

**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 10, 2016

**NOVELIS INC.**

(Exact name of Registrant as specified in its charter)

Canada

001-32312

98-0442987

(State or Other Jurisdiction of Incorporation)

(Commission File No.)

(IRS Employer Identification No.)

3560 Lenox Road, Suite 2000, Atlanta, GA 30326, Atlanta, GA

30326

(Address of Principal Executive Offices)

(Zip Code)

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 10, 2016, Novelis Inc. issued a press release reporting the company's financial results for its fiscal quarter and fiscal year ended March 31, 2016. 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, Adjusted EBITDA Excluding Metal Price Lag, Free Cash Flow, Free Cash Flow Before CapEx, Net Income (Loss) Excluding Certain Items and Liquidity.

**EBITDA, Adjusted EBITDA and Adjusted EBITDA Excluding Metal Price Lag.** 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. Adjusted EBITDA Excluding Metal Price Lag further adjusts Adjusted EBITDA for the impact of timing differences between the prices we pay for metal and the prices we charge our customers for metal. EBITDA and Adjusted EBITDA are measures commonly used in the company's industry. The company presents EBITDA, Adjusted EBITDA and Adjusted EBITDA Excluding Metal Price Lag to enhance investors' understanding of the company's operating performance. Novelis believes that EBITDA, Adjusted EBITDA and Adjusted EBITDA Excluding Metal Price Lag 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, neither EBITDA, Adjusted EBITDA nor Adjusted EBITDA Excluding Metal Price Lag are measurements of financial performance under GAAP, and the company's EBITDA, Adjusted EBITDA and Adjusted EBITDA Excluding Metal Price Lag may not be comparable to similarly titled measures of other companies. EBITDA, Adjusted EBITDA and Adjusted EBITDA Excluding Metal Price Lag have important limitations as analytical tools, 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, Adjusted EBITDA and Adjusted EBITDA Excluding Metal Price Lag:

- 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, Adjusted EBITDA and Adjusted EBITDA Excluding Metal Price Lag:

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- as measures of operating performance to assist the company in comparing its operating performance on a consistent basis because it removes the impact of items not directly resulting from the company's core operations;
- for planning purposes, including the preparation of the company's internal annual operating budgets and financial projections;
- to evaluate the performance and effectiveness of the company's operational strategies; and
- to calculate incentive compensation payments for the company's key employees.

**Free Cash Flow and Free Cash Flow Before CapEx.** Free Cash Flow consists of: (a) net cash provided by (used in) operating activities; (b) plus net cash provided by (used in) investing activities and (c) less proceeds from sales of assets. Free Cash Flow before Cap Ex consists of: (a) Free Cash Flow, plus (b) capital expenditures. Management believes that Free Cash Flow and Free Cash Flow Before CapEx are relevant to investors as they provide a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, Free Cash Flow and Free Cash Flow Before CapEx are not measurements of financial performance or liquidity under GAAP and do not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of Free Cash Flow. In addition, the company's method of calculating Free Cash Flow and Free Cash Flow Before CapEx may not be consistent with that of other companies.

**Net Income (Loss) Excluding Special Items.** Net income (loss) excluding special items adjusts net income (loss) for restructuring and impairment charges, loss on extinguishment of debt, metal price lag, 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 special items enhances the overall understanding of the company's current financial performance. Specifically, management believes this non-GAAP financial measure provides useful information to investors by excluding or adjusting certain items, which impact the comparability of the company's core operating results. With respect to gains (losses) on sale of assets held for sale, and the tax effect of such special items, management believes these excluded items are not reflective of fixed costs that the company believes it will incur over the long term. Management also adjusts for loss on extinguishment of debt, metal price lag, 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 special 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 10, 2016 (furnished to the Commission as a part of this Form 8-K).

99.2 Presentation materials, dated May 10, 2016 (furnished to the Commission as a part of this Form 8-K).



## EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release, dated May 10, 2016 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated May 10, 2016 (furnished to the Commission as a part of this Form 8-K).

# News Release

## **Novelis Reports Fourth Quarter and Fiscal Year 2016 Results**

*Enhanced productivity and increased automotive sheet shipments drive strong results*

### **Fourth Quarter Highlights**

- **Net income of \$29 million; ex. special items, net income increased 35% YoY to \$50 million**
- **Excluding metal price lag, Adjusted EBITDA increased 29% YoY to \$277 million**
- **Record FRP shipments increased 4% YoY to 788 kilotonnes**

### **Fiscal Year 2016 Highlights**

- **Excluding metal price lag, Adjusted EBITDA increased 7% YoY to \$963 million**
- **Generated \$9.9 billion in revenue and \$160 million in free cash flow**
- **Can and automotive sheet drove FRP shipments up 2% YoY to a record 3,123 kilotonnes**
- **Record automotive shipments up 47% YoY; increased to 15% of FRP shipment portfolio**
- **Completed commissioning of all automotive finishing lines to capture long term demand**

**ATLANTA, May 10, 2016** – Novelis, the world leader in aluminum rolling and recycling, today reported net income of \$29 million for the fourth quarter of fiscal year 2016. Excluding tax-effected special items, the company reported net income of \$50 million in the fourth quarter of fiscal 2016, a 35 percent increase over the prior year period. For fiscal year 2016, the company recorded a net loss of \$38 million. Excluding tax-effected special items, net income was \$131 million for the full year.

"We ended fiscal 2016 with strong operational performance globally, enabling us to achieve record total shipments and automotive sheet shipments for the year," said Steve Fisher, President and Chief Executive Officer for Novelis. "This volume growth and our portfolio management strategy translated into our highest full year EBITDA excluding metal price lag since fiscal 2012. Heading into fiscal 2017, we remain focused on driving asset efficiency as well as managing costs and working capital. In addition, we will continue to strengthen our product portfolio through further growth in the premium automotive sheet segment while continuing to deliver quality products and service to all of our customers."

### **Fourth Quarter Fiscal 2016 Results**

Shipments of rolled aluminum products grew four percent to 788 kilotonnes in the fourth quarter of fiscal 2016. Despite higher shipments, revenues decreased 14 percent to \$2.4 billion as a result of lower average aluminum prices and local market premiums.

Excluding the impact of metal price lag, Adjusted EBITDA was \$277 million in the fourth quarter of fiscal 2016, up 29 percent compared to \$214 million in the prior year. This increase was a result of record global shipments in a seasonally strong quarter, as well as positive product mix primarily driven by a 23 percent increase in automotive shipments over the prior year. The strong fourth quarter EBITDA improvement was also driven by excellent operational performance and favorable currency effects, resulting in the highest quarterly EBITDA since fiscal 2012. In addition, the company demonstrated operating leverage on record shipments achieving EBITDA per ton excluding metal price lag above \$350, a 25 percent increase over the prior year.

The company reported negative metal price lag of \$7 million in the fourth quarter of fiscal 2016 as compared to negative \$13 million in the prior year period. Volatility in average local market metal premiums has greatly reduced over the last several months, lessening the impact of metal price lag on current results as expected. Adjusted EBITDA including metal price lag was \$270 million, a 34 percent increase over \$201 million in the prior year.

### **Full Year Fiscal 2016 Results**

Higher shipments of beverage can and automotive sheet drove total flat rolled aluminum product shipments up two percent to 3,123 kilotonnes in fiscal 2016. For the full fiscal year, the percentage of the company's shipment portfolio stemming from automotive sheet grew to 15 percent, up from eleven percent in the prior year. By the end of fiscal 2016, all five of the company's recently constructed automotive finishing lines were producing and shipping automotive sheet products to customers. When all of these automotive finishing lines are fully utilized, automotive shipments will grow to approximately 25 percent of total shipments.

Revenues decreased eleven percent to \$9.9 billion in fiscal 2016, as higher shipments were more than offset by a 16 percent decrease in average base aluminum prices and a 58 percent decrease in local market premiums.

The rapid decline in local market premiums over the early months of fiscal 2016 resulted in \$172 million in negative metal price lag for the full year, and was the primary driver of the twelve percent decrease in Adjusted EBITDA to \$791 million in fiscal 2016. Although the company uses derivatives contracts to minimize the price lag associated with LME base aluminum prices, adequate cost-effective hedges are not available for local market premiums.

Excluding the impact of metal price lag in both years, Adjusted EBITDA was \$963 million in fiscal 2016, up seven percent compared to \$896 million in fiscal 2015. The increase was driven by strong operational performance, higher total shipments, product mix benefits mainly the result of a 47 percent increase in automotive shipments, and favorable foreign exchange in Brazil. Current year results were partially offset by less favorable recycling benefits due to significantly lower aluminum prices as compared to the prior year, as well as general inflation and higher fixed costs associated with new automotive and recycling operations.

The company more than doubled its free cash flow as compared to the prior year, generating \$160 million in fiscal 2016 after investing \$370 million in capital expenditures. "Our strong cash flow performance for the year was a result of our improved operating results, effective working capital management and disciplined capital spending," said Steve Pohl, Interim Chief Financial Officer for Novelis. "For fiscal 2017, we anticipate even stronger cash flow generation as EBITDA expands and capital expenditures decrease to approximately \$250 million."

As of March 31, 2016, the company reported strong liquidity of \$1.2 billion.

### **Fourth Quarter and Fiscal Year 2016 Earnings Conference Call**

Novelis will discuss its fourth quarter and fiscal year 2016 results via a live webcast and conference call for investors at 8:00 a.m. ET on Tuesday, May 10, 2016. To view slides and listen only, visit the web at <https://cc.callinfo.com/r/1ti58vukisppo&eom>. To join by telephone, dial toll-free in North America at 800 931 6427, India toll-free at 0008001007928 or the international toll line at +1 212 231 2905. Presentation materials and access information may also be found at [novelis.com/investors](http://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 12,000 employees and reported \$10 billion in revenue for its 2016 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. Novelis is a subsidiary of Hindalco Industries Limited, an industry leader in aluminum and copper, and metals flagship company of the Aditya Birla Group, a

multinational conglomerate based in Mumbai, India. For more information, visit [novelis.com](http://novelis.com) and follow us on Facebook at [facebook.com/NovelisInc](https://facebook.com/NovelisInc) and Twitter at [twitter.com/Novelis](https://twitter.com/Novelis).

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

This press release and the presentation slides for the earnings call contain non-GAAP financial measures as defined by SEC rules. We believe 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 concurrently 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 Adjusted EBITDA excluding Metal Price Lag, Free Cash Flow, Reconciliation to Liquidity, Reconciliation to Net (Loss) Income excluding Special 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. Examples of forward looking statements in this news release are the company's expectations for growth in our automotive segment and higher free cash flow for fiscal 2017. 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 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; 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 level of 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, 2015 and our upcoming Annual Report on Form 10-K for the fiscal year ended March 31, 2016 are specifically incorporated by reference into this news release.

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

	(unaudited)			
	Three Months Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015
Net sales	\$ 2,402	\$ 2,789	\$ 9,872	\$ 11,147
Cost of goods sold (exclusive of depreciation and amortization)	2,035	2,483	8,727	9,793
Selling, general and administrative expenses	103	108	407	427
Depreciation and amortization	89	86	353	352
Interest expense and amortization of debt issuance costs	83	78	327	326
Research and development expenses	15	12	54	50
Loss (gain) on assets held for sale	—	1	—	(22)
Loss on extinguishment of debt	—	—	13	—
Restructuring and impairment, net	19	(1)	48	37
Equity in net loss of non-consolidated affiliates	1	1	3	5
Other expense (income), net	10	3	(68)	17
	<u>2,355</u>	<u>2,771</u>	<u>9,864</u>	<u>10,985</u>
Income before income taxes	47	18	8	162
Income tax provision (benefit)	18	(11)	46	14
Net income (loss)	29	29	(38)	148
Net income attributable to noncontrolling interests	—	—	—	—
<b>Net income (loss) attributable to our common shareholder</b>	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ (38)</u>	<u>\$ 148</u>

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

ASSETS	March 31,	
	2016	2015
<b>Current assets</b>		
Cash and cash equivalents	\$ 556	\$ 628
Accounts receivable, net		
— third parties (net of uncollectible accounts of \$3 as of March 31, 2016 and 2015)	956	1,289
— related parties	59	53
Inventories	1,180	1,431
Prepaid expenses and other current assets	127	112
Fair value of derivative instruments	88	77
Deferred income tax assets	—	79
Assets held for sale	5	6
<b>Total current assets</b>	<b>2,971</b>	<b>3,675</b>
Property, plant and equipment, net	3,506	3,542
Goodwill	607	607
Intangible assets, net	523	584
Investment in and advances to non-consolidated affiliate	488	447
Deferred income tax assets	87	95
Other long-term assets		
— third parties	112	137
— related parties	16	15
<b>Total assets</b>	<b>\$ 8,310</b>	<b>\$ 9,102</b>
<b>LIABILITIES AND SHAREHOLDER'S DEFICIT</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 47	\$ 108
Short-term borrowings	579	846
Accounts payable		
— third parties	1,506	1,854
— related parties	48	44
Fair value of derivative instruments	85	149
Accrued expenses and other current liabilities	569	572
Deferred income tax liabilities	—	20
<b>Total current liabilities</b>	<b>2,834</b>	<b>3,593</b>
Long-term debt, net of current portion	4,451	4,349
Deferred income tax liabilities	89	261
Accrued postretirement benefits	820	748
Other long-term liabilities	175	221
<b>Total liabilities</b>	<b>8,369</b>	<b>9,172</b>
Commitments and contingencies		
<b>Shareholder's deficit</b>		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2016 and 2015	—	—

Additional paid-in capital	1,404	1,404
Accumulated deficit	(963)	(925)
Accumulated other comprehensive loss	(500)	(561)
<b>Total deficit of our common shareholder</b>	<b>(59)</b>	<b>(82)</b>
<b>Noncontrolling interests</b>	<b>—</b>	<b>12</b>
<b>Total deficit</b>	<b>(59)</b>	<b>(70)</b>
<b>Total liabilities and deficit</b>	<b>\$ 8,310</b>	<b>\$ 9,102</b>

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

	Year Ended March 31,	
	2016	2015
<b>OPERATING ACTIVITIES</b>		
Net (loss) income	\$ (38)	\$ 148
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	353	352
(Gain) loss on unrealized derivatives and other realized derivatives in investing activities, net	(27)	39
Gain on assets held for sale	—	(22)
Loss on sale of assets	4	5
Impairment charges	25	7
Loss on extinguishment of debt	13	—
Deferred income taxes	(93)	(88)
Amortization of fair value adjustments, net	11	10
Equity in net loss of non-consolidated affiliates	3	5
Gain on foreign exchange remeasurement of debt	(2)	(5)
Amortization of debt issuance costs and carrying value adjustments	19	25
Other, net	—	1
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	336	(54)
Inventories	268	(390)
Accounts payable	(327)	578
Other current assets	(12)	(27)
Other current liabilities	7	66
Other noncurrent assets	20	7
Other noncurrent liabilities	(19)	(53)
<b>Net cash provided by operating activities</b>	<b>541</b>	<b>604</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(370)	(518)
Proceeds from sales of assets, third party, net of transaction fees and hedging	3	117
Outflows from investments in and advances to non-consolidated affiliates, net	(2)	(20)
(Outflows) proceeds from settlement of other undesignated derivative instruments, net	(9)	5
<b>Net cash used in investing activities</b>	<b>(378)</b>	<b>(416)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term and short-term borrowings	174	362
Principal payments of long-term and short-term borrowings	(216)	(324)
Revolving credit facilities and other, net	(187)	160
Return of capital to our common shareholder	—	(250)
Dividends, noncontrolling interest	(1)	(1)
Debt issuance costs	(15)	(3)
<b>Net cash used in financing activities</b>	<b>(245)</b>	<b>(56)</b>
Net (decrease) increase in cash and cash equivalents	(82)	132
<b>Effect of exchange rate changes on cash</b>	<b>10</b>	<b>(13)</b>
Cash and cash equivalents — beginning of period	628	509
Cash and cash equivalents — end of period	<b>\$ 556</b>	<b>\$ 628</b>

**Reconciliation from Net (loss) income attributable to our common shareholder to Adjusted EBITDA, and Adjusted EBITDA excluding Metal Price Lag (unaudited)**

Novelis is providing disclosure of the reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis. To better analyze underlying operational results, the following table also shows Adjusted EBITDA to Adjusted EBITDA excluding the impact of Metal Price Lag. 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.

(in millions)	Three Months Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015
<b>Net (loss) income attributable to our common shareholder</b>	\$ 29	\$ 29	\$ (38)	\$ 148
Income tax benefit (provision)	(18)	11	(46)	(14)
Interest, net	(79)	(76)	(314)	(320)
Depreciation and amortization	(89)	(86)	(353)	(352)
<b>EBITDA</b>	<b>215</b>	<b>180</b>	<b>675</b>	<b>834</b>
Unrealized losses on change in fair value of derivative instruments, net	(22)	(12)	(4)	—
Realized losses on derivative instruments not included in segment income	—	(2)	(1)	(6)
Adjustment to eliminate proportional consolidation	(9)	(6)	(30)	(33)
Loss on sale of fixed assets	(2)	(1)	(4)	(5)
Gain on assets held for sale	—	(1)	—	22
Loss on extinguishment of debt	—	—	(13)	—
Restructuring and impairment, net	(19)	1	(48)	(37)
Other expense, net	(3)	—	(16)	(9)
Adjusted EBITDA	\$ 270	\$ 201	\$ 791	\$ 902
Metal price lag	(7)	(13)	(172)	6
Adjusted EBITDA excluding metal price lag	\$ 277	\$ 214	\$ 963	\$ 896

**Free Cash Flow and Cash and Cash Equivalents (unaudited)**

The following table shows the "Free cash flow" for the year ended March 31, 2016 and 2015 and the ending balances of cash and cash equivalents (in millions).

	Year Ended March 31,	
	2016	2015
Net cash provided by operating activities	\$ 541	\$ 604
Net cash used in investing activities	(378)	(416)
Less: Proceeds from sales of assets, net of transaction fees and hedging	(3)	(117)
Free cash flow	\$ 160	\$ 71
Ending cash and cash equivalents	\$ 556	\$ 628

**Total Liquidity (unaudited)**

The following table shows available liquidity as of March 31, 2016 and March 31, 2015 (in millions).

	Year Ended March 31,	
	2016	2015
Cash and cash equivalents	\$ 556	\$ 628
Availability under committed credit facilities	640	510
Total liquidity	\$ 1,196	\$ 1,138

### Reconciliation of Net (loss) income to Net income, excluding Special Items (unaudited)

The following table shows Net income (loss) attributable to our common shareholder excluding special 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 March 31,		Year Ended March 31,	
	2016	2015	2016	2015
<b>Net (loss) income attributable to our common shareholder</b>	\$ 29	\$ 29	\$ (38)	\$ 148
Special Items:				
(Loss) gain on assets held for sale	—	(1)	—	22
Loss on extinguishment of debt	—	—	(13)	—
Metal price lag	(7)	(13)	(172)	6
Restructuring and impairment, net	(19)	1	(48)	(37)
Tax effect on Special Items	5	5	64	2
Net income attributable to our common shareholder, excluding special items	\$ 50	\$ 37	\$ 131	\$ 155

### Segment Information (unaudited)

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

Selected Operating Results Three Months Ended March 31, 2016	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 95	\$ 47	\$ 35	\$ 92	\$ 1	\$ 270
Metal price lag	(1)	(9)	3	—	—	(7)
Adjusted EBITDA excluding metal price lag	\$ 96	\$ 56	\$ 32	\$ 92	\$ 1	\$ 277
Shipments						
Rolled products - third party	249	232	180	127	—	788
Rolled products - intersegment	—	12	7	7	(26)	—
Total rolled products	249	244	187	134	(26)	788
Selected Operating Results Three Months Ended March 31, 2015	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 62	\$ 39	\$ 35	\$ 69	\$ (4)	\$ 201
Metal price lag	(8)	(11)	5	1	—	(13)
Adjusted EBITDA excluding metal price lag	\$ 70	\$ 50	\$ 30	\$ 68	\$ (4)	\$ 214
Shipments						
Rolled products - third party	240	224	173	121	—	758
Rolled products - intersegment	3	16	23	10	(52)	—
Total rolled products	243	240	196	131	(52)	758
Selected Operating Results Year Ended March 31, 2016	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 258	\$ 116	\$ 135	\$ 282	\$ —	\$ 791
Metal price lag	(80)	(87)	(7)	2	—	(172)
Adjusted EBITDA excluding metal price lag	\$ 338	\$ 203	\$ 142	\$ 280	\$ —	\$ 963
Shipments						
Rolled products - third party	1,031	918	718	456	—	3,123
Rolled products - intersegment	1	60	42	34	(137)	—
Total rolled products	1,032	978	760	490	(137)	3,123

<b>Selected Operating Results Year Ended March 31, 2015</b>	<b>North America</b>	<b>Europe</b>	<b>Asia</b>	<b>South America</b>	<b>Eliminations and Other</b>	<b>Total</b>
Adjusted EBITDA	\$ 273	\$ 250	\$ 141	\$ 240	\$ (2)	\$ 902
Metal price lag	—	(8)	13	1	—	6
Adjusted EBITDA excluding metal price lag	\$ 273	\$ 258	\$ 128	\$ 239	\$ (2)	\$ 896
<b>Shipments</b>						
Rolled products - third party	1,002	889	701	458	—	3,050
Rolled products - intersegment	5	49	67	32	(153)	—
<b>Total rolled products</b>	<b>1,007</b>	<b>938</b>	<b>768</b>	<b>490</b>	<b>(153)</b>	<b>3,050</b>





# Novelis Q4 and Fiscal Year 2016 Earnings Conference Call

May 10, 2016

**Steve Fisher**  
President and Chief Executive Officer

**Steve Pohl**  
Vice President and Interim Chief Financial Officer

# Novelis

# Safe Harbor Statement

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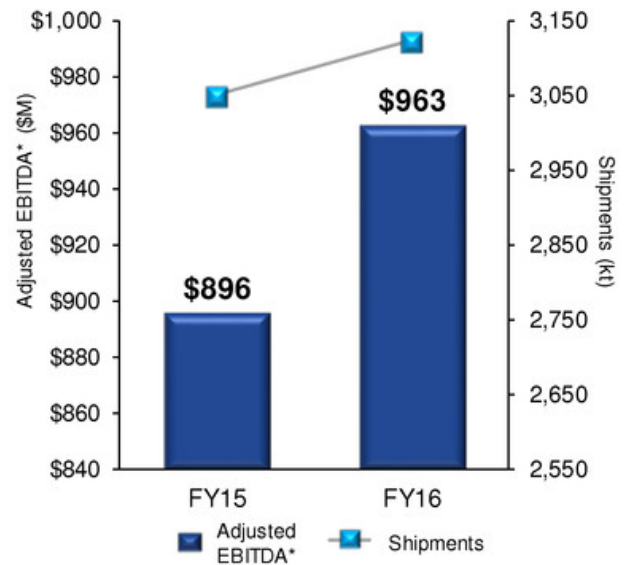
## Forward-looking statements

Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward-looking statements in this presentation are statements about the company's expectations for healthy can market demand in the long and short term and favorable substitution trends. 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 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; 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 level of 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, 2015 and our upcoming Form 10-K for the fiscal year ended March 31, 2016 are specifically incorporated by reference into this presentation.

# Fiscal 2016 Highlights

- Strong operating performance globally drove record global shipments up 2% to 3,123kt
- Record global automotive shipments driven by strategic portfolio shift
  - All five automotive finishing lines built since FY13 have commissioned and begun shipping product to customers
- Adjusted EBITDA\* up 7% to \$963 million

YoY Growth in FRP Shipments and Adjusted EBITDA\*



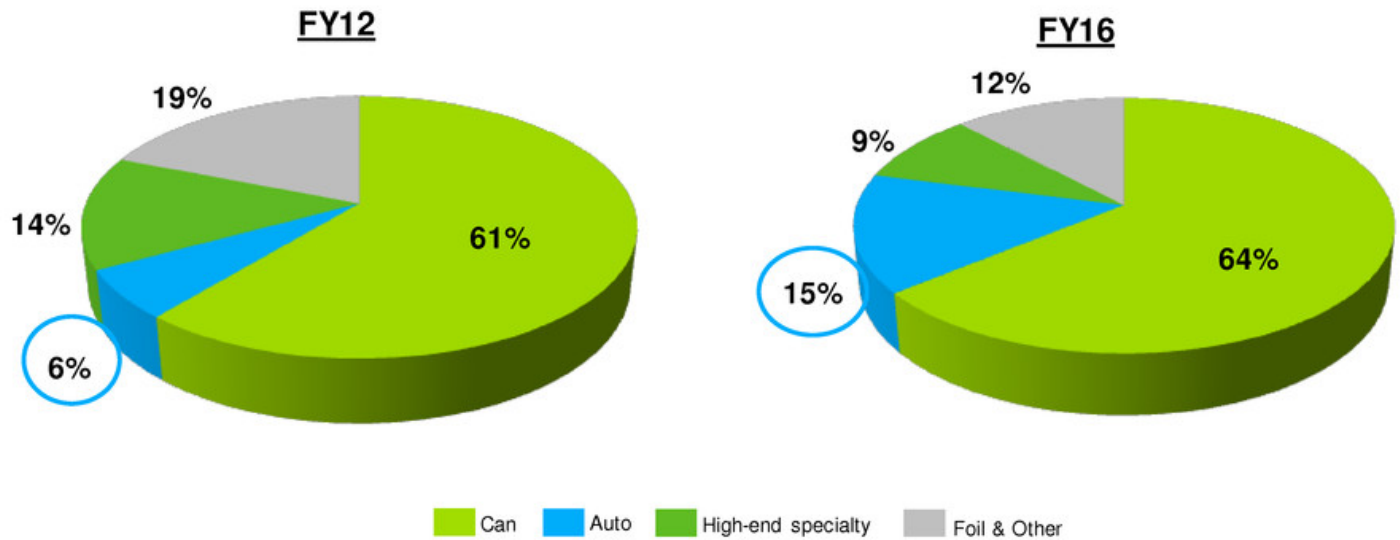
## Portfolio optimization & operational improvements driving results

*\*Excluding metal price lag*  
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# Focused Portfolio Shift

## Product Portfolio Evolution (% of total FRP shipments)



Automotive will grow to 25% of shipment portfolio when assets fully utilized

## Can Update and Outlook

- Global can market demand remains healthy in long and short term, but varies by region
  - North America market demand is stable
  - Highly competitive environment in Asia pressuring pricing
  - Resilient business in South America despite weak economy
- Positive material substitution trends and pockets of growth in select markets
  - Beer package mix shift in favor of aluminum
  - Innovation in aluminum bottles



# Auto Update and Outlook

- Novelis automotive sheet shipment CAGR 31% FY12-FY16
- Early adoption of mix shift to automotive delivering timely returns
- Outlook for aluminum sheet demand remains strong driven by favorable substitution trends towards aluminum globally
- Experience allows us to reduce start up cost and leverage fixed costs quicker
- Partnering with customers to provide innovative and global solutions



Aluminum as preferred material in substitution trend

# Focus on Operational Excellence to Deliver Results

- Deliver high quality products and service to customers
- Enhance product mix towards premium products



- Optimize metal inputs including utilizing high level of recycled metal
- Increase productivity, recovery and reliability of new and existing assets

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## Financial Highlights

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# Q4 Fiscal 2016 Highlights

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Q4FY16 vs Q4FY15

- Shipments up 4% to 788kt
  - Record automotive shipments up 22%
- Sales \$2.4 billion
- Excluding metal price lag, Adjusted EBITDA \$277 million up 29%
  - Up 16% sequentially from Q3FY16
  - Negative metal price lag \$7 million
- Net income of \$29 million; Excluding tax-effected special items\*, net income was \$50 million
- Free cash flow \$457 million
- \$88 million in capital expenditures
- Solid liquidity position of \$1.2 billion

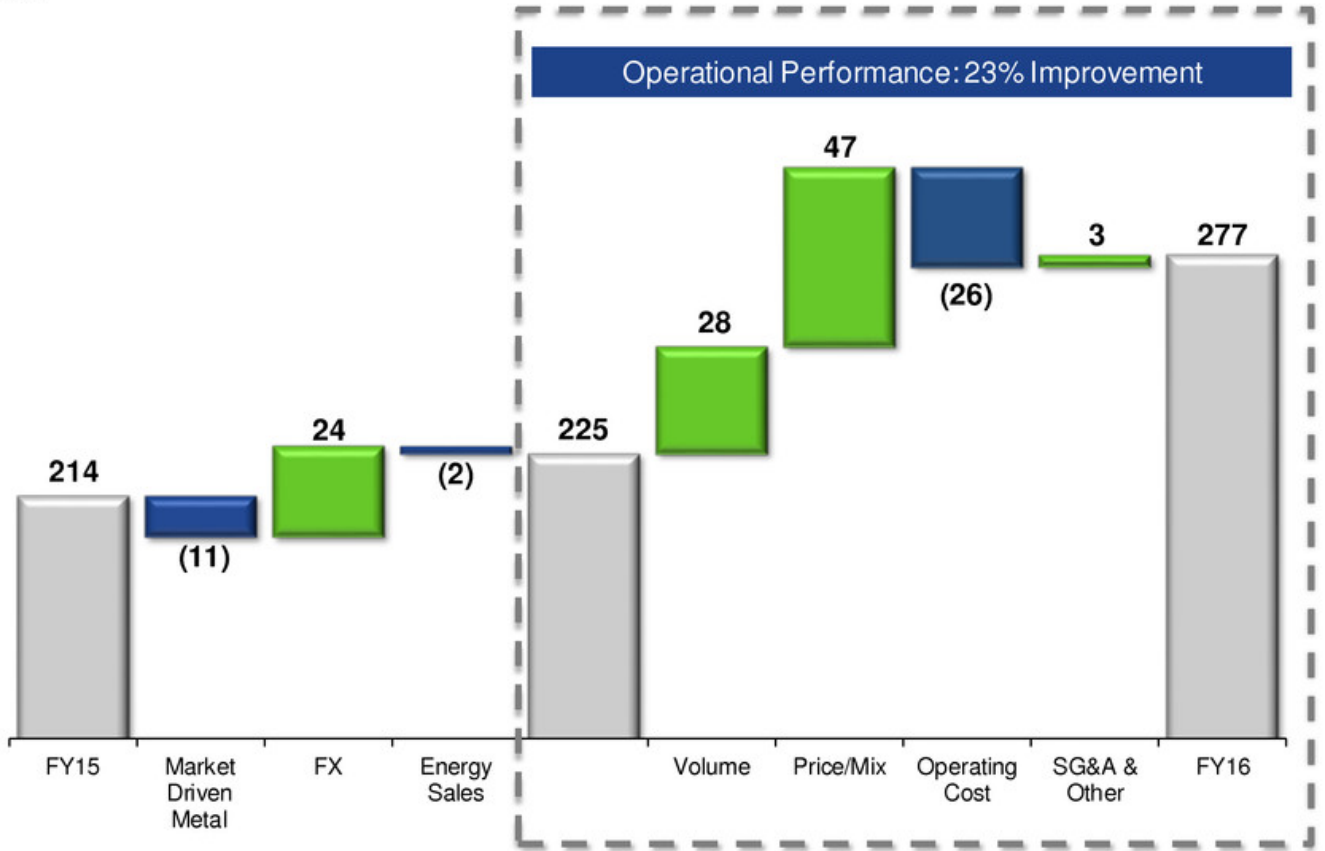
\*Tax-effected special items may include restructuring & impairment, metal price lag, gain/loss on assets held for sale, loss on extinguishment of debt

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# Q4 Adjusted EBITDA\* Bridge

\$ Millions

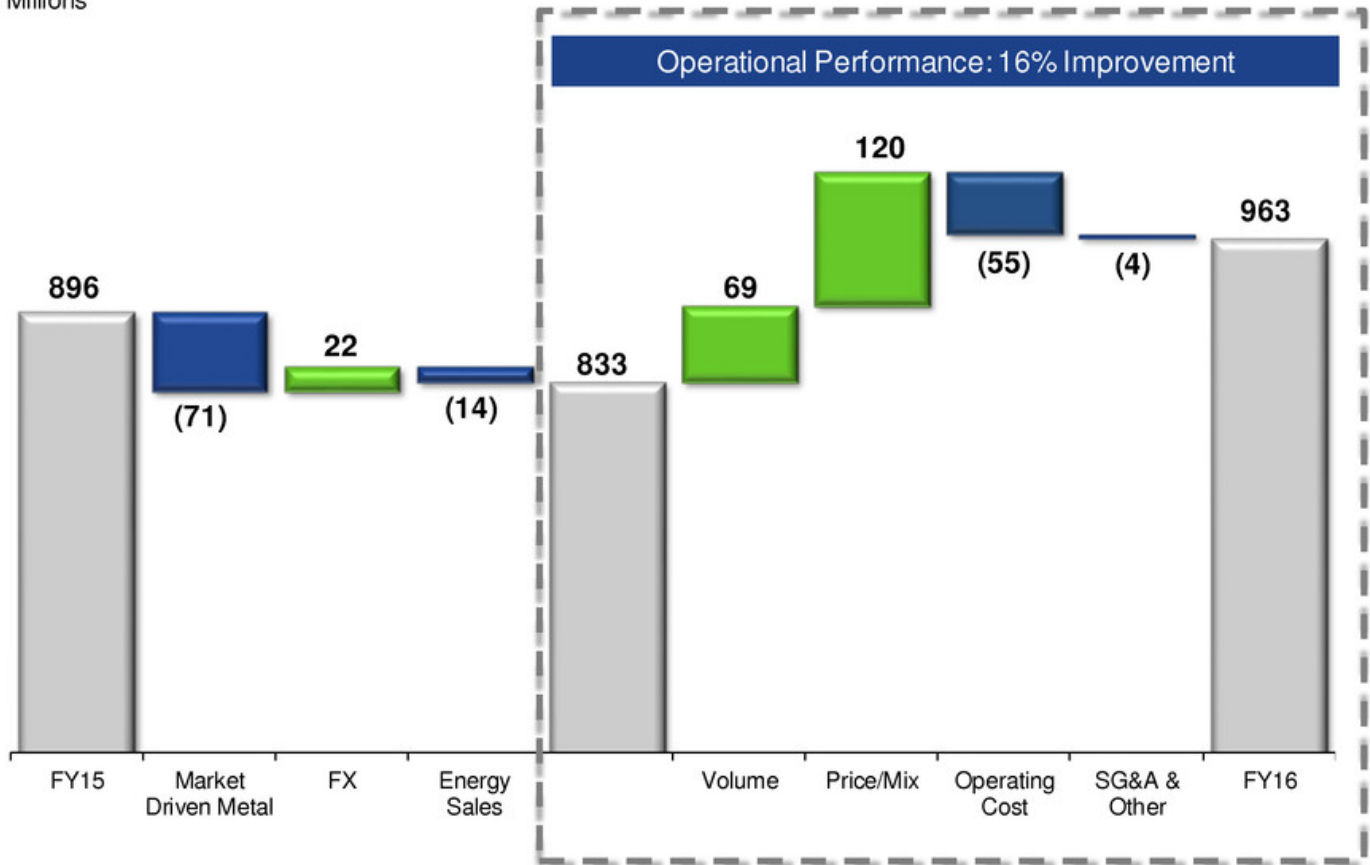


\*EBITDA excluding metal price lag in both periods  
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# FY16 vs FY15 Adjusted EBITDA\* Bridge

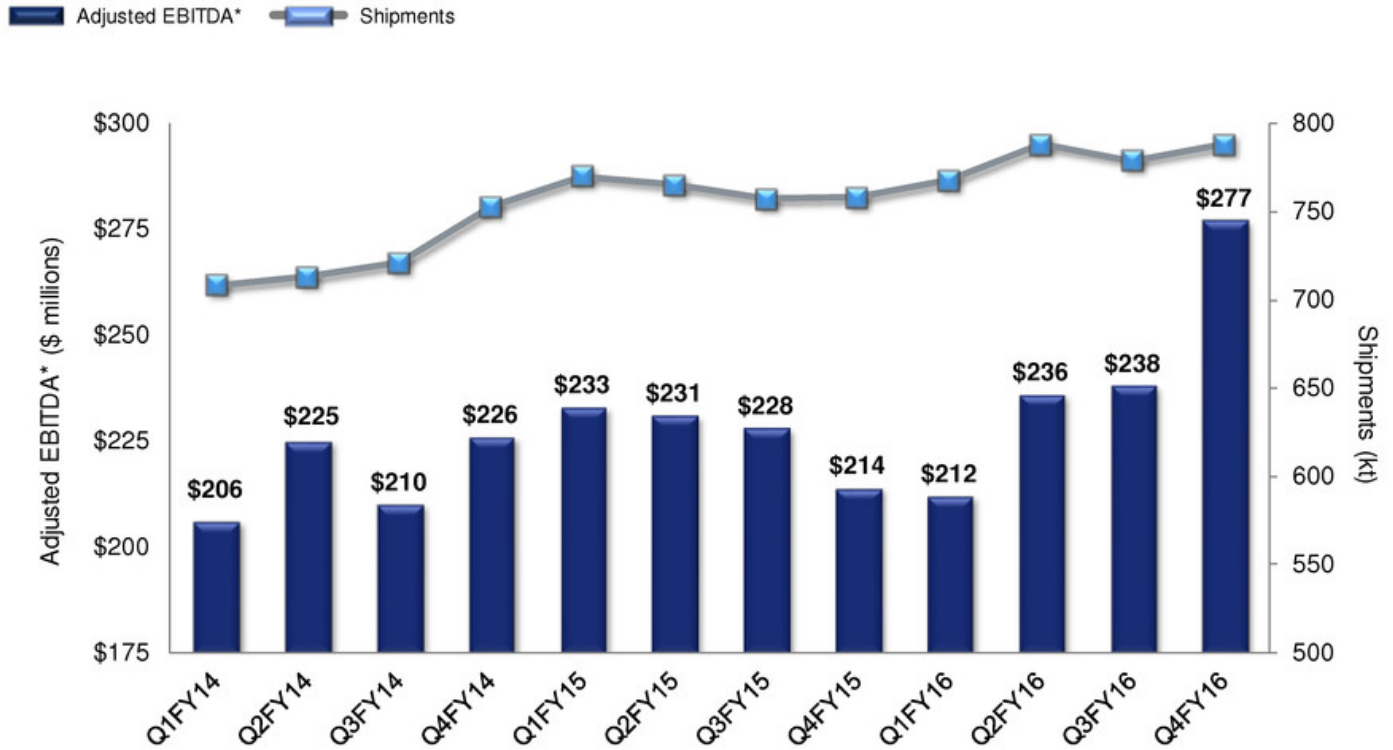
\$ Millions



\*EBITDA excluding metal price lag in both periods  
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# Adjusted EBITDA\* & Shipment Trend



Building momentum in the business

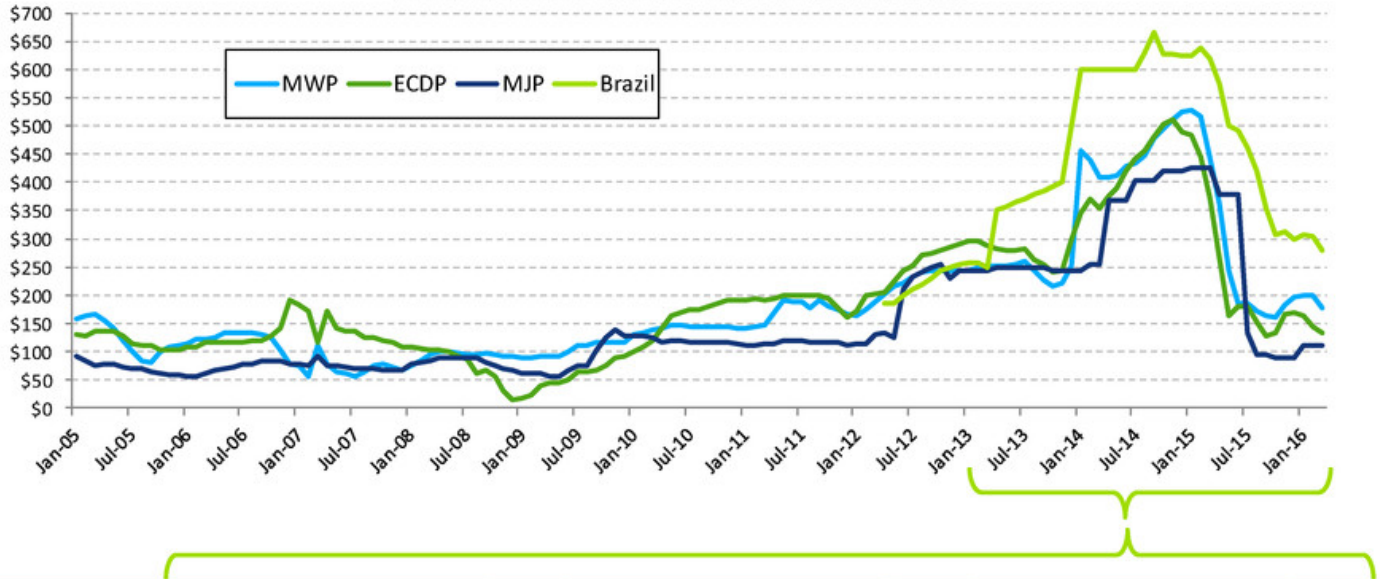
\*Excluding metal price lag  
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# Metal Price Lag Effect Minimized

- Local market premiums reverted back towards historical norms
- Reduced premium volatility expected to minimize future metal price lag

Local Market Aluminum Premiums (\$/mt)

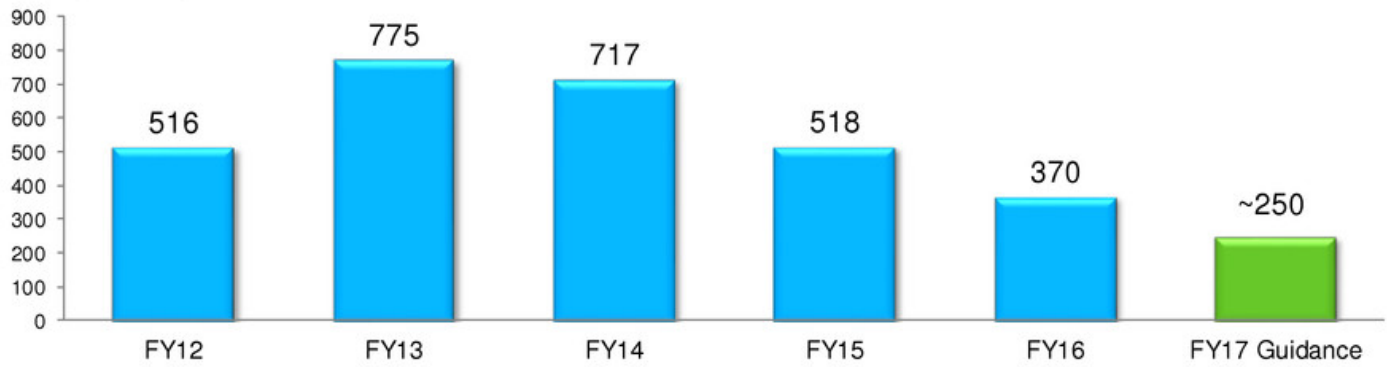


(in \$ m)	Q1	Q2	Q3	Q4	FY14	Q1	Q2	Q3	Q4	FY15	Q1	Q2	Q3	Q4	FY16
Metal price lag	(2)	2	(7)	24	17	2	9	8	(13)	6	(85)	(54)	(26)	(7)	(172)

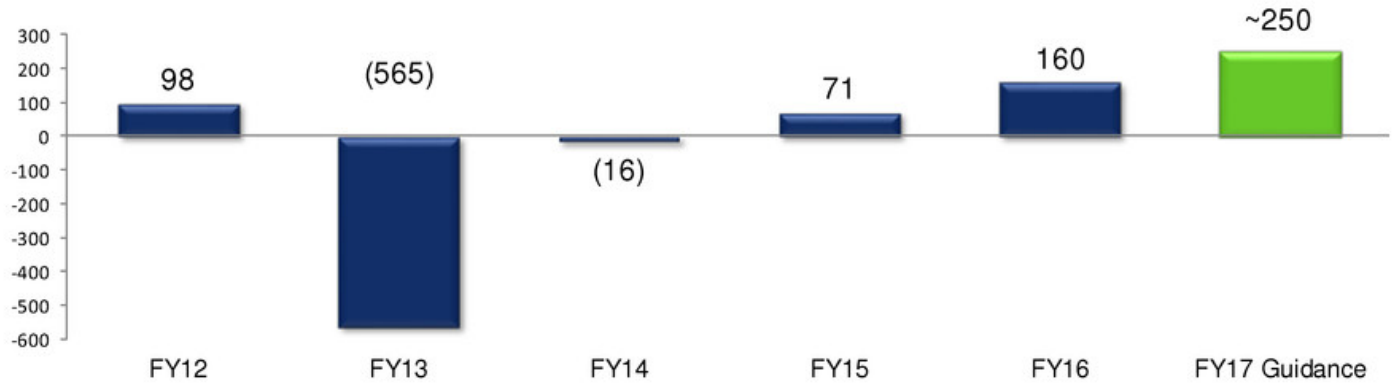
# Capital Expenditures and Free Cash Flow

\$ Millions

## Total Capital Expenditures



## Free Cash Flow



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Summary

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# Summary and Outlook

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- Strategy to focus on fundamentals of manufacturing operations is delivering results
  - Grow and optimize premium product portfolio
  - Manage costs and working capital
  - Deliver operational efficiency
- Strong operational results & mix shift drove record shipments and EBITDA growth in FY16
- FY17 Outlook
  - Continued shipment growth and positive mix shift into automotive
  - Seasonality in South America becoming more pronounced
  - Fixed cost step up in Q1 primarily related to new auto line in North America



Questions & Answers

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Appendix

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# Income Statement Reconciliation To Adjusted EBITDA

(In \$ m)	Q1	Q2	Q3	Q4	FY15	Q1	Q2	Q3	Q4	FY16
<b>Net income (loss) attributable to our common shareholder</b>	<b>35</b>	<b>38</b>	<b>46</b>	<b>29</b>	<b>148</b>	<b>(60)</b>	<b>(13)</b>	<b>6</b>	<b>29</b>	<b>(38)</b>
- Interest, net	(80)	(80)	(84)	(76)	(320)	(78)	(80)	(77)	(79)	(314)
- Income tax (provision) benefit	(24)	2	(3)	11	(14)	(15)	3	(16)	(18)	(46)
- Depreciation and amortization	(89)	(90)	(87)	(86)	(352)	(87)	(89)	(88)	(89)	(353)
<b>EBITDA</b>	<b>228</b>	<b>206</b>	<b>220</b>	<b>180</b>	<b>834</b>	<b>120</b>	<b>153</b>	<b>187</b>	<b>215</b>	<b>675</b>
- Unrealized gain (loss) on derivatives	1	(1)	12	(12)	-	35	(15)	(2)	(22)	(4)
- Realized (loss) gain on derivative instruments not included in segment income	(1)	-	(3)	(2)	(6)	1	(3)	1	-	(1)
- Proportional consolidation	(8)	(9)	(10)	(6)	(33)	(7)	(8)	(7)	(9)	(30)
- Loss on extinguishment of debt	-	-	-	-	-	(13)	-	-	-	(13)
- Restructuring and impairment, net	(6)	(7)	(25)	1	(37)	(15)	(4)	(10)	(19)	(48)
- Loss on sale of fixed assets	(1)	(2)	(1)	(1)	(5)	(1)	-	(1)	(2)	(4)
- Gain (loss) on assets held for sale, net	11	-	12	(1)	22	-	-	-	-	-
- Others costs, net	(3)	(5)	(1)	-	(9)	(7)	1	(6)	(3)	(16)
<b>Adjusted EBITDA</b>	<b>235</b>	<b>230</b>	<b>236</b>	<b>201</b>	<b>902</b>	<b>127</b>	<b>182</b>	<b>212</b>	<b>270</b>	<b>791</b>
<b>Other income (expense) included in adjusted EBITDA</b>										
- Metal price lag	2	9	8	(13)	6	(85)	(54)	(26)	(7)	(172)
- Foreign currency remeasurement	1	(3)	(4)	(21)	(27)	4	(3)	4	(3)	2

## 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. Although we use derivatives contracts to minimize the price lag associated with LME base aluminum prices, we do not use derivative contracts for local market premiums, as these are not prevalent in the market.

**2) Foreign currency remeasurement net of related hedges:** All balance sheet accounts not denominated in the 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	Q2	Q3	Q4	FY15	Q1	Q2	Q3	Q4	FY16
Cash (used in) provided by operating activities		(24)	11	100	517	604	(288)	225	64	540	541
Cash used in investing activities		(119)	(119)	(46)	(132)	(416)	(137)	(84)	(75)	(82)	(378)
Less: proceeds from sales of assets		(34)	-	(66)	(17)	(117)	-	(1)	(1)	(1)	(3)
<b>Free cash flow</b>		<b>(177)</b>	<b>(108)</b>	<b>(12)</b>	<b>368</b>	<b>71</b>	<b>(425)</b>	<b>140</b>	<b>(12)</b>	<b>457</b>	<b>160</b>
<b>Capital expenditures</b>		<b>138</b>	<b>126</b>	<b>104</b>	<b>150</b>	<b>518</b>	<b>129</b>	<b>75</b>	<b>78</b>	<b>88</b>	<b>370</b>
<b>Free cash flow before capital expenditures</b>		<b>(39)</b>	<b>18</b>	<b>92</b>	<b>518</b>	<b>589</b>	<b>(296)</b>	<b>215</b>	<b>66</b>	<b>545</b>	<b>530</b>

