

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, 2014

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) (I.R.S. Employer 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))

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 May 16, 2014, Novelis Inc. issued a press release reporting the company's financial results for its quarter and year ended March 31, 2014. 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:

- 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 May 16, 2014 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated May 16, 2014 (furnished to the Commission as a part of this Form 8-K).

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release, dated May 16, 2014 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated May 16, 2014 (furnished to the Commission as a part of this Form 8-K).

Source: Novellis Inc., 8-K, February 10, 2014

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The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

News Release

Novelis Reports Fiscal Year 2014 Results

Solid Operating Performance in Q4 Ends Year on a Strong Note

- **Q4 Net Income, Excluding Certain Items, of \$75 million**
- **Q4 Adjusted EBITDA of \$250 million**
- **Liquidity in Excess of \$1 Billion**
- **Achieved 46% Recycled Input Rate**

ATLANTA, May 16, 2014 – Novelis, the world leader in aluminum rolling and recycling, today reported net income attributable to its common shareholder of \$54 million for the fourth quarter of fiscal year 2014. Excluding certain tax-effected items, net income was \$75 million.

"Fiscal 2014 was a transitional year for Novelis and we closed it on a strong note," said Phil Martens, President and Chief Executive Officer for Novelis. "We completed the majority of our business transformation initiatives to secure our leadership position in flat rolled products for the global automotive and beverage can markets, and enhance our unmatched, low-cost recycling capabilities worldwide. Together these actions are driving both our top and bottom lines."

The company reported shipments of aluminum rolled products of 753 kilotonnes in the fourth quarter of fiscal 2014, up eight percent compared to the prior year. Every global operating region reported an increase in shipments year-over-year. Higher global shipments were the primary driver behind the four percent increase in adjusted EBITDA versus the prior year to \$250 million in the fourth quarter of fiscal 2014.

"While 2014 provided market challenges, particularly lower can sheet pricing and volatile market premiums for primary aluminum, we have positioned the company well for the future. Auto will accelerate this year as our key supplier role to Ford's new aluminum intensive F-150 program will demonstrate," said Martens.

The Company noted a number of accomplishments over the past year:

- Generated significant cash flow to fund capital investments;
- Made significant progress on all strategic expansions including the ramp up of rolling production at Brazil and Korea mill expansions and the start of commercial production at US automotive finishing lines;
- Announced incremental investment of \$205 million to further expand global auto finishing capacity to approximately 900 kilotonnes annually;
- Expanded recycling facilities and capabilities in all of its operating regions and increased the recycled content in its products by three percentage points to 46 percent for fiscal 2014, continuing toward the Company's goal of 80 percent recycled content in its products by 2020;
- Launched commercial use of evercan™, the world's first certified high-recycled content beverage can sheet;
- Demonstrated our leading research & technology capabilities through a 60% year over year increase in patent applications and grants;

- Further optimized the Company's footprint and product portfolio, including the proposed sale of its household foil operations in North America and non-core hydroelectric power generation operations in Brazil.

Adjusted EBITDA for fiscal 2014 was \$885 million compared to \$961 million reported for the prior year. The decline was primarily due to pricing pressures experienced in the Asian and North American beverage can markets, a higher fixed cost base due to expansions ahead of revenue generation and higher incentive costs, partially offset by higher shipments and benefits from increasing recycled content.

Shipments of aluminum rolled products totaled 2,895 kilotonnes in fiscal 2014, an increase of four percent compared to 2,786 kilotonnes reported in fiscal 2013. Net sales in fiscal 2014 were \$9.8 billion, which is flat compared to the prior year resulting from higher shipments partially offset by a ten percent decrease in average aluminum prices and lower conversion premiums.

(in \$M)	Fiscal 2014		Fiscal 2013	
	3/31/2014		3/31/2013	
Free Cash Flow	\$	(16)	\$	(565)
Capital Expenditures		717		775
Free Cash Flow before CapEx	\$	701	\$	210

The company reported negative free cash flow of \$16 million for the year. "Our excellent cash generation essentially funded the \$717 million in capital investments we made last year," said Steve Fisher, Chief Financial Officer for Novelis. "In addition, we drove liquidity levels in excess of \$1 billion by fiscal year end, allowing us to return \$250 million of capital to our parent company in the first quarter of fiscal 2015."

Fourth Quarter and Fiscal Year 2014 Earnings Conference Call

Novelis will discuss its fourth quarter and fiscal year 2014 results via a live webcast and conference call for investors at 9:30 a.m. ET on Friday, May 16, 2014. To view slides and listen only, visit the web at <https://cc.callinfo.com/r/1rzes6fm8phdz&eom>. To join by telephone, dial toll-free in North America at 800 743 4304, India toll-free at 008001006992 or the international toll line at +1 212 231 2902. Presentation materials and access information may also be found at 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, has approximately 11,400 employees and reported revenue of approximately \$10 billion for its 2014 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 novelis.com and follow us on Facebook at [facebook.com/NovelisInc](https://www.facebook.com/NovelisInc) and Twitter at 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 Consolidated Statements of Operations, Consolidated Balance Sheets, Consolidated Statements of Cash Flows, Reconciliation to Adjusted EBITDA and Free Cash Flow, Reconciliation to Liquidity and Net Income excluding Certain Items, and Segment Information.

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 acceleration in the automotive market. 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, 2013 (and in our upcoming Annual Report on Form 10-K for the fiscal year ended March 31, 2014) are specifically incorporated by reference into this news release.

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Novelis Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions)

	(unaudited)			
	Quarter Ended		Year Ended	
	March 31,		March 31,	
	2014	2013	2014	2013
Net sales	\$ 2,549	\$ 2,500	\$ 9,767	\$ 9,812
Cost of goods sold (exclusive of depreciation and amortization)	2,203	2,162	8,468	8,477
Selling, general and administrative expenses	117	93	461	398
Depreciation and amortization	87	74	334	292
Research and development expenses	11	10	45	46
Interest expense and amortization of debt issuance costs	77	75	304	298
Gain on assets held for sale	—	—	(6)	(3)
Loss on extinguishment of debt	—	7	—	7
Restructuring and impairment, net	29	18	75	47
Equity in net loss of non-consolidated affiliates	—	1	12	16
Other income, net	(14)	(13)	(41)	(52)
	<u>2,510</u>	<u>2,427</u>	<u>9,652</u>	<u>9,526</u>
Income before income taxes	39	73	115	286
Income tax (benefit) provision	(15)	14	11	83
Net income	54	59	104	203
Net income attributable to noncontrolling interests	—	—	—	1
Net income attributable to our common shareholder	<u>\$ 54</u>	<u>\$ 59</u>	<u>\$ 104</u>	<u>\$ 202</u>

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

ASSETS	March 31,	
	2014	2013
Current assets		
Cash and cash equivalents	\$ 509	\$ 301
Accounts receivable, net		
— third parties (net of allowances of \$4 and \$3 as of March 31, 2014 and 2013, respectively)	1,382	1,447
— related parties	54	38
Inventories	1,173	1,168
Prepaid expenses and other current assets	101	93
Fair value of derivative instruments	51	109
Deferred income tax assets	101	112
Assets held for sale	102	9
Total current assets	3,473	3,277
Property, plant and equipment, net	3,513	3,104
Goodwill	611	611
Intangible assets, net	640	649
Investment in and advances to non-consolidated affiliates	612	627
Deferred income tax assets	80	75
Other long-term assets		
— third parties	173	166
— related parties	12	13
Total assets	\$ 9,114	\$ 8,522
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 92	\$ 30
Short-term borrowings	723	468
Accounts payable		
— third parties	1,418	1,207
— related parties	53	47
Fair value of derivative instruments	60	74
Accrued expenses and other current liabilities		
— third parties	547	497
— related party	250	—
Deferred income tax liabilities	16	28
Liabilities held for sale	11	1
Total current liabilities	3,170	2,352
Long-term debt, net of current portion	4,359	4,434
Deferred income tax liabilities	425	504
Accrued postretirement benefits	621	731
Other long-term liabilities	271	262
Total liabilities	8,846	8,283

Commitments and contingencies		
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2014 and 2013	—	—
Additional paid-in capital	1,404	1,654
Accumulated deficit	(1,073)	(1,177)
Accumulated other comprehensive loss	(91)	(268)
Total equity of our common shareholder	240	209
Noncontrolling interests	28	30
Total equity	268	239
Total liabilities and equity	\$ 9,114	\$ 8,522

CONSOLIDATED STATEMENTS OF CASH FLOWS (In millions)

	Year Ended March 31,	
	2014	2013
OPERATING ACTIVITIES		
Net income	\$ 104	\$ 203
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	334	292
Gain on unrealized derivatives and other realized derivatives in investing activities, net	(3)	(28)
Gain on assets held for sale	(6)	(3)
Loss on extinguishment of debt	—	7
Deferred income taxes	(129)	(31)
Amortization of fair value adjustments, net	12	12
Equity in net loss of non-consolidated affiliates	12	16
(Gain) loss on foreign exchange remeasurement of debt	(2)	8
Loss on sale of assets	9	6
Impairment charges	24	4
Amortization of debt issuance costs and carrying value adjustment	26	27
Other, net	(4)	1
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	106	(121)
Inventories	17	(160)
Accounts payable	159	6
Other current assets	—	(36)
Other current liabilities	32	28
Other noncurrent assets	(9)	(10)
Other noncurrent liabilities	20	(18)
Net cash provided by operating activities	702	203
INVESTING ACTIVITIES		
Capital expenditures	(717)	(775)
Proceeds from sales of assets, third party, net of transaction fees	8	19
Proceeds from the sale of assets, related party, net of transaction fees	8	2
(Outflows) proceeds from investment in and advances to non-consolidated affiliates, net	(16)	3
Proceeds from settlement of other undesignated derivative instruments, net	15	4
Net cash used in investing activities	(702)	(747)
FINANCING ACTIVITIES		
Proceeds from issuance of debt	169	319
Principal payments	(164)	(97)
Short-term borrowings, net	208	332
Dividends, noncontrolling interest	—	(2)
Acquisition of noncontrolling interest in Novelis Korea Ltd.	—	(9)
Debt issuance costs	(8)	(8)
Net cash provided by (used in) financing activities	205	535
Net increase (decrease) in cash and cash equivalents	205	(9)
Effect of exchange rate changes on cash	3	(7)
Cash and cash equivalents — beginning of period	301	317
Cash and cash equivalents — end of period	\$ 509	\$ 301

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)	Quarter Ended		Year Ended	
	March 31,		March 31,	
	2014	2013	2014	2013
Net income attributable to our common shareholder	\$ 54	\$ 59	\$ 104	\$ 202
Noncontrolling interests	—	—	—	(1)
Income tax (provision) benefit	15	(14)	(11)	(83)
Interest, net	(74)	(74)	(297)	(293)
Depreciation and amortization	(87)	(74)	(334)	(292)
EBITDA	200	221	746	871
Unrealized gain (loss) on derivatives	(5)	21	(10)	14
Realized (loss) gain on derivative instruments not included in segment income	(1)	3	5	5
Proportional consolidation	(10)	(10)	(40)	(41)
Gain on assets held for sale	—	—	6	3
Loss on early extinguishment of debt	—	(7)	—	(7)
Restructuring and impairment, net	(29)	(18)	(75)	(47)
Other income, net	(5)	(8)	(25)	(17)
Adjusted EBITDA	<u>\$ 250</u>	<u>\$ 240</u>	<u>\$ 885</u>	<u>\$ 961</u>

The following table shows the "Free cash flow" for the year ended March 31, 2014 and 2013 and the ending balances of cash and cash equivalents (in millions).

	Year Ended March 31,	
	2014	2013
Net cash provided by operating activities	\$ 702	\$ 203
Net cash used in investing activities	(702)	(747)
Less: Proceeds from sales of assets	(16)	(21)
Free cash flow	\$ (16)	\$ (565)
Ending cash and cash equivalents	<u>\$ 509</u>	<u>301</u>

The following table shows available liquidity as of March 31, 2014 and 2013 (in millions).

	March 31,	
	2014	2013
Cash and cash equivalents	\$ 509	\$ 301
Availability under committed credit facilities	511	459
Total liquidity	<u>\$ 1,020</u>	<u>\$ 760</u>

The following table shows Net Income attributable to our common shareholder excluding Certain Items (in millions). We adjust for items which may recur in varying magnitude which affect the comparability of the operational results of our underlying business.

	Quarter Ended		Year Ended	
	March 31,		March 31,	
	2014	2013	2014	2013
Net income attributable to our common shareholder	\$ 54	\$ 59	\$ 104	\$ 202
Certain Items:				
Gain on assets held for sale	—	—	(6)	(3)
Loss on extinguishment of debt	—	7	—	7
Restructuring and impairment, net	29	18	75	47
Tax effect on Certain Items	(8)	(5)	(18)	(11)
Net income attributable to our common shareholder, excluding Certain Items	<u>\$ 75</u>	<u>\$ 79</u>	<u>\$ 155</u>	<u>\$ 242</u>

Segment Information

The following table shows selected segment financial information (in millions, except shipments which are in kilotonnes).

	Quarter Ended		Year Ended	
	March 31,		March 31,	
	2014	2013	2014	2013
Adjusted EBITDA				
North America	68	61	229	324
Europe	73	71	265	261
Asia	33	47	160	174
South America	75	61	231	202
Eliminations	1	—	—	—
Total Adjusted EBITDA	<u>\$ 250</u>	<u>\$ 240</u>	<u>\$ 885</u>	<u>\$ 961</u>
Total Rolled Products Shipments				
North America	247	239	958	990
Europe	242	218	911	861
Asia	157	143	640	562
South America	124	107	447	395
Eliminations	(17)	(9)	(61)	(22)
Total Rolled Product Shipments	<u>753</u>	<u>698</u>	<u>2,895</u>	<u>2,786</u>



Novelis Q4 & Fiscal Year 2014 Earnings Conference Call

May 16, 2014

Philip Martens
President and Chief Executive Officer

Steve Fisher
Senior Vice President and Chief Financial Officer

Novelis

Safe Harbor Statement

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 (and our upcoming Annual Report on Form 10-K for the fiscal year ended March 31, 2014) are specifically incorporated by reference into this presentation.

Agenda

- **FY14 Business Review**
- **Strategy**
- **Q4FY14 Detailed Financial Review**
- **Summary & Outlook**

FY14 Business Review

Novelis

Fiscal Year 2014 Highlights

- **Strengthened Leadership Position in Global Auto, Can and Aluminum Recycling**
 - Shipments up 4% YoY; Record Production in Asia & Brazil
 - Prepared to Supply North America Auto in FY15
- **Excellent Cash Management Funded Investments**
 - Free Cash Flow before Capex \$701 Million; \$1 Billion Liquidity
- **Strategy Helped Mitigate Market Headwinds**
 - Increased Recycled Inputs & Premium Product Focus Delivered FY14 EBITDA of \$885 Million Despite Premium Volatility and Difficult Can Pricing Market
 - Finished FY14 with a Strong Fourth Quarter

Positioned Well For the Future

Strategy Mitigating Market Headwinds

- **Strategic Actions Drove EBITDA Up in FY14...**
 - **Volume Contribution from Expanded Rolling Operations**
 - **Portfolio Mix Shift with Higher Auto Penetration**
 - **Recycling Benefits from Higher Usage**

- **...But Offset by Market Headwinds**
 - **Beverage Can Overcapacity in North America and Asia**
 - **Local Market Premium Volatility**

Strategy

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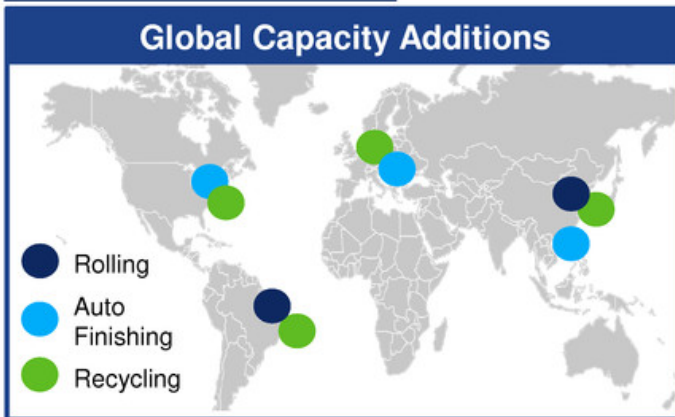
Novelis' Strategy

**Capture
Growth in
Premium
FRP
Markets**

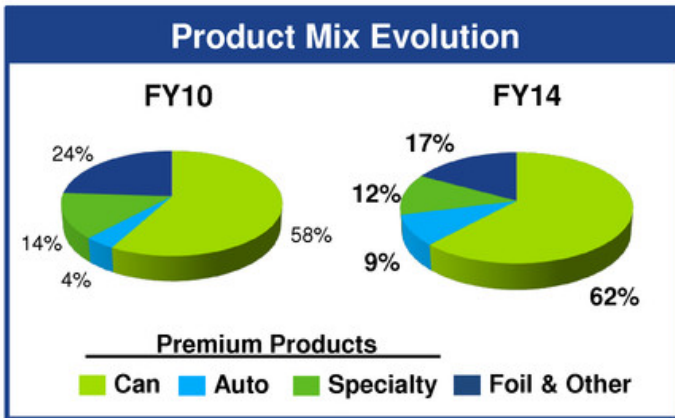
**80%
Recycled
Content in
our
Products
by 2020**

**Strengthen
the
Business**

Novelis Evolution - Growing Premium Products



- Invested ~\$2 Billion to Solidify our Global Leadership Position
- Global FRP Demand CAGR Drivers Through 2020 Remain Strong*
 - Auto ~30%
 - Can ~4-5%
 - Specialty ~6%



- Grew Premium Products from 76% to 83% Since FY10

Undisputed Global Leader in Auto & Can FRP

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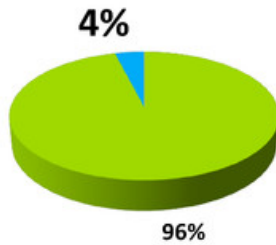
Not just aluminum, Novelis Aluminum.

* Source: Novelis Industry Estimates and CRU

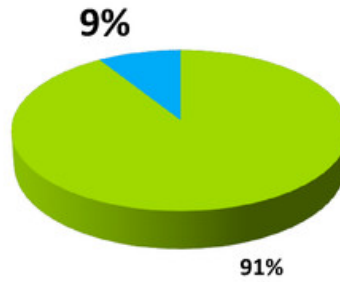
Evolution of Auto Share in Product Portfolio

■ Auto ■ Other

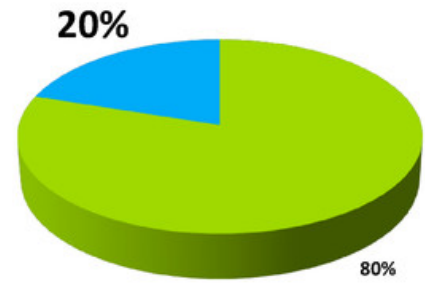
FY10



FY14



FY17



Total Shipments:
(kilotonnes) 2,708

2,895

~3,400-3,500

Topline Growth Driven by Auto

©2014Novelis Inc.

Not just aluminum, Novelis Aluminum.

Novelis Evolution – Growing Auto Globally

- North America to Begin Supplying 2015 Ford F-150 Second Half FY15



- Record European Auto Shipments
 - Strong Sole-Supplier Relationship to JLR Continues
 - German Expansion End CY15



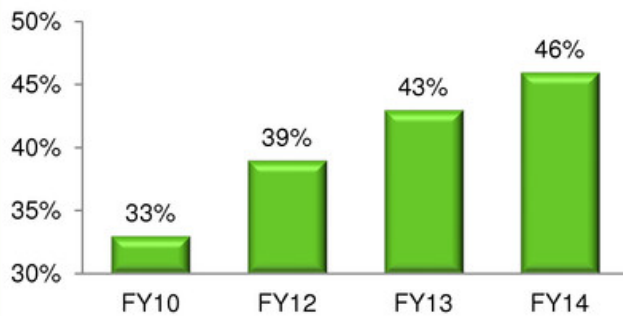
- China Greenfield Plant Began Commissioning Process in April



Novelis is the World's Leading Supplier of Auto FRP

Novelis Evolution – Leading in Sustainability

Average Recycled Content in Products



- ~\$500M CapEx to Double Recycling Capabilities
 - Increased Recycled Content from 33% in FY10 to 46% in FY14
 - On Track to Achieve 50% Recycled Content in FY15 on Long Term Path to 80% in 2020
- True Cost Advantage

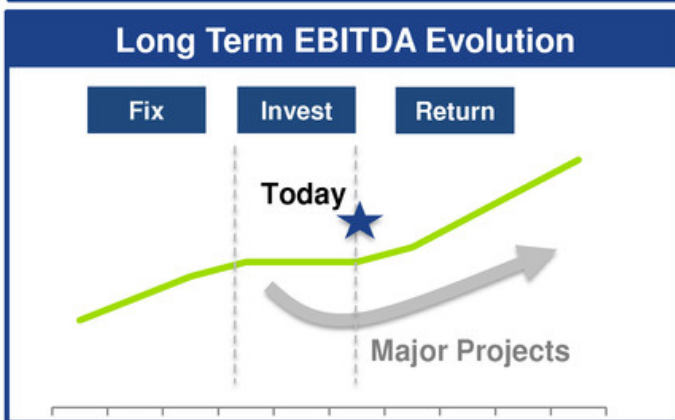
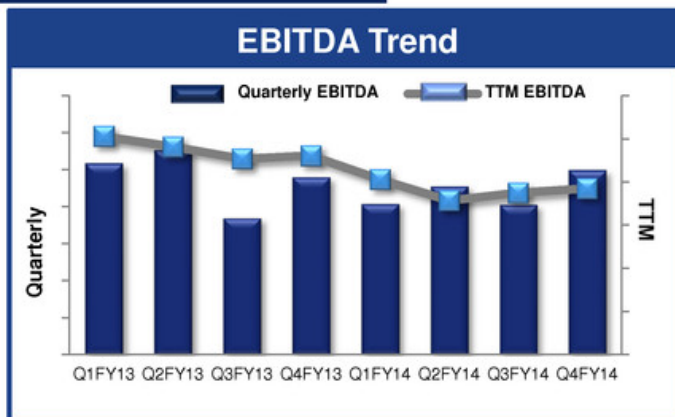
Innovative Products: evercan



- Novelis evercan™ Containing >90% Recycled Content Now Commercially Available
 - Sustainability & Innovation as Competitive Advantages

World's Largest Recycler of Aluminum

Novelis Evolution – Driving Results



- Strengthen the Business by Divesting Non-Core Foil Assets in North America and Hydro Assets in South America
- Strategic Actions Help Mitigate Headwinds and Provide More Stability in Results
- Passed the Inflection Point in Our Business

Novelis is Positioned To Remain the Market Leader

Operations & Financial Review

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Fourth Quarter Highlights

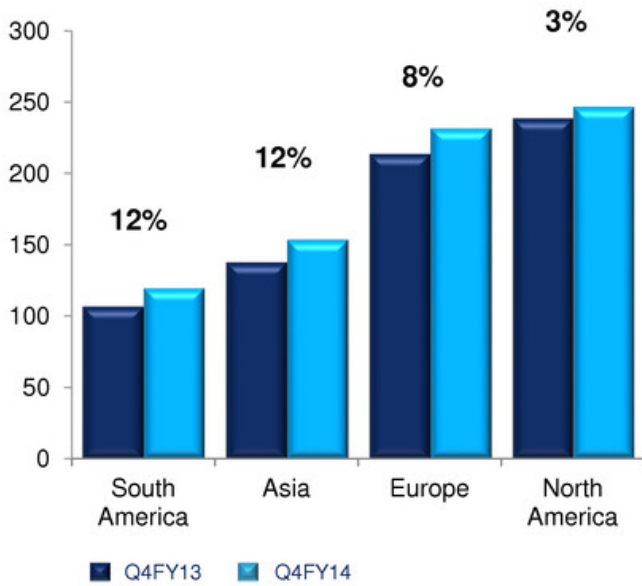
- **Shipments Up 8% YoY to 753 Kilotonnes, Up 4% Sequentially**
- **Sales Up 2% to \$2.5 Billion**
- **Adjusted EBITDA Up 4% YoY to \$250 Million, Up 23% Sequentially**
- **Net Income of \$54 Million; Excluding Certain Items, Net Income \$75 Million**
- **Free Cash Flow \$156 Million, Up \$218 Million YoY**

Ended FY14 With Strong Fourth Quarter Results

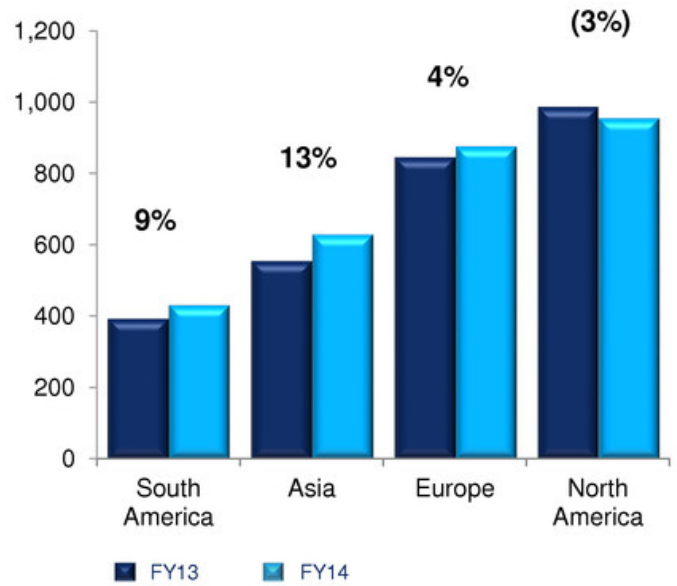
Q4 and FY14 Shipments by Region

Third Party Shipments (Kt)

Fourth Quarter

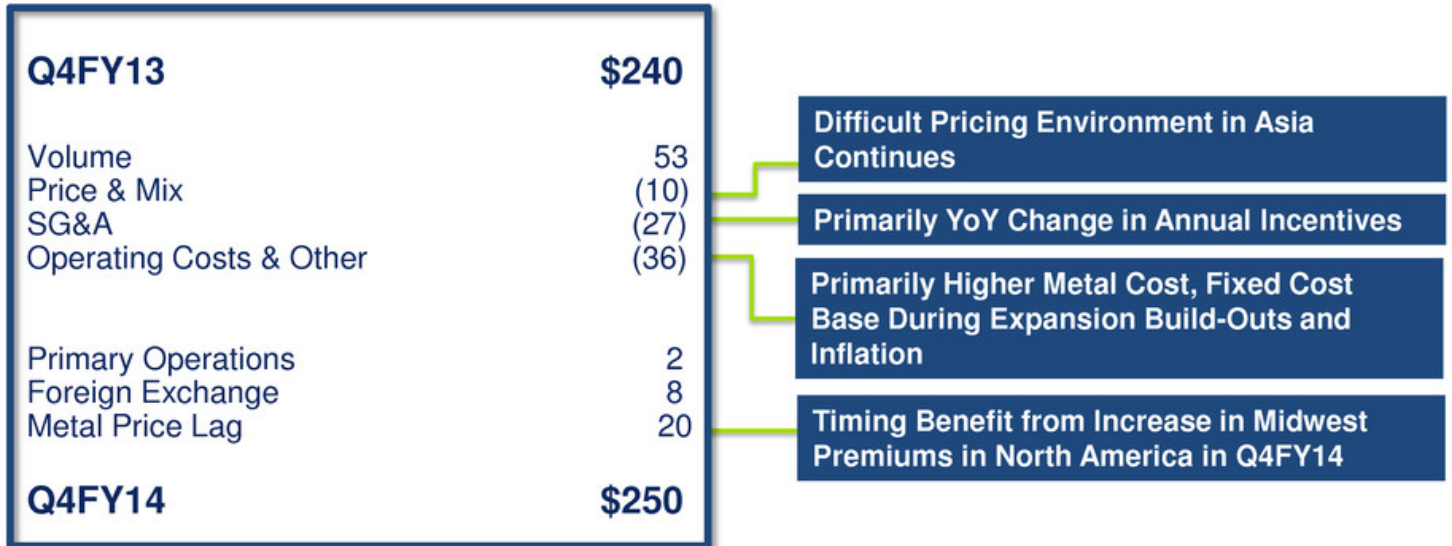


Full Year



Q4FY14 Adjusted EBITDA Bridge

(Millions)

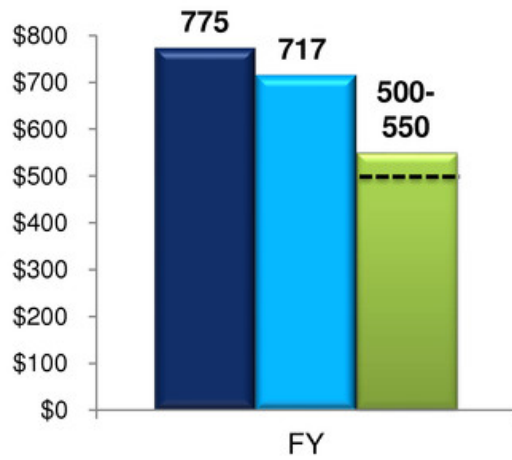


Capital Expenditures & Free Cash Flow Before Capex

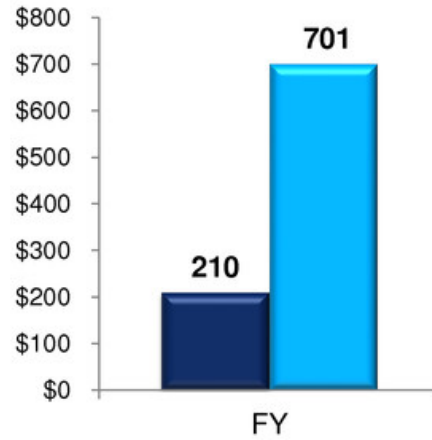
(Millions)

■ FY13 ■ FY14 ■ FY15 Guidance

Capital Expenditures



Free Cash Flow Before CapEx



Strong Cash Management Funded FY14 Investments

Summary & Outlook

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Summary & FY15 Outlook

- **Passed the Inflection Point in Novelis Business Evolution**
- **Strategy Mitigating Impact of Market Headwinds & Prepared Business for Growth Ahead**
- **FY15 Outlook**
 - **Shipment Growth as Rolling & Auto Capacity Comes Further Online**
 - **Drive Recycling Content in Products >50%**
 - **Positive Free Cash Flow**
 - **\$250 Million Return of Capital in Q1**

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	Q4 FY14	FY14
Net Income (loss) Attributable to Our Common Shareholder	91	49	3	59	202	14	23	13	54	104
- Interest, net	(73)	(72)	(74)	(73)	(293)	(75)	(74)	(74)	(74)	(297)
- Income tax (provision) benefit	(21)	(37)	(11)	(14)	(83)	(3)	(26)	3	15	(11)
- Depreciation and amortization	(73)	(69)	(76)	(74)	(292)	(77)	(79)	(91)	(87)	(334)
- Noncontrolling interests	-	(1)	-	-	(1)	-	-	-	-	-
EBITDA	258	228	164	220	871	169	202	175	200	746
- Unrealized gain (loss) on derivatives	13	(24)	4	21	14	(12)	4	3	(5)	(10)
- Realized gain (loss) on derivative instruments not included in segment income	2	-	-	3	5	2	2	2	(1)	5
- Proportional consolidation	(11)	(9)	(11)	(10)	(41)	(11)	(8)	(11)	(10)	(40)
- Restructuring and impairment, net	(5)	(17)	(7)	(18)	(47)	(9)	(18)	(19)	(29)	(75)
- Gain (loss) on assets held for sale	5	(2)	-	-	3	-	-	6	-	6
- Gain (loss) on Extinguishment of Debt	-	-	-	(7)	(7)	-	-	-	-	-
- Others costs, net	(5)	3	(7)	(8)	(17)	(5)	(6)	(9)	(5)	(25)
Adjusted EBITDA	259	277	185	240	961	204	228	203	250	885
Other Income (Expense) Included in Adjusted EBITDA										
- Metal price lag	6	26	(9)	(0)	23	(2)	3	(7)	24	17
- Foreign currency remeasurement	4	2	1	0	6	3	(1)	0	0	2
- Purchase accounting	(3)	(3)	(3)	(3)	(13)	(3)	(3)	(3)	(3)	(13)

Free Cash Flow

(in \$m)	FY13					Full Year	FY14				
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	Full Year	
Cash Provided by (used in) Operating Activities	(5)	122	(95)	181	203	(102)	350	108	346	702	
Cash Provided by (used in) Investing Activities	(152)	(152)	(201)	(242)	(747)	(187)	(164)	(162)	(189)	(702)	
Less: Proceeds from Sales of Assets	(12)	5	(13)	(1)	(21)	-	(8)	(7)	(1)	(16)	
Free Cash Flow	(169)	(25)	(309)	(62)	(565)	(289)	178	(61)	156	(16)	

Explanation of Other Income (Expense) in Adjusted EBITDA

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.

