

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): August 7, 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))
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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 August 7, 2014, Novelis Inc. issued a press release reporting the company's financial results for its quarter ended June 30, 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 August 7, 2014 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated August 7, 2014 (furnished to the Commission as a part of this Form 8-K).

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release, dated August 7, 2014 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated August 7, 2014 (furnished to the Commission as a part of this Form 8-K).

News Release

Novelis Reports First Quarter of Fiscal Year 2015 Results

Solid Operating Performance in Q1 Begins Year on a Strong Note

- **Q1 Net Income Increased 150% versus Prior Year to \$35 Million**
- **Q1 Adjusted EBITDA Increased 15% versus Prior Year to \$235 Million**
- **Q1 Sales Increased 12% versus Prior Year to \$2.7 Billion**
- **Q1 Shipments Increased 9% versus Prior Year to 770 Kilotonnes**
- **Portfolio Transformation Towards High-Recycled Content Premium Products Continues**

ATLANTA, August 7, 2014 – Novelis, the world leader in aluminum rolling and recycling, today reported net income attributable to its common shareholder of \$35 million for the first quarter of fiscal year 2015 compared to \$14 million in the first quarter of fiscal year 2014. Excluding certain tax-effected items, net income was \$30 million, up 43% compared to the first quarter of fiscal year 2014.

"Excellent plant productivity, strong winter results in South America boosted by World Cup beverage consumption, and good year-over-year demand trends drove a strong start to the new fiscal year," said Phil Martens, President and Chief Executive Officer for Novelis.

Adjusted EBITDA for the first quarter of fiscal 2015 was \$235 million, a 15% increase compared to \$204 million reported for the prior year. The increase was primarily driven by significantly higher volume, partially offset by pricing pressures in the Asian markets and a higher fixed cost base due to expansions ahead of revenue generation.

Novelis' new recycling centers in Germany and Brazil are ramping up production and will help the company achieve its mid-decade target of 50% recycled aluminum in its products on the way to its ultimate goal of 80% recycled content by 2020. In addition, rolling expansions in Korea and Brazil are adding capacity to grow shipments and capitalize on strong global demand for aluminum flat rolled products, particularly in the beverage can market. In June, the company completed the sale of its Canadian consumer foil business in line with the company's strategic focus on core premium markets.

"Demand trends continue to be favorable and our investments in rolling, recycling and automotive sheet finishing lines have positioned the company well to capture growth in our core can sheet and specialty markets as well as the emerging automotive business," said Martens. "The first of our new global auto finishing lines are on track to begin shipping product in the second half of this fiscal year and will allow us to maintain our leadership position in the technically demanding, high-growth automotive aluminum sheet market, while growing our premium product portfolio."

Shipments of aluminum rolled products increased 9% in the first quarter of fiscal 2015 to 770 kilotonnes compared to 708 kilotonnes in the prior year.

For the third consecutive quarter, all four operating regions reported an increase in shipments year-over-year. Higher shipments were the primary driver of the 12% increase in net sales for the first quarter of fiscal 2015 to \$2.7 billion as compared to \$2.4 billion for the first quarter of fiscal 2014.

(in \$M)	Fiscal 2015		Fiscal 2014	
	6/30/2014		6/30/2013	
Free Cash Flow	\$	(177)	\$	(289)
Capital Expenditures		138		181
Free Cash Flow before CapEx	\$	(39)	\$	(108)

The company reported negative free cash flow of \$177 million for the year. "Free cash flow improved by \$112 million versus the prior year, but as expected remained negative due to capital investments and semi-annual bond interest payments," said Steve Fisher, Chief Financial Officer for Novelis. "Despite these factors and a \$250 million return of capital to our parent company in the quarter, we reported solid liquidity of \$791 million and expect to achieve positive free cash flow by fiscal year-end."

First Quarter of Fiscal Year 2015 Earnings Conference Call

Novelis will discuss its first quarter of fiscal year 2015 results via a live webcast and conference call for investors at 9:00 a.m. ET on Thursday, August 7, 2014. To view slides and listen only, visit the web at <https://cc.callinfo.com/r/1fqxlx18q32k&eom>. To join by telephone, dial toll-free in North America at 800 732 5617, India toll-free at 0008001007928 or the international toll line at +1 212 231 2900. 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 nine countries, has approximately 11,200 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 at facebook.com/NovelisInc and 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 Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed 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 news release is our expectation that we will capture growth in our core can sheet and specialty markets as well as the emerging automotive business. 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, 2014 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	
	June 30,	
	2014	2013
Net sales	\$ 2,680	\$ 2,401
Cost of goods sold (exclusive of depreciation and amortization)	2,329	2,098
Selling, general and administrative expenses	108	120
Depreciation and amortization	89	77
Research and development expenses	12	10
Interest expense and amortization of debt issuance costs	81	76
Gain on assets held for sale	(11)	—
Restructuring and impairment, net	6	9
Equity in net loss of non-consolidated affiliates	2	4
Other expense (income), net	5	(10)
	<u>2,621</u>	<u>2,384</u>
Income before income taxes	59	17
Income tax provision	24	3
Net income	35	14
Net income attributable to noncontrolling interests	—	—
Net income attributable to our common shareholder	<u>\$ 35</u>	<u>\$ 14</u>

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

ASSETS	June 30, 2014	March 31, 2014
Current assets		
Cash and cash equivalents	\$ 337	\$ 509
Accounts receivable, net		
— third parties (net of uncollectible accounts of \$4 as of June 30, 2014 and March 31, 2014)	1,557	1,382
— related parties	61	54
Inventories	1,295	1,173
Prepaid expenses and other current assets	114	101
Fair value of derivative instruments	67	51
Deferred income tax assets	101	101
Assets held for sale	72	102
Total current assets	3,604	3,473
Property, plant and equipment, net	3,575	3,513
Goodwill	608	611
Intangible assets, net	626	640
Investment in and advances to non-consolidated affiliates	607	612
Deferred income tax assets	80	80
Other long-term assets		
— third parties	183	173
— related parties	21	12
Total assets	\$ 9,304	\$ 9,114
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 95	\$ 92
Short-term borrowings	956	723
Accounts payable		
— third parties	1,651	1,418
— related parties	56	53
Fair value of derivative instruments	65	60
Accrued expenses and other current liabilities		
— third parties	455	547
— related party	—	250
Deferred income tax liabilities	19	16
Liabilities held for sale	—	11
Total current liabilities	3,297	3,170
Long-term debt, net of current portion	4,350	4,359
Deferred income tax liabilities	421	425
Accrued postretirement benefits	632	621
Other long-term liabilities	269	271

Total liabilities	<u>8,969</u>	<u>8,846</u>
Commitments and contingencies		
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of June 30, 2014 and March 31, 2014	—	—
Additional paid-in capital	1,404	1,404
Accumulated deficit	(1,038)	(1,073)
Accumulated other comprehensive loss	(60)	(91)
Total equity of our common shareholder	<u>306</u>	<u>240</u>
Noncontrolling interests	<u>29</u>	<u>28</u>
Total equity	<u>335</u>	<u>268</u>
Total liabilities and equity	<u>\$ 9,304</u>	<u>\$ 9,114</u>

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

	Three Months Ended June 30,	
	2014	2013
OPERATING ACTIVITIES		
Net income	\$ 35	\$ 14
Adjustments to determine net cash used in operating activities:		
Depreciation and amortization	89	77
(Gain) loss on unrealized derivatives and other realized derivatives in investing activities, net	(8)	23
Gain on assets held for sale	(11)	—
Deferred income taxes	3	(76)
Amortization of fair value adjustments	3	3
Equity in net loss of non-consolidated affiliates	2	4
Gain on foreign exchange remeasurement of debt	—	(2)
Loss on sale of assets	1	1
Amortization of debt issuance costs and carrying value adjustment	6	6
Other, net	(1)	(1)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	(169)	(29)
Inventories	(116)	12
Accounts payable	245	(149)
Other current assets	(14)	3
Other current liabilities	(84)	13
Other noncurrent assets	(10)	2
Other noncurrent liabilities	5	(3)
Net cash used in operating activities	(24)	(102)
INVESTING ACTIVITIES		
Capital expenditures	(138)	(181)
Proceeds from sales of assets, net of transaction fees	34	—
Outflows from investments in and advances to non-consolidated affiliates, net	(16)	—
Proceeds (outflows) from settlement of other undesignated derivative instruments, net	1	(6)
Net cash used in investing activities	(119)	(187)
FINANCING ACTIVITIES		
Proceeds from issuance of debt	105	42
Principal payments	(53)	(17)
Short-term borrowings, net	166	219
Return of capital to our common shareholder	(250)	—
Debt issuance costs	—	(7)
Net cash (used in) provided by financing activities	(32)	237
Net decrease in cash and cash equivalents	(175)	(52)
Effect of exchange rate changes on cash	3	—
Cash and cash equivalents — beginning of period	509	301
Cash and cash equivalents — end of period	\$ 337	\$ 249

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	
	June 30,	
	2014	2013
Net income attributable to our common shareholder	\$ 35	\$ 14
Noncontrolling interests	—	—
Income tax provision	(24)	(3)
Interest, net	(80)	(75)
Depreciation and amortization	(89)	(77)
EBITDA	228	169
Unrealized gains (losses) on change in fair value of derivative instruments, net	1	(12)
Realized (losses) gains on derivative instruments not included in segment income	(1)	2
Adjustment to eliminate proportional consolidation	(8)	(11)
Gain on assets held for sale	11	—
Restructuring and impairment, net	(6)	(9)
Other income, net	(4)	(5)
Adjusted EBITDA	\$ 235	\$ 204

Free Cash Flow and Cash and Cash Equivalents

The following table shows the "Free cash flow" for the three months ended June 30, 2014 and 2013 and the ending balances of cash and cash equivalents (in millions).

	Three Months Ended June 30,	
	2014	2013
Net cash used in operating activities	\$ (24)	\$ (102)
Net cash used in investing activities	(119)	(187)
Less: Proceeds from sales of assets	(34)	—
Free cash flow	\$ (177)	\$ (289)
Ending cash and cash equivalents	\$ 337	249

Total Liquidity

The following table shows available liquidity as of June 30, 2014 and March 31, 2014 (in millions).

	June 30,	March 31,
	2014	2014
Cash and cash equivalents	\$ 337	\$ 509
Availability under committed credit facilities	454	511
Total liquidity	\$ 791	\$ 1,020

Reconciliation of Net Income to Net Income, excluding Certain Items

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.

	Three Months Ended	
	June 30,	
	2014	2013
Net income attributable to our common shareholder	\$ 35	\$ 14
Certain Items:		
Gain on assets held for sale	(11)	—
Restructuring and impairment, net	6	9
Tax effect on Certain Items	—	(2)
Net income attributable to our common shareholder, excluding Certain Items	<u>\$ 30</u>	<u>\$ 21</u>

Segment Information

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

Selected Operating Results Three Months Ended June 30, 2014	North America	Europe	Asia	South America	Other and Eliminations	Total
Adjusted EBITDA	\$ 64	\$ 79	\$ 37	\$ 55	\$ —	\$ 235
Shipments						
Rolled products - third party	248	235	178	109	—	770
Rolled products - intersegment	1	11	10	5	(27)	—
Total rolled products	249	246	188	114	(27)	770
Selected Operating Results Three Months Ended June 30, 2013	North America	Europe	Asia	South America	Other and Eliminations	Total
Adjusted EBITDA	\$ 46	\$ 70	\$ 46	\$ 42	\$ —	\$ 204
Shipments						
Rolled products - third party	237	225	157	89	—	708
Rolled products - intersegment	1	7	5	3	(16)	—
Rolled products	238	232	162	92	(16)	708



Novelis Q1 Fiscal Year 2015 Earnings Conference Call

August 7, 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, 2014 are specifically incorporated by reference into this presentation.

Agenda

- **Business Review**
- **Strategy**
- **Q1FY15 Detailed Financial Review**
- **Summary**

Business Review

Novelis

First Quarter Highlights

- **Highest Quarterly Shipments Since FY11**
- **EBITDA Grew 15% YoY to \$235 Million**
- **Portfolio Transformation to High-Recycled Content Premium Products Continues**
 - **Rolling Expansions Ramp Up in Brazil and Korea**
 - **Commissioned New Recycling Center in Germany and Ramped Up Recycling Production in Brazil**
 - **Global Auto Expansions on Track to Begin Contributing Second Half FY15**

Regional Dynamics: North America

Capacity Investments in the US



- **Plant Productivity Driving Shipment Growth**
- **Auto Shipments to Ramp Up Beginning in the Second Half FY15**
 - **Invested in 360kt Auto Finishing Capacity**
- **Consumer Foil Business Sale Complete to Focus on Core Premium Products**

Regional Dynamics: Europe



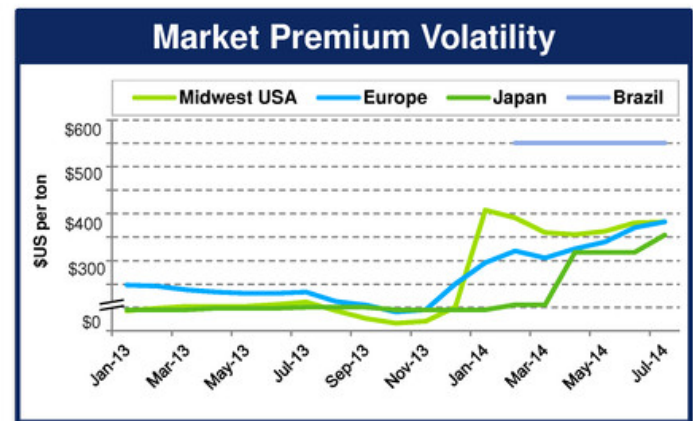
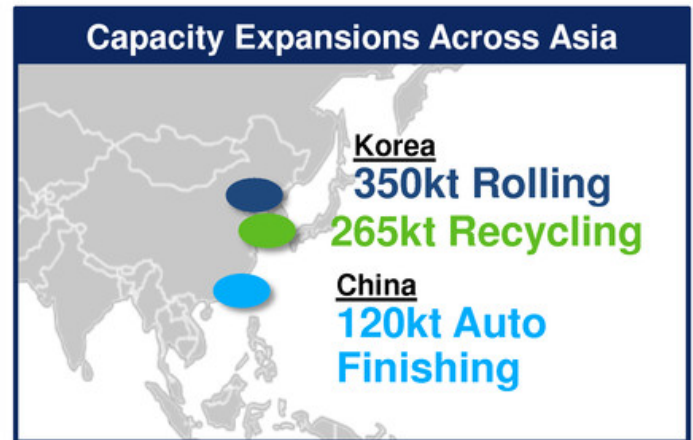
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- Continued Strong Auto and Can Demand
- Auto Expansion on Track to Contribute to FY17 Results
- Commissioned World's Largest Aluminum Recycling Center in June
 - 400kt Incremental Recycling Capacity
 - First Production-Sized Ingot Cast

Not just aluminum, Novelis Aluminum.

Regional Dynamics: Asia

- Strong Pan-Asian Market Demand for FRP Combined with New Rolling Capacity Driving Record Shipments
- Began Commissioning Auto Finishing Line in China
- Actions to Mitigate Impact from Continued Elevated Market Metal Premiums
 - Utilize Low-Cost Sourcing Point to Serve Global Customers
 - Recycling Center Operating at Full Capacity



Regional Dynamics: South America



©2014Novelis Inc.

- **First Mover Advantage & Excellent Project Execution with 220kt Cold Mill Expansion**
 - **FIFA World Cup Drove Sales Boost in Seasonally Low Q1FY15**
- **Commissioned New Can Coating Line to Lower Costs**
- **Ramp Up at Recently Commissioned 190kt Recycling Facility Continues**

Not just aluminum, Novelis Aluminum.

Strategy

Novelis

Novelis' Strategy



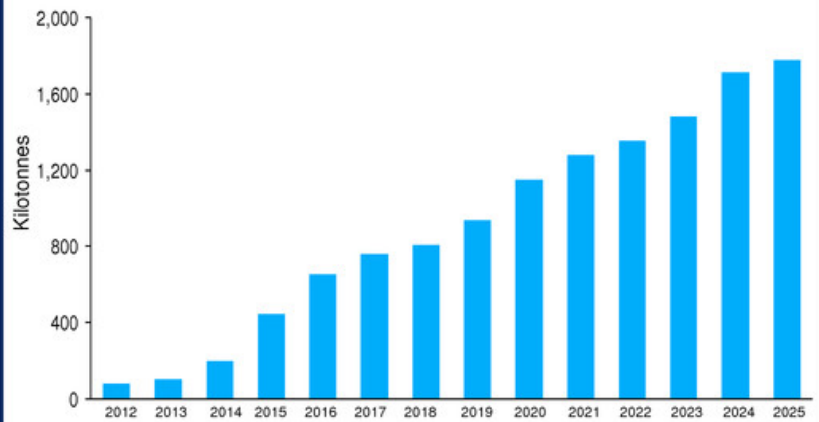
Grow High-Recycled Content Premium Product Portfolio

Explosive Growth in North American Auto

2014 Ducker Study: North American Auto Market in 2025*

- 7 out of 10 New Pick-Up Trucks Produced will be Aluminum Bodied
- >25% of All Body & Closure Parts for Light Vehicles will be Aluminum
- Aluminum Sheet Demand Will Grow from 200M to 4B Pounds

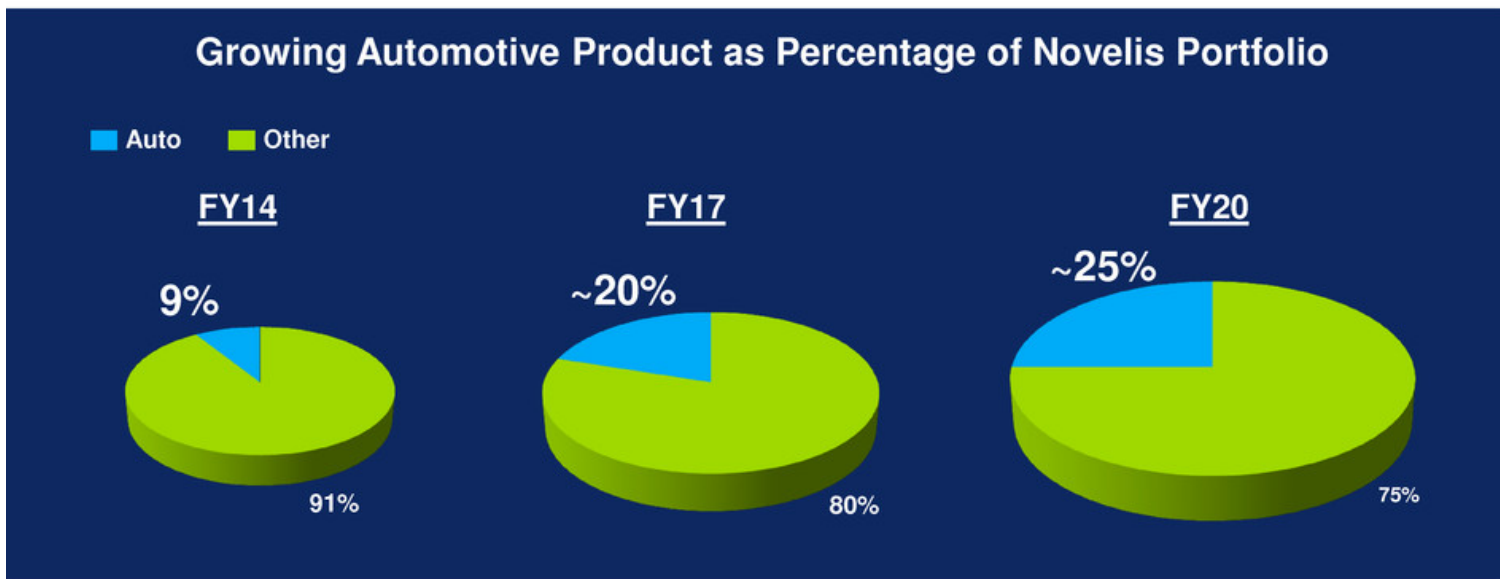
2014 Ducker Study: North America Demand for Auto Body and Closure Parts*



North America FRP Demand for Auto >1.7M Tonnes by 2025

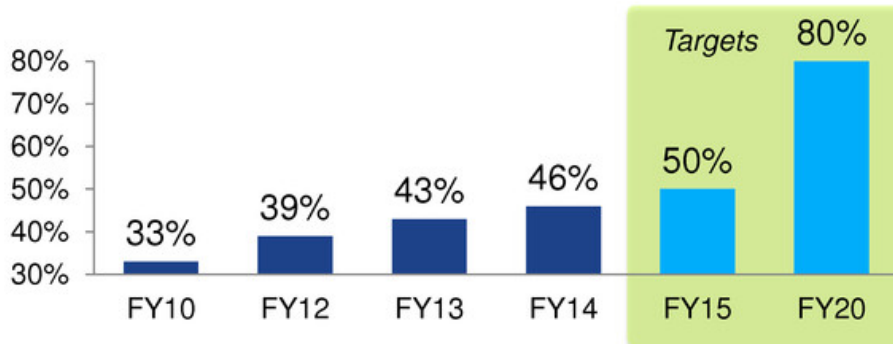
Uniquely Positioned to Grow Auto Business

- **First Mover Advantage: Growing Auto Finishing Capacity Worldwide to ~900kt When Complete**
- **Fully Integrated Auto Manufacturing System Including Closed Loop Recycling**
- **Proven Technical Leadership**



Growing the Recycled Content in our Products

Average Recycled Content in Novelis Products



Benefits from Increased Recycled Inputs

- Ensures Metal Supply
- Best Technology = Highest Metal Yield = Lowest Cost
- Customer Preference for Sustainable Products, such as evercan™

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14

Korea Oct'12



Brazil Feb'14



Germany Jun'14



Not just aluminum, Novelis Aluminum.

Q1FY15 Detailed Financial Review

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First Quarter Highlights

Q1FY15 vs Q1FY14

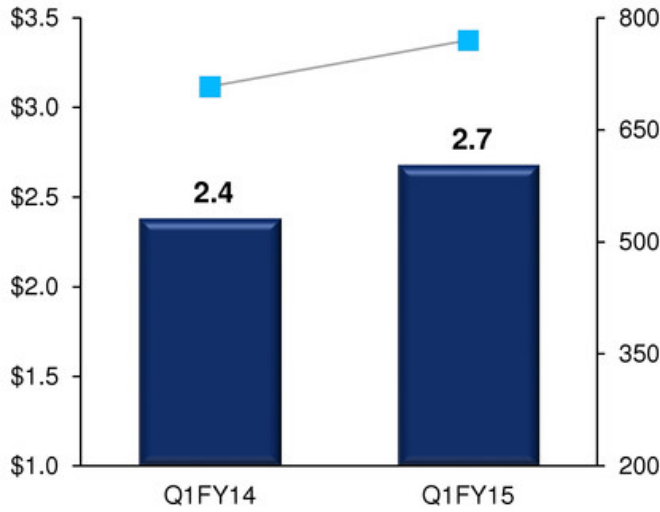
- **Shipments Up 9% YoY to 770 Kilotonnes**
- **Sales Up 12% to \$2.7 Billion**
- **Adjusted EBITDA Up 15% to \$235 Million**
- **Net Income of \$35 Million; Net Income Excluding Certain Items of \$30 Million, up 43%**
- **Negative Free Cash Flow Before Capex (\$39) Million, Up \$69 Million**
- **\$250 Million Return of Capital Payment**

Strong Start to FY15

Shipments & Sales

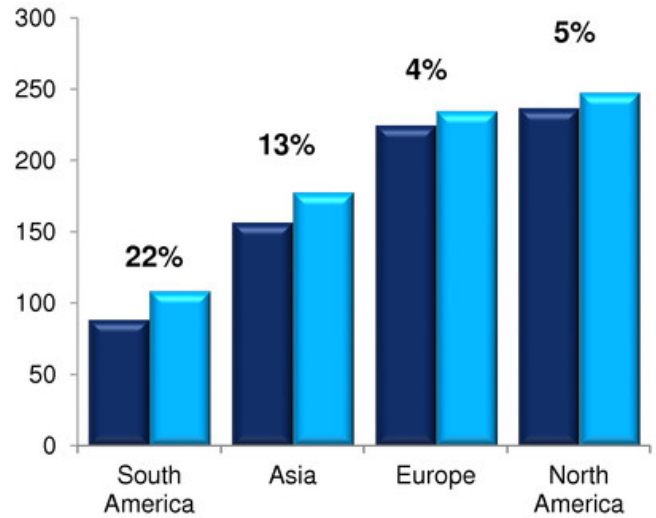
Sales (Billions) • Third Party Shipments (Kt)

Total Company



■ Sales ■ Shipments

Shipments by Region

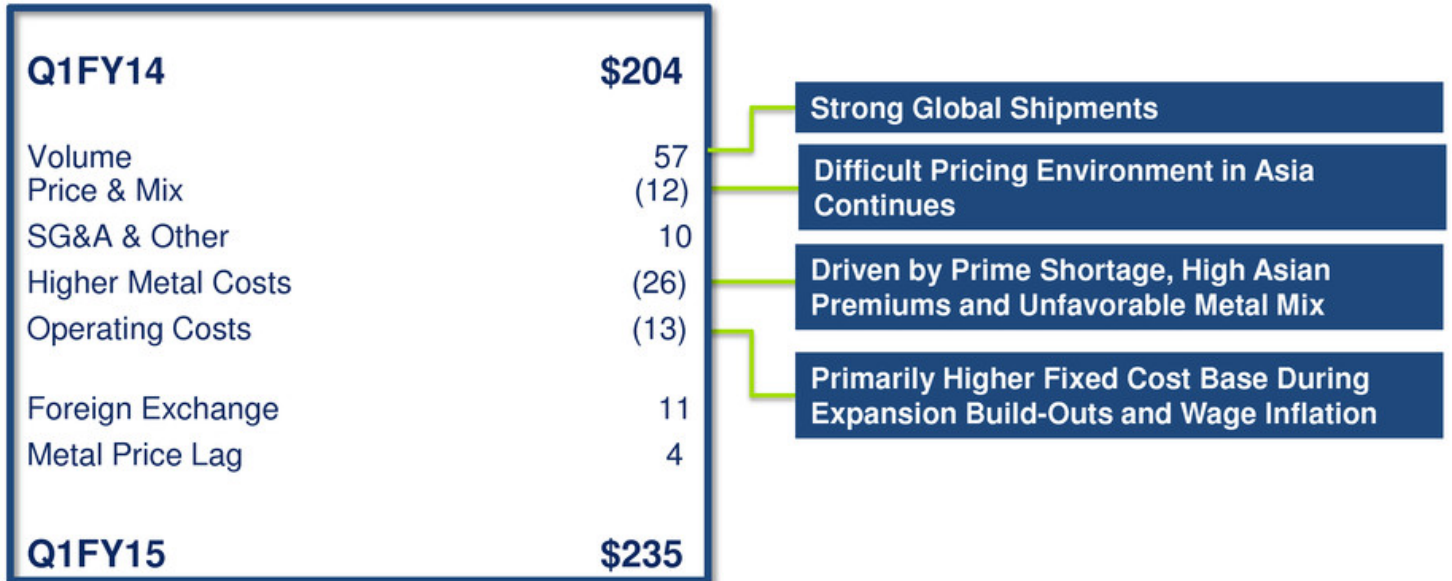


■ Q1FY14 ■ Q1FY15

Shipments in Every Region Increased Versus Prior Year

Q1FY15 Adjusted EBITDA Bridge

(USD Millions)

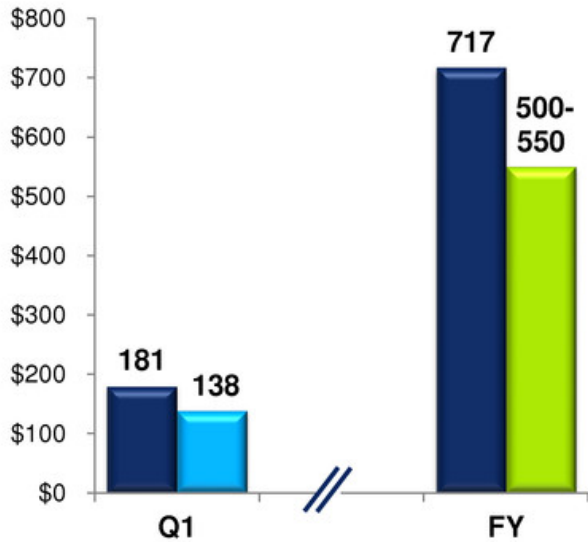


Capital Expenditures & Free Cash Flow Before CapEx

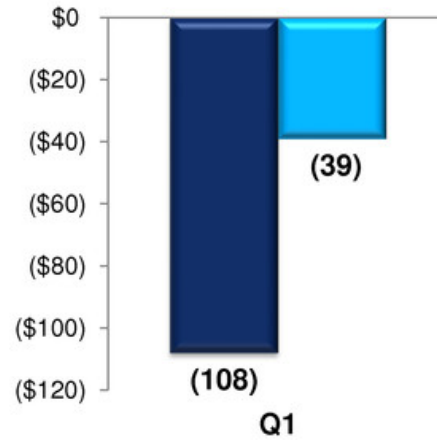
(Millions)

FY14 FY15 FY15 Guidance

Capital Expenditures



Free Cash Flow Before CapEx



We Expect Positive Free Cash Flow for FY15

Summary

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Summary

- Passed Inflection Point in Novelis Business Evolution
- Elevated Market Premiums Pressuring Results in Asia
- Auto Production to Ramp Up Second Half FY15
- Recycling Centers Continue to Drive Positive Returns



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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 FY14	Q2 FY14	Q3 FY14	Q4 FY14	FY14	Q1 FY15
Net Income (loss) Attributable to Our Common Shareholder	14	23	13	54	104	35
- Interest, net	(75)	(74)	(74)	(74)	(297)	(80)
- Income tax (provision) benefit	(3)	(26)	3	15	(11)	(24)
- Depreciation and amortization	(77)	(79)	(91)	(87)	(334)	(89)
EBITDA	169	202	175	200	746	228
- Unrealized gain (loss) on derivatives	(12)	4	3	(5)	(10)	1
- Realized gain (loss) on derivative instruments not included in segment income	2	2	2	(1)	5	(1)
- Proportional consolidation	(11)	(8)	(11)	(10)	(40)	(8)
- Restructuring and impairment, net	(9)	(18)	(19)	(29)	(75)	(6)
- Gain (loss) on assets held for sale	-	-	6	-	6	11
- Others costs (income), net	(5)	(6)	(9)	(5)	(25)	(4)
Adjusted EBITDA	204	228	203	250	885	235
Other Income (Expense) Included in Adjusted EBITDA						
- Metal price lag	(2)	3	(7)	24	17	2
- Foreign currency remeasurement	3	(1)	0	0	2	1

Explanation of Other Income (Expense) Included 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.

Free Cash Flow

(in \$m)	FY14					FY15
	Q1	Q2	Q3	Q4	Full Year	Q1
Cash Provided by (used in) Operating Activities	(102)	350	108	346	702	(24)
Cash Provided by (used in) Investing Activities	(187)	(164)	(162)	(189)	(702)	(119)
Less: Proceeds from Sales of Assets	-	(8)	(7)	(1)	(16)	(34)
Free Cash Flow	(289)	178	(61)	156	(16)	(177)

