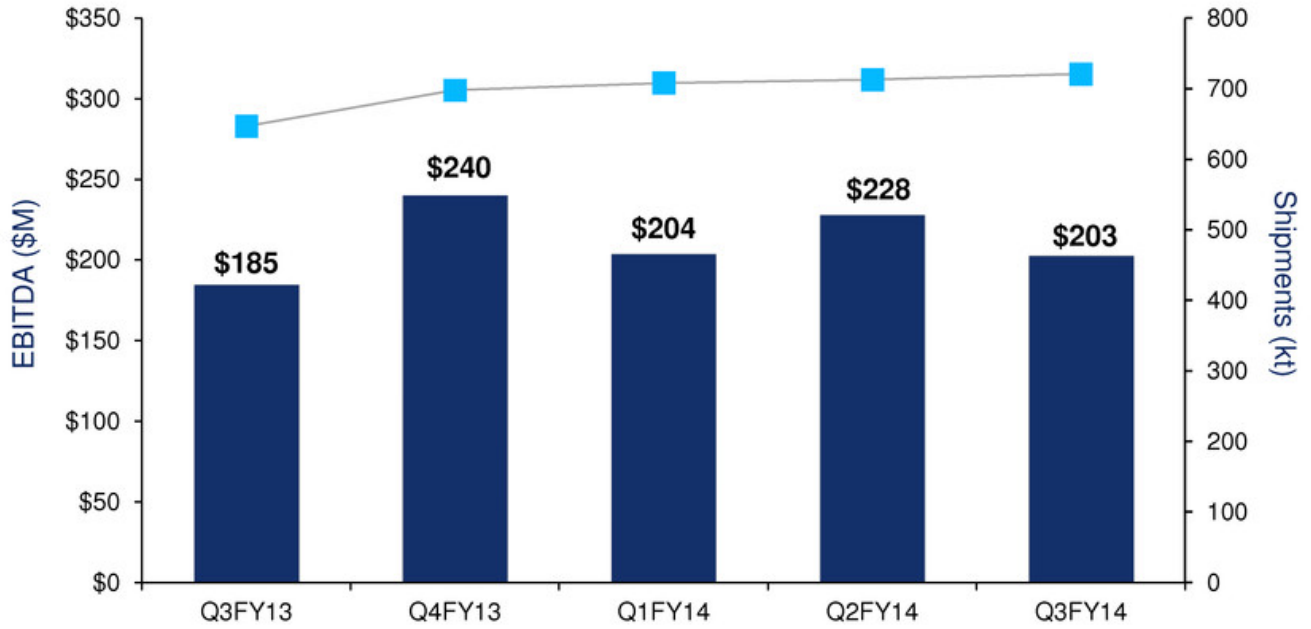


Highest Q3 Shipments Since FY 2008



# Adjusted EBITDA & Shipment Trend

■ EBITDA ■ Shipments



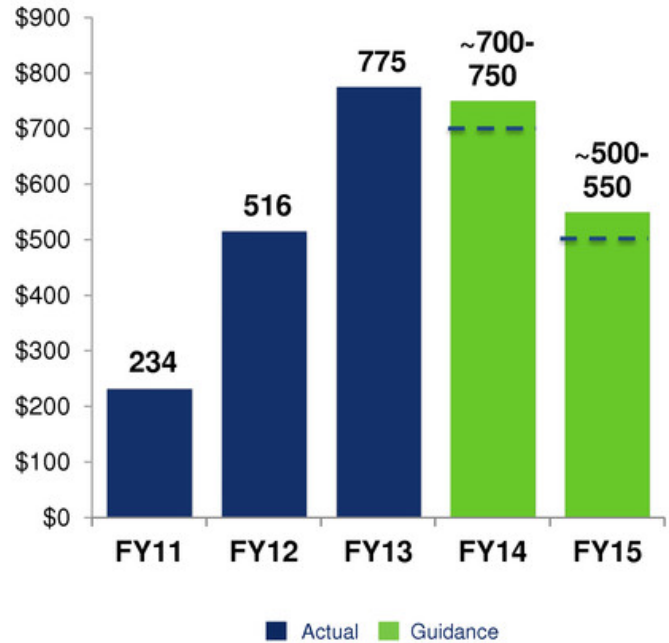
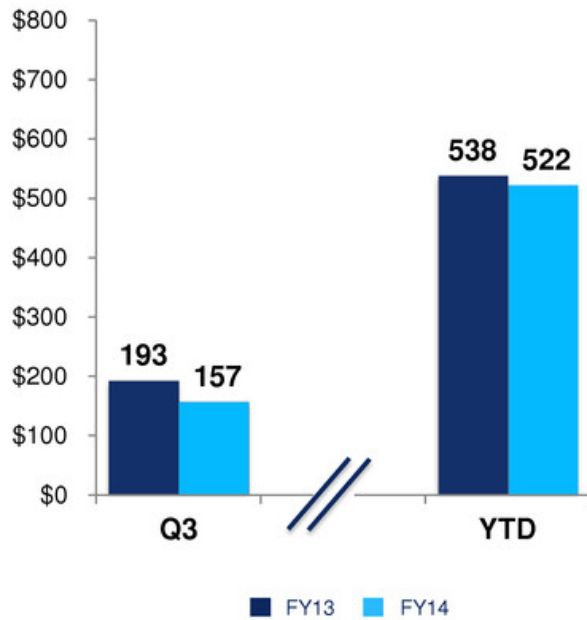
# Q3FY14 Adjusted EBITDA Bridge

(Millions)

<b>Q3FY13</b>	<b>\$185</b>	
Volume	61	<p>Mature Can Market in North America &amp; Asia; Lower Europe Pricing Partly Offset by Lower Cost</p>
Price & Mix	(24)	
SG&A	(18)	
Operating Costs & Other	(17)	<p>YoY Change in Annual Incentive Accruals</p>
Primary Operations	9	<p>Less Favorable Scrap Benefits than PY, Higher Fixed Cost Base During Expansion Build-Outs, Inflation</p>
Foreign Exchange	5	
Metal Price Lag	2	
<b>Q3FY14</b>	<b>\$203</b>	

# Capital Expenditures

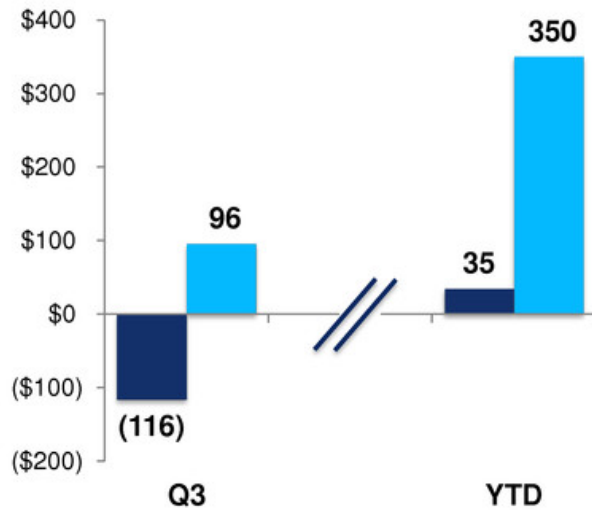
(Millions)



# Free Cash Flow Before CapEx

(Millions)

■ FY13 ■ FY14



## Q3 Cash Flow Highlights

- Q3 Includes \$107M Semi-Annual Bond Interest Payment
- YoY Increase Q3 and YTD Driven by Working Capital Improvements

**\$212 Million Improvement YoY**

## Summary & Outlook

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## **Summary & FY14 Outlook**

- **Strong Operational Performance in Q3**
- **External Market Pressure To Continue**
- **Global Strategic Actions are Materializing in Results**
  - **EBITDA Improvement to Continue in Q4FY14; Full Year FY14 EBITDA \$900 - 925 Million**
  - **Rolling Expansions to Drive ~110kt Incremental Shipments in FY14**
  - **Full Year FY14 Free Cash Flow Negative \$50 Million to Breakeven**

## Questions & Answers

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Appendix

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# Income Statement Reconciliation To Adjusted EBITDA

(in \$ m)	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	FY13	Q1 FY14	Q2 FY14	Q3 FY14
<b>Net Income (loss) Attributable to Our Common Shareholder</b>	<b>91</b>	<b>49</b>	<b>3</b>	<b>59</b>	<b>202</b>	<b>14</b>	<b>23</b>	<b>13</b>
- Interest, net	(73)	(72)	(74)	(73)	(293)	(75)	(74)	(74)
- Income tax (provision) benefit	(21)	(37)	(11)	(14)	(83)	(3)	(26)	3
- Depreciation and amortization	(73)	(69)	(76)	(74)	(292)	(77)	(79)	(91)
- Noncontrolling interests	-	(1)	-	-	(1)	-	-	-
<b>EBITDA</b>	<b>258</b>	<b>228</b>	<b>164</b>	<b>220</b>	<b>871</b>	<b>169</b>	<b>202</b>	<b>175</b>
- Unrealized gain (loss) on derivatives	13	(24)	4	21	14	(12)	4	3
- Realized gain (loss) on derivative instruments not included in segment income	2	-	-	3	5	2	2	2
- Proportional consolidation	(11)	(9)	(11)	(10)	(41)	(11)	(8)	(11)
- Restructuring and impairment, net	(5)	(17)	(6)	(19)	(47)	(9)	(18)	(19)
- Gain (loss) on assets held for sale	5	(2)	-	-	3	-	-	6
- Gain (loss) on Extinguishment of Debt	-	-	-	(7)	(7)	-	-	-
- Others costs, net	(5)	3	(8)	(8)	(17)	(5)	(6)	(9)
<b>Adjusted EBITDA</b>	<b>259</b>	<b>277</b>	<b>185</b>	<b>240</b>	<b>961</b>	<b>204</b>	<b>228</b>	<b>203</b>
<b>Other Income (Expense) Included in Adjusted EBITDA</b>								
- Metal price lag	6	26	(9)	(0)	23	(2)	3	(7)
- Foreign currency remeasurement	4	2	1	0	6	3	(1)	2
- Purchase accounting	(3)	(3)	(3)	(3)	(13)	(3)	(3)	(3)

# Free Cash Flow

(in \$m)	FY13					Full Year	FY14		
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	
Cash Provided by (used in) Operating Activities	(5)	122	(95)	181	203	(102)	350	108	
Cash Provided by (used in) Investing Activities	(152)	(152)	(201)	(242)	(747)	(187)	(164)	(162)	
Less: Proceeds from Sales of Assets	(12)	5	(13)	(1)	(21)	-	(8)	(7)	
Free Cash Flow	(169)	(25)	(309)	(62)	(565)	(289)	178	(61)	

# 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 the impact of this “lag”.

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

All Balance Sheet accounts not denominated in functional currency are remeasured every period to the period end exchange rates. This impacts our profitability. Like Metal Price Lag, we have a risk management program in place to minimize the 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.

