

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 10, 2014

NOVELIS INC.

(Exact name of Registrant as specified in its charter)

Canada 001-32312 98-0442987 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 November 10, 2014, Novelis Inc. issued a press release reporting the company's financial results for its quarter ended September 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 November 10, 2014 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated November 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.

Date: November 10, 2014

NOVELIS INC.

By: /s/ Leslie J. Parrette, Jr.
Leslie J. Parrette, Jr.
General Counsel, Corporate Secretary and
Compliance Officer

EXHIBIT INDEX

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

News Release

Novelis Reports Solid Second Quarter of Fiscal Year 2015 Results

- **Net Income Increased 65% versus Prior Year to \$38 Million**
- **Sales Increased 17% versus Prior Year to \$2.8 Billion**
- **Adjusted EBITDA Increased 1% versus Prior Year to \$230 Million**
- **Shipments Increased 7% versus Prior Year to 765 Kilotonnes**

ATLANTA, November 10, 2014 – Novelis, the world leader in aluminum rolling and recycling, today reported net income attributable to its common shareholder of \$38 million for the second quarter of fiscal year 2015 compared to \$23 million in the second quarter of fiscal year 2014. Excluding certain tax-effected items, net income was \$42 million, up 14% compared to the second quarter of fiscal year 2014.

Adjusted EBITDA for the second quarter of fiscal 2015 was \$230 million, a 1% increase compared to \$228 million reported for the prior year. The increase was primarily driven by higher shipments and cost benefits from using recycled metal inputs. These favorable drivers were partially offset by continued pricing pressures in the Asian markets, a higher fixed cost base due to expansions ahead of revenue generation, and unfavorable currency fluctuations late in the second quarter.

"Our solid earnings are a result of the execution of our long-term strategy to capture growth through added capacity and to lower costs through increased use of recycled materials," said Phil Martens, President and Chief Executive Officer for Novelis. "We had record shipments of both can and automotive sheet in the second quarter, even before our new auto capacity in the U.S. and China began contributing to shipments. These auto facilities are now accelerating production to meet increasing customer demand for lightweight vehicles, including the new aluminum-intensive 2015 Ford F-150 pick-up truck."

Shipments of aluminum rolled products increased 7% in the second quarter of fiscal 2015 to 765 kilotonnes compared to 713 kilotonnes in the prior year. For the fourth consecutive quarter, all four operating regions reported an increase in shipments year-over-year.

Shipment growth combined with higher aluminum prices drove a 17% increase in net sales for the second quarter of fiscal 2015 to \$2.8 billion as compared to \$2.4 billion for the second quarter of fiscal 2014.

Over the past three years, Novelis has invested significantly to capture growth in premium flat rolled products and enhance the sustainability of its products. To date this fiscal year, the company has:

- Expanded its recycling operations in Brazil and commissioned the world's largest aluminum recycling facility in Germany;
- Grown total shipments through the ramp-up of new rolling capacity in Korea and Brazil;
- Become the only company able to produce automotive sheet in all three of the world's major automobile producing regions - Asia, Europe and North America - with the opening of China's first manufacturing facility for heat-treated aluminum automotive sheet.

"These achievements further demonstrate that Novelis is the global leader in aluminum recycling and the aluminum partner-of-choice for automakers around the world," said Martens. "It's an exciting time at Novelis as we continue to transform our business with a more sustainable focus on growing high recycled content premium products."

(in \$M)	Q2FY15 9/30/2014	Q2FY14 9/30/2013
Free Cash Flow	\$(108)	\$178
Capital Expenditures	126	184
Free Cash Flow before CapEx	\$18	\$362

The company reported negative free cash flow of \$(108) million in the second quarter, after investing \$126 million in capital expenditures to continue to grow the business. "The decrease in cash flow versus the prior year was primarily a result of rising aluminum prices and higher inventory levels during the start up phase of several of our expansions," said Steve Fisher, Chief Financial Officer for Novelis. "While the direction of aluminum prices is uncertain, we have plans in place to structurally reduce working capital and we continue to expect positive free cash flow by fiscal year end."

At the end of the second quarter, the company reported liquidity of \$734 million. In October, the Company amended and extended its asset based loan facility to provide further financial flexibility under more favorable terms.

Second Quarter of Fiscal Year 2015 Earnings Conference Call

Novelis will discuss its second quarter of fiscal year 2015 results via a live webcast and conference call for investors at 8:00 a.m. ET on Monday, November 10, 2014. To view slides and listen only, visit the web at <https://cc.callinfo.com/r/1f5wd9qcc2wzk&eom>. To join by telephone, dial toll-free in North America at 800 749 1342, India toll-free at 0008001007929 or the international toll line at +1 212 231 2908. 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 11 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](https://www.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 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 reduce inventory going forward and expect positive free cash flow by the end of the fiscal year. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and 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 credit facilities 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)

	<u>Three Months Ended September 30,</u>		<u>Six Months Ended September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net sales	\$ 2,831	\$ 2,414	\$ 5,511	\$ 4,815
Cost of goods sold (exclusive of depreciation and amortization)	2,483	2,074	4,812	4,172
Selling, general and administrative expenses	103	109	211	229
Depreciation and amortization	90	79	179	156
Research and development expenses	12	12	24	22
Interest expense and amortization of debt issuance costs	82	75	163	151
Gain on assets held for sale	—	—	(11)	—
Restructuring and impairment, net	7	18	13	27
Equity in net loss of non-consolidated affiliates	—	3	2	7
Other expense (income), net	18	(5)	23	(15)
	<u>2,795</u>	<u>2,365</u>	<u>5,416</u>	<u>4,749</u>
Income before income taxes	36	49	95	66
Income tax (benefit) provision	(2)	26	22	29
Net income	38	23	73	37
Net income attributable to noncontrolling interests	—	—	—	—
Net income attributable to our common shareholder	<u>\$ 38</u>	<u>\$ 23</u>	<u>\$ 73</u>	<u>\$ 37</u>

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

ASSETS	September 30, 2014	March 31, 2014
Current assets		
Cash and cash equivalents	\$ 326	\$ 509
Accounts receivable, net		
— third parties (net of uncollectible accounts of \$4 as of September 30, 2014 and March 31, 2014)	1,518	1,382
— related parties	60	54
Inventories	1,504	1,173
Prepaid expenses and other current assets	124	101
Fair value of derivative instruments	79	51
Deferred income tax assets	76	101
Assets held for sale	73	102
Total current assets	3,760	3,473
Property, plant and equipment, net	3,535	3,513
Goodwill	608	611
Intangible assets, net	611	640
Investment in and advances to non-consolidated affiliates	560	612
Deferred income tax assets	77	80
Other long-term assets		
— third parties	160	173
— related parties	10	12
Total assets	\$ 9,321	\$ 9,114
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 92	\$ 92
Short-term borrowings	1,044	723
Accounts payable		
— third parties	1,643	1,418
— related parties	53	53
Fair value of derivative instruments	96	60
Accrued expenses and other current liabilities		
— third parties	556	547
— related party	—	250
Deferred income tax liabilities	48	16
Liabilities held for sale	—	11
Total current liabilities	3,532	3,170
Long-term debt, net of current portion	4,340	4,359
Deferred income tax liabilities	344	425
Accrued postretirement benefits	612	621
Other long-term liabilities	256	271

Total liabilities	9,084	8,846
Commitments and contingencies		
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2014 and March 31, 2014	—	—
Additional paid-in capital	1,404	1,404
Accumulated deficit	(1,000)	(1,073)
Accumulated other comprehensive loss	(194)	(91)
Total equity of our common shareholder	210	240
Noncontrolling interests	27	28
Total equity	237	268
Total liabilities and equity	\$ 9,321	\$ 9,114

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

	Six Months Ended September 30,	
	2014	2013
OPERATING ACTIVITIES		
Net income	\$ 73	\$ 37
Adjustments to determine net cash (used in) provided by operating activities:		
Depreciation and amortization	179	156
Loss on unrealized derivatives and other realized derivatives in investing activities, net	14	14
Gain on assets held for sale	(11)	—
Deferred income taxes	(18)	(20)
Amortization of fair value adjustments	6	6
Equity in net loss of non-consolidated affiliates	2	7
(Gain) loss on foreign exchange remeasurement of debt	(3)	2
Loss on sale of assets	3	2
Impairment charges	—	8
Amortization of debt issuance costs and carrying value adjustment	13	13
Other, net	(1)	(2)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	(187)	163
Inventories	(369)	20
Accounts payable	295	(213)
Other current assets	(29)	39
Other current liabilities	27	10
Other noncurrent assets	(2)	(6)
Other noncurrent liabilities	(5)	12
Net cash (used in) provided by operating activities	(13)	248
INVESTING ACTIVITIES		
Capital expenditures	(264)	(365)
Proceeds from sales of assets, net of transaction fees	34	—
Proceeds from the sale of assets, related party, net of transaction fees	—	8
Outflows from investments in and advances to non-consolidated affiliates, net	(11)	—
Proceeds from settlement of other undesignated derivative instruments, net	3	6
Net cash used in investing activities	(238)	(351)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	198	76
Principal payments of long-term and short-term borrowings	(126)	(59)
Revolving credit facilities and other, net	248	131
Return of capital to our common shareholder	(250)	—
Dividends, noncontrolling interest	(1)	—
Debt issuance costs	—	(8)
Net cash provided by financing activities	69	140
Net (decrease) increase in cash and cash equivalents	(182)	37
Effect of exchange rate changes on cash	(1)	—
Cash and cash equivalents — beginning of period	509	301
Cash and cash equivalents — end of period	\$ 326	\$ 338

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 September 30,		Six Months Ended September 30,	
	2014	2013	2014	2013
Net income attributable to our common shareholder	\$ 38	\$ 23	\$ 73	\$ 37
Income tax benefit (provision)	2	(26)	(22)	(29)
Interest, net	(80)	(74)	(160)	(150)
Depreciation and amortization	(90)	(79)	(179)	(156)
EBITDA	206	202	434	372
Unrealized (losses) gains on change in fair value of derivative instruments, net	(1)	4	—	(8)
Realized gains (losses) on derivative instruments not included in segment income	—	2	(1)	4
Adjustment to eliminate proportional consolidation	(9)	(8)	(17)	(19)
Loss on sale of fixed assets	(2)	(1)	(3)	(2)
Gain on assets held for sale	—	—	11	—
Restructuring and impairment, net	(7)	(18)	(13)	(27)
Other income, net	(5)	(5)	(8)	(8)
Adjusted EBITDA	<u>\$ 230</u>	<u>\$ 228</u>	<u>\$ 465</u>	<u>\$ 432</u>

Free Cash Flow and Cash and Cash Equivalents

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

	Six Months Ended September 30,	
	2014	2013
Net cash (used in) provided by operating activities	\$ (13)	\$ 248
Net cash used in investing activities	(238)	(351)
Less: Proceeds from sales of assets	(34)	(8)
Free cash flow	\$ (285)	\$ (111)
Ending cash and cash equivalents	<u>\$ 326</u>	<u>338</u>

Total Liquidity

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

	September 30,		March 31,	
	2014		2014	
Cash and cash equivalents	\$	326	\$	509
Availability under committed credit facilities		408		511
Total liquidity	<u>\$</u>	<u>734</u>	<u>\$</u>	<u>1,020</u>

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 September 30,		Six Months Ended September 30,	
	2014	2013	2014	2013
Net income attributable to our common shareholder	\$ 38	\$ 23	\$ 73	\$ 37
Certain Items:				
Gain on assets held for sale	—	—	(11)	—
Restructuring and impairment, net	7	18	13	27
Tax effect on Certain Items	(3)	(4)	(3)	(6)
Net income attributable to our common shareholder, excluding Certain Items	<u>\$ 42</u>	<u>\$ 37</u>	<u>\$ 72</u>	<u>\$ 58</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 September 30, 2014	North America	Europe	Asia	South America	Other and Eliminations	Total
Adjusted EBITDA	\$ 76	\$ 75	\$ 36	\$ 41	\$ 2	\$ 230
Shipments						
Rolled products - third party	259	225	173	108	—	765
Rolled products - intersegment	1	9	13	8	(31)	—
Total rolled products	260	234	186	116	(31)	765
Selected Operating Results Three Months Ended September 30, 2013						
Adjusted EBITDA	\$ 70	\$ 61	\$ 41	\$ 56	\$ —	\$ 228
Shipments						
Rolled products - third party	237	216	155	105	—	713
Rolled products - intersegment	1	9	1	3	(14)	—
Rolled products	238	225	156	108	(14)	713
Selected Operating Results Six Months Ended September 30, 2014						
Adjusted EBITDA	\$ 140	\$ 154	\$ 73	\$ 96	\$ 2	\$ 465
Shipments						
Rolled products - third party	507	460	351	217	—	1,535
Rolled products - intersegment	2	20	23	13	(58)	—
Total rolled products	509	480	374	230	(58)	1,535
Selected Operating Results Six Months Ended September 30, 2013						
Adjusted EBITDA	\$ 116	\$ 131	\$ 87	\$ 98	\$ —	\$ 432
Shipments						
Rolled products - third party	474	441	312	194	—	1,421
Rolled products - intersegment	2	16	6	6	(30)	—
Total rolled products	476	457	318	200	(30)	1,421



Novelis Q2 Fiscal Year 2015 Earnings Conference Call

November 10, 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 increased customer demand for automotive sheet. 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 credit facilities 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.

Business Highlights & Strategy

Novelis

Business Highlights

- **Strategic execution yielding results**
 - Net income increased 65% to \$38 million
 - Record Q2 shipments at 765kt
 - EBITDA increased 1% to \$230 million
- **Excellent progress on global expansions; poised for growth in second half FY15**
 - Operations positioned for increased customer demand now and going forward, particularly automotive sheet in North America

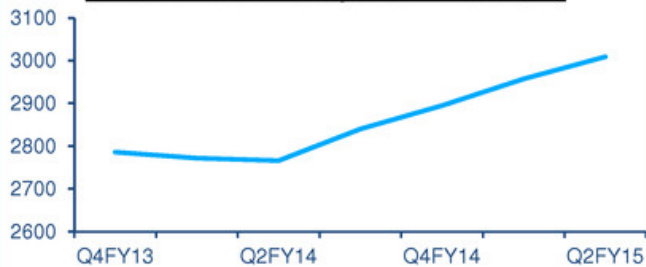


Managing a Robust Revenue Model

Growing Shipments

- Record auto & can shipments in Q2
- Strong aluminum FRP demand in short and long term
- Added capacity from expansions to capture growth
- Contracting future well

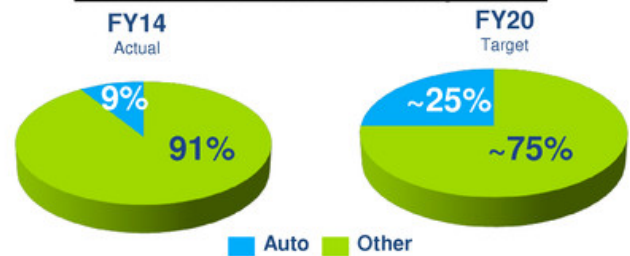
TTM Total FRP Shipment Trend (kt)



Portfolio Shift

- Sold North American consumer foil business
- Growing global automotive finishing capacity
 - Official China opening
 - Oswego readiness

Auto as % of Total FRP Shipments

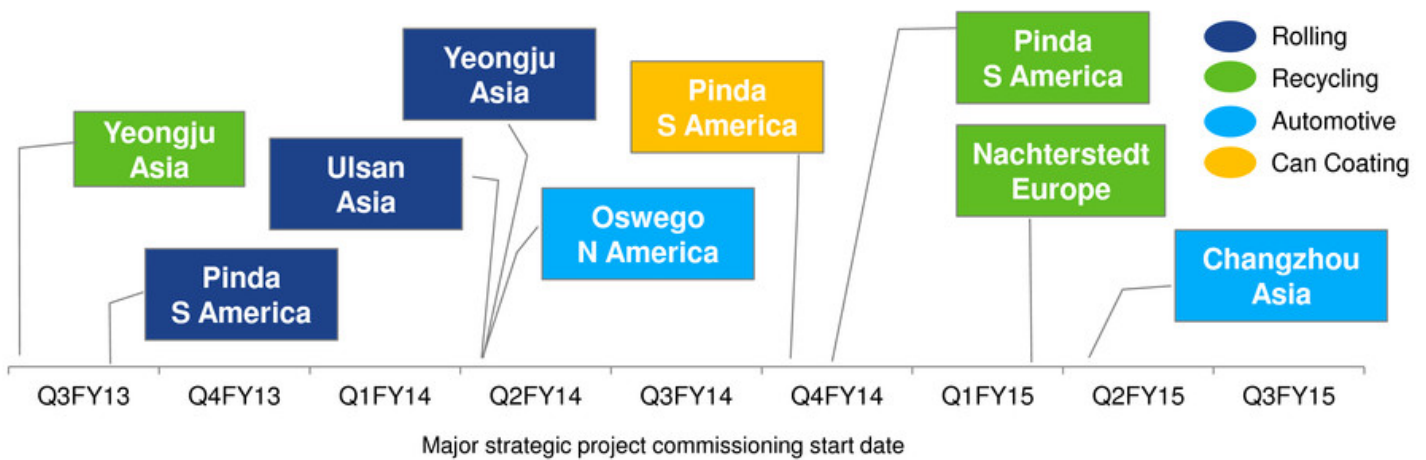


Building and Delivering a Strong Sales Pipeline

Excellent Project Execution

- Operating costs increased \$52 million Q2 vs PY, primarily driven by new fixed cost and start up costs
- Opportunity to drive cost efficiencies by leveraging new fixed costs and progress through learning curve

Strategic Projects in Various Stages of Early Operations & Commissioning



Driving Value Through Recycling

Built Capacity Globally



Secured High Quality Supply



Able to Process New Scrap Types



- **Increased recycled content drives sustainability, lowers cost, secures metal supply**
- **Technical leadership and closed loop systems ensure low cost production**

Cost Optimization Delivering Results

Q2FY15 Detailed Financial Review

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Second Quarter Highlights

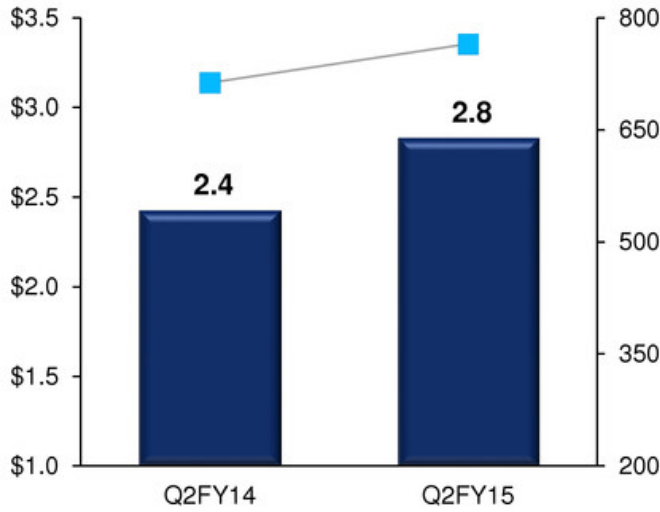
Q2FY15 vs Q2FY14

- **Shipments up 7% YoY to 765 kilotonnes**
- **Sales up 17% to \$2.8 billion**
- **Adjusted EBITDA up 1% to \$230 million**
- **Net income of \$38 million, up 65%; net income excluding certain items of \$42 million, up 14%**
- **Free cash flow before CapEx \$18 million**
- **Liquidity of \$734 million**
 - **Amended and extended ABL in October**

Shipments & Sales

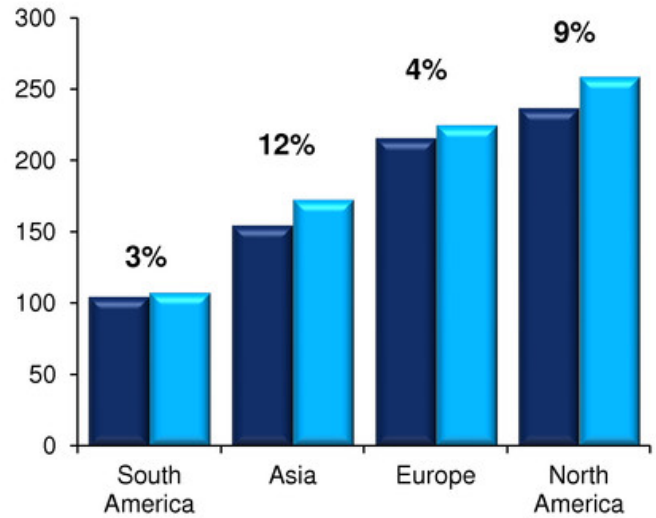
Sales (Billions) • Third Party Shipments (Kt)

Total Company



■ Sales ■ Shipments

Shipments by Region

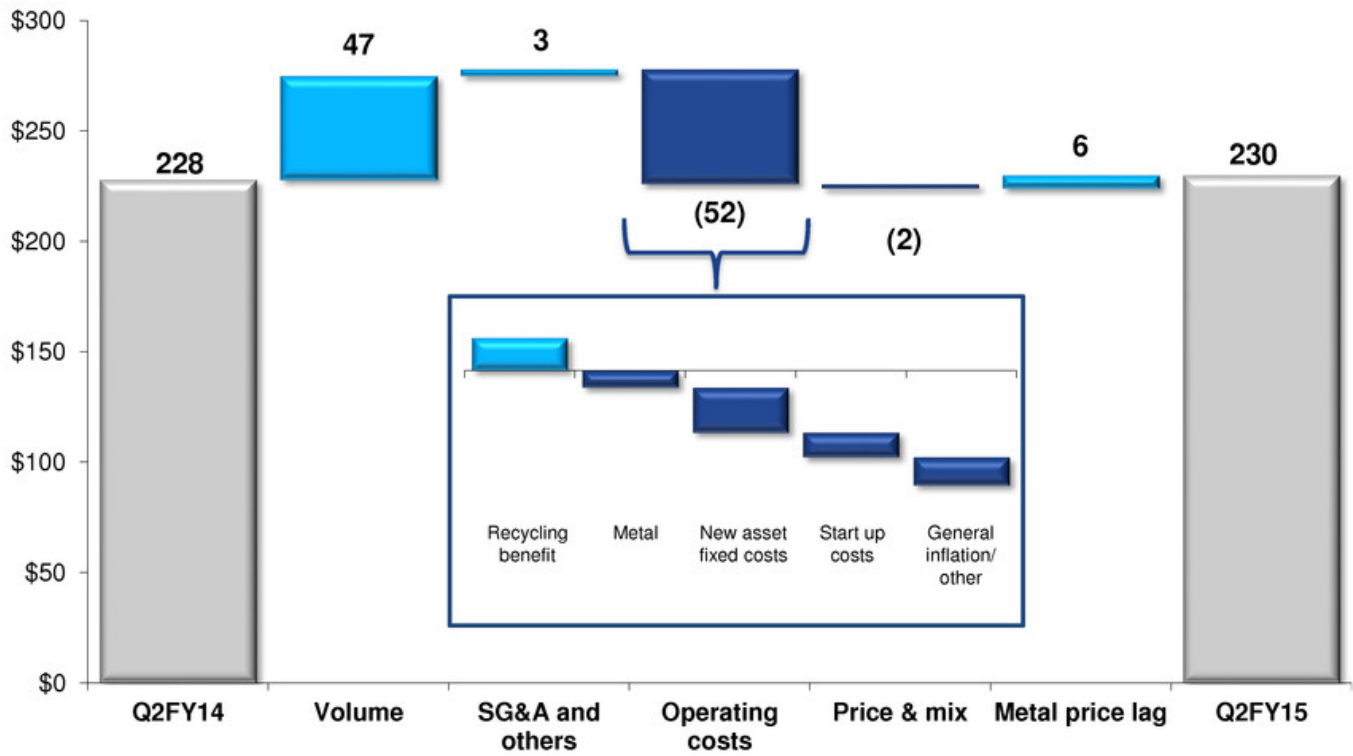


■ Q2FY14 ■ Q2FY15

Shipments in Every Region Increased Versus Prior Year

Q2FY15 Adjusted EBITDA Bridge

(\$ Millions)



Capital Expenditures & Free Cash Flow

(\$ Millions)

	Q2FY14	Q2FY15
Free Cash Flow	178	(108)
Capital Expenditures	184	126
Free Cash Flow Before CapEx	362	18

Decrease in Q2 Cash Flow versus Prior Year Driven by:

- Rising versus falling aluminum prices and premiums
- Higher inventory balances ahead of production ramp up at various expansions

But Still Expect Positive Full Year FY15 Cash Flow Driven by:

- Second half FY15 EBITDA growth
- Working capital opportunities
- Including \$500 – 550 million of capital expenditures

Summary

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Summary

- Good second quarter results
- Strategy to grow revenue and manage costs through recycling yielding results
- Excellent progress on global expansions; poised for growth in second half FY15
- Passed inflection point in Novelis business evolution



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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	Q2 FY15
Net income (loss) attributable to our common shareholder	14	23	13	54	104	35	38
- Interest, net	(75)	(74)	(74)	(74)	(297)	(80)	(80)
- Income tax (provision) benefit	(3)	(26)	3	15	(11)	(24)	2
- Depreciation and amortization	(77)	(79)	(91)	(87)	(334)	(89)	(90)
EBITDA	169	202	175	200	746	228	206
- Unrealized gain (loss) on derivatives	(12)	4	3	(5)	(10)	1	(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)	(9)
- Restructuring and impairment, net	(9)	(18)	(19)	(29)	(75)	(6)	(7)
- Gain (loss) on assets held for sale	-	-	6	-	6	11	-
- Others costs (income), net	(5)	(6)	(9)	(5)	(25)	(4)	(7)
Adjusted EBITDA	204	228	203	250	885	235	230
Other income (expense) included in adjusted EBITDA							
- Metal price lag	(2)	3	(7)	24	17	2	9
- Foreign currency remeasurement	3	(1)	-	-	2	1	(3)

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)	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	FY14	Q1 FY15	Q2 FY15
Cash (used in) provided by operating activities	(102)	350	108	346	702	(24)	11
Cash used in investing activities	(187)	(164)	(162)	(189)	(702)	(119)	(119)
Less: proceeds from sales of assets	-	(8)	(7)	(1)	(16)	(34)	-
Free cash flow	(289)	178	(61)	156	(16)	(177)	(108)
Capital expenditures	181	184	157	195	717	138	126
Free cash flow before capital expenditures	(108)	362	96	351	701	(39)	18

