AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010

To the Shareholders of
Novelis Italia SpA

1 We have audited the financial statements of Novelis Italia SpA as of 31 March 2015. The Directors of Novelis Italia SpA are responsible for the preparation of these financial statements in accordance with the laws governing the criteria for their preparation. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with Italian standards on auditing issued by the Italian accounting profession, Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, and recommended by the national stock exchange commission, Consob. Those standards require that we plan and perform the audit to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 15 May 2014.

3 In our opinion, the financial statements of Novelis Italia SpA as of 31 March 2015 comply with the laws governing the criteria for their preparation; accordingly, they have been prepared clearly and give a true and fair view of the financial position and result of operations of Novelis Italia SpA.

4 As required by law, the Company has included in the notes to the financial statements key financial information regarding the most recent financial statements of the company which governs its direction and coordination; our opinion on the financial statements of Novelis Italia SpA does not cover this information.

5 The Directors of Novelis Italia SpA are responsible for the preparation of Directors' report in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Directors' report with the financial statements, as required by law. For this

purpose, we have performed the procedures required under Italian Auditing Standard 1 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the Directors' report is consistent with the financial statements of Novelis Italia SpA as of 31 March 2015.

Milan, 14 May 2015

PricewaterhouseCoopers SpA

Signed by

Stefano Bravo
(Partner)

(This report is an English translation of the original audit report which was issued in Italian and does not extend to any English translation of the financial statements. This report has been prepared solely for the convenience of Novelis management and should not be distributed to or used by any other parties.)

NOVELIS ITALIA SPA

Company subject to the management and co-ordination activities of Hindalco Industries Ltd

Registered office: VIA VITTORIO VENETO 106 - BRESSO (MI)

Share capital: € 96,000,000.00 fully paid-up

Registered at the Milan Chamber of Commerce for Industry, Agriculture and Handicraft

Tax code no. and Register of Companies 04598460964

VAT no. 04598460964 - Rea (Administrative Economic Register) no. 1760001

Directors' Report as at 31 March 2015

All amounts are expressed in euros

Dear Shareholders,

the financial year ending 31 March 2015 closed with a net loss of € 4,912,271 after depreciation/amortisation of € 6,593,555, provision for doubtful accounts for € 303,031, extraordinary charges for restructuring equal to € 1,393,471, the charge for current income taxes of € 674,549.

Operative conditions and development of activity

Pursuant to Art. 2428 of the Italian Civil Code, the aluminium rolling and recycling activities have been carried out in the Bresso registered office, the Pieve Emanuele plant, as well as the San Martino Buon Albergo (VR) and Campi Bisenzio (FI) Distribution Centres.

Decrease in demand for rolled products

In the course of the financial year, the demand for rolled aluminium was less than expected as well as less than the previous year with a reduction in revenues from sales of 6%, mainly due to weak demand in the construction sector, not only in Italy, which represents the main user of pre-painted products.
From a geographical perspective, there has been a substantial consistency of the Company's sales in Central and Northern Europe, while demand continues to be weak in the countries of Southern Europe, mainly in Italy, France, Greece, Spain and Portugal.
Following the drop in the demand for pre-painted products, the Company has decided to expand its product portfolio in collaboration with the R&D centres of the Novelis group. The next financial year will see the qualification and large-scale production of rolled products for the production of cans.
The additional volumes will entail a greater absorption of fixed costs and a consequent improvement in profitability.

Performance of operations, restructuring and corporate reorganisation

With reference to the above-mentioned decline in volumes, the Company continued to adopt in the year under review a sales approach oriented towards products with higher margins and also a new strategy of penetration in the geographical area of Northern Europe.
During the financial year, the restructuring programme, which began in the previous financial year, has been continuing by involving the commercial structure and the support functions in order to reduce overhead costs, improve profitability and find positive results for the year.
In the early 2015, the Company developed a new restructuring plan, which turned out to be necessary to cope with weak demand for pre-painted aluminium; such a plan will be implemented during the current year through the use of shock absorbers as provided by law. The costs expected for the corporate re-organisation were set aside in the Financial Statements as at 31 March 2015 through the specific provision for risks and future expenses.

Optimisation of cash flows

In the last quarter of the financial year, the Company launched programs to reduce the capital employed through a careful management of inventories and the expansion of the plan of assignment of trade receivables without recourse, which has been extended to a larger number of customers.
The combined effect of these actions has led to a slight decrease in the working capital despite the strong increase in value of the aluminium compared to the previous financial year.

Development of the manufacturing process and R&D activities

The investments made in the Pieve Emanuele and Bresso plants also continued in the course of the financial year, as better explained below.
No other R&D activities, which are guaranteed by the Group research centres, have been carried out locally.

Objectives and policies concerning financial risk management

The Company is subject to the following risks:

- exchange rate fluctuations;
- fluctuations in the price of raw materials (mainly aluminium);
- fluctuations in interest rates;
- credit risk;
- risk of health and safety at the workplace;
- compliance risks.

Against the exchange rate risk and the risk of fluctuations in the price of raw materials, hedging strategies are entered into exclusively through forward purchases of foreign currency and metal. These purchases have been made exclusively against commitments and risks well identified and without any speculative purposes. All the hedging contracts have been made exclusively through the Treasury Management of the Novelis Group.

With regard to the interest rate risk and the optimisation of financial flows, since October 2011 the

Company has adhered to a cash pooling procedure, which involves all the related companies with registered office in Europe managed by Novelis AG and implies an optimization of financial flows and a better coverage of the interest rate risk.

With reference to the credit risk, we report that there are no significant concentrations of trade receivables since the Company has very diversified customers from a geographical point of view and in relation to the segment of rolled products in which the same operates.
It should be reported that the European division stipulated a credit insurance policy that covers all the related concerns carrying out productive activities in Europe thus reaching a significant reduction in the credit risk. Furthermore, the agreement of assignment of receivables without recourse, which was stipulated in December 2013, translated into a further reduction in the credit risk.

Against the risks of health and safety at the workplace and environment connected with the corporate activity, the Company arranged to ensure the compliance with law requirements, prepared an Integrated Manual for the Management of Environment, Health and Safety in the Workplace and obtained the ISO 14001 and BSI OSHAS 18001 certifications.
On 22 July 2008, the Company introduced the Organisation, Management and Control Model as per Legislative Decree 231/2001, latest update approved in December 2012.
In this respect, it should be specified, that in the course of the financial year, the Supervisory Board provided by Legislative Decree 231/2001 performed its activity regularly and prepared the annual report as set forth in Art. 4.1 of the Organisation, Management and Control Model. During the year, the Supervisory Board did not receive any notice or specific intervention requests and did not report any behaviour or conduct such as to infringe the provisions contained in Legislative Decree 231/2001.

Costs

The main costs related to operating activities can be summarised as follows.

Description	31/03/2015	31/03/2014
Personnel costs	24,023,586	25,197,687
Purchase of services	34,639,248	34,770,454
Amortisation, depreciation and write-downs	6,896,586	6,630,702

The average workforce totalled some 386 units compared with approximately 416 units in the previous financial year. Overall there was a cost reduction of about € 1,174 thousand, equal to 5%. The per capita cost for the year was approximately 62 thousand, which is in line with the previous financial year.

Overall, the costs of services do not differ significantly from the previous financial year. As mentioned in the Notes to the Financial Statements, the items “Electric power” and “Gas” showed a decrease due to the recognition of the white certificates recorded as a deduction of the cost.

Description	31/03/2015	31/03/2014
Change in inventories of work in progress, semi-finished and finished products	-2,257,198	5,687,928
Raw, ancillary and consumable materials	120,694,378	119,156,136
Change in inventories of raw, ancillary, and consumable materials	417,894	-1,128,206
Total cost of material	**118,855,074**	**123,715,858**

The decrease in the cost of materials is mainly due to the significant reduction in the volume of purchases, notwithstanding the rising cost of the "LME" metal.

Gross sales margin

The margin on sales is shown below.

Description	31/03/2015	31/03/2014
Revenues from sales and rendering of services	180,098,638	190,909,980
Total cost of material	118,855,074	123,715,858
Gross sales margin	**61,243,564**	**67,194,122**
Other revenues and income	5,284,153	2,078,256

There was a 6% decrease in revenues from sales in line with the reduction in volumes.

Financial position and indicators

Description	31/03/2015	31/03/2014
Bank deposits	16,608	6,504
Cash on hand	13,715	9,187
Cash and cash equivalents	**30,323**	**15,691**
Bank borrowings (within 12 months)	0	10,262
Short-term borrowings	**0**	**10,262**
Short-term financial position	**30,323**	**5,429**
Position towards group companies for cash-pooling	-9,979,535	3,777,835
Net financial position	**-9,949,212**	**3,783,264**

The Cash Flow Statement is presented at the foot of the Notes to the Financial Statements; the rising exposure is primarily due to the investments made in the financial year, to the increase in receivables from group companies as well as to the drop in sales.

The Reclassified Income Statement is as follows:

Description	31.03.2015	31.03.2014
Revenues from sales	180,098,638	190,909,980
Change in inventories	2,257,198	-5,687,928
VALUE OF PRODUCTION OBTAINED	**182,355,836**	**185,222,052**
Raw, ancillary and consumable materials	120,694,378	119,156,136
Change in inventories of raw, ancillary and consumable materials	417,894	-1,128,206
CONSUMPTION OF MATERIALS	**121,112,272**	**118,027,930**
GROSS MARGIN	**61,243,564**	**67,194,122**
Costs of services	34,639,248	34,770,454
Leases and rentals	747,739	823,210
Other operating expenses	1,416,686	1,349,830
EXTERNAL COSTS	**36,803,673**	**36,943,494**
VALUE ADDED	**24,439,891**	**30,250,628**
Other revenues	5,284,153	2,078,256
Personnel costs	24,023,586	25,197,687
Ebitda	**5,700,458**	**7,131,197**
Amortisation, depreciation and write-downs	6,896,586	6,630,702
Provisions for risks	7,176	0
Other accruals	0	11,878
OPERATING RESULT	**-1,203,304**	**488,617**
Financial income	883,188	11,191
Financial charges	2,524,138	2,812,922
FINANCIAL CHARGES - NET	**-1,640,950**	**-2,801,731**
Extraordinary income	3	37,081
Extraordinary charges	-1,393,471	-5,588,414
NON-OPERATING CHARGES/INCOME - NET	**-1,393,468**	**-5,551,333**
Income taxes	674,549	714,353
NET RESULT	**-4,912,271**	**-8,578,800**

Below are specified the indicators of non-current assets financing and the debt structure ratios:

	31/03/2015	31/03/2014
Primary margin		
=Shareholders' equity - (Non-current assets +Receivables classified under current assets after 12 months)	-6,550,106	-6,550,106
Primary ratio		
=Shareholders' equity / (Non-current assets + Receivables classified under current assets after 12 months)	0.91	0.91
Secondary margin		
=Shareholders' equity + Consolidated liabilities- (Non-current assets + Receivables classified under current assets after 12 months)	-2,395,172	-2,405,108
Secondary ratio		
=(Shareholders' equity + Consolidated liabilities)/ (Non-current assets + Receivables classified under current assets after 12 months)	0.97	0.97
Debt to equity ratio		
=(Current liabilities + Consolidated liabilities)/Shareholders' equity	0.92	0.92
Financial debt to equity ratio		
= Financial payables/Shareholders' equity	-0.15	-

Investments

The Company made investments for € 4.3 million during the financial year in order to complete the cutting line at the Bresso plant, as well as investments to improve the facilities, maintain productive efficiency, and increase the level of safety and environmental protection.

Transactions with parent companies and Novelis group companies

Valuation criteria applied to the intra-group transactions
(Disclosure pursuant to Art. 7 of Legislative Decree no. 74 of 1 March 2000)

The Company carried out several transactions with some Group companies in the course of the financial year.

Specifically, intra-group transactions are grouped into these homogeneous categories:

a) Centralised treasury management (cash pooling);

b) Supply of administrative and management services ("Management Service Agreement");

c) Purchase and sale of raw materials and semi-finished goods (metal).

In order to ensure a correct transparency in the accounts, it should be noted that in the financial year under review related party transactions have been carried out at arm's length.

The Company has supported the choice of such methods through the results of studies commissioned by the Company to professionals and top-notch consulting firms. Technical and economic specifications relating to the application of the said methods are outlined in the documents relating to Transfer Pricing drawn up for this purpose.

Together with a description of each intra-group transaction, below is provided a brief analysis of the method adopted.

a) Centralised treasury management

This service is represented by the centralized management of the Group liquidity.
The centralization of cash management means that the Company, like any other company adhering to the cash pooling agreement, should transfer on a daily basis its positive or negative balance of the current account to the master account of the "pool leader" i.e. Novelis AG.

In accordance with the provisions set forth in the "Cash pooling agreement", the related concern manages the group treasury by granting loans or depositing liquid funds.

During the tax period, in compliance with the cash pooling agreement, the Company accrued interest expense for a total amount of € 105 thousand. Interests are determined on the basis of the parameters established contractually in relation to the LIBOR rate.

The economic reasons, which led the Company to enter into a cash pooling agreement with Novelis AG, appear easy to understand; the pool leader, in fact, is able to manage on a daily basis the positive/negative balance of the companies in accordance with the agreement allowing them to have sufficient availability of capital to meet their commitments.

Moreover, taking on the exchange-rate risk and the risk of fluctuations in interest rates, the position of the companies participating in the agreement is safeguarded.

b) Supply of administrative and management services ("Management Service Agreement")

The Company has availed of services provided by the Group companies, which charged back the costs mainly related to the centralization of part of the business activities.

The Company, in the course of the financial year, recorded costs for services in accordance with the "Management Service Agreement" for a total amount of € 3,025 million and, likewise, recorded revenues from services for a total amount of € 1.3 million.

The recharged cost mainly refers to administrative, management, risk management, business development, information technology, legal advice and collection services. For these services and as provided by the contract, the Company commits to pay to the Group companies and to receive from the same a consideration equal to the direct and indirect cost incurred to provide that specific service, plus a mark-up, which varies on the basis of the service provided.

The services provided by and received from the Group companies include both ordinary support services and additional services of high value.

c) Purchase and sale of raw materials and semi-finished goods (metal)

The determination of transfer pricing is as follows:

- The raw materials are purchased and sold at a price equal to the London Metal Exchange quotation with respect to the specific raw material plus the shipping costs and any other customs duties, if applicable.
- The semi-finished goods are purchased and sold at a price equal to the London Metal Exchange quotation with respect to the specific semi-finished good plus the shipping costs and any other customs duties if applicable, and a premium which substantially reflects the production cost already incurred by the transferors. The premium thus represents the additional revenue component for the transferor compared to the mere recharging of the costs incurred for the transformation of the raw material into semi-finished good.

Moreover, during the financial year under review, the Company recorded revenues amounting to USD 4 million for Market assistance fees from the parent company Novelis Inc. - US Branch, as reported in the Notes to the Financial Statements.

Break-down of intra-group transactions

The transactions outstanding at 31 March 2015 and the costs and revenues pertaining to the year under review are summarized in the following table.

Commercial and financial transactions	Revenues from sales	Revenues from services	Fees charges	Purchase of goods	Costs of services	Metal Hedging income and (charges)	Financial income and (charges)	Receivables	Payables	Cash pooling receivables/ (payables)
Parent companies:										
Novelis Inc. Global Research					757,010				180,551	
Novelis Inc - US Branch		107,331	3,688,336		2,106,574			4,478,362		
Total parent companies	**0**	**107,331**	**3,688,336**	**0**	**2,863,584**	**0**	**0**	**4,478,362**	**180,551**	**0**
Related concerns:										
Novelis Deutschland GmbH	11,814,158	125,055		19,013,080	126,169			534,267	177,893	
Novelis AG Zurigo		493,815			3,573,057	486,666	774,468	383,070	1,228,114	-9,979,535
Novelis Switzerland SA	5,894			8,210,127					948,398	
Novelis Korea		584,326						39,844		
Novelis Services Limited (UK)					500,236			53,340		
Novelis Laminee France					121,360			113	13,855	
Novelis PAE				98,579					51,379	
Total related concerns	**11,820,052**	**1,203,196**		**27,321,786**	**4,320,822**	**486,666**	**774,468**	**1,010,635**	**2,419,638**	**-9,979,535**

Transactions with the company which carries out the management and co-ordination activities

The Company is indirectly controlled by the company Hindalco Industries Ltd, which belongs to the Aditya Birla Group based in Mumbai (India).
The balance-sheet and income statement data of Hindalco Industries Ltd, which carries out the management and co-ordination activities, are shown in the Notes to the Financial Statements.

Treasury shares

The Company does not hold treasury shares, or hold shares or quotas in the parent companies; furthermore, the Company did not purchase or sell treasury shares in the course of the financial year.

Information on personnel and environment

With regard to personnel, in the course of the year, there were:

- no reports of casualties of the personnel registered in the Libro Unico del Lavoro (labour book);

- no reports of serious accidents at work, that entailed serious or dangerous injuries of the personnel registered in the Libro Unico del Lavoro;
- no charges for occupational diseases on employees or former employees and mobbing lawsuit.

for which corporate liability was confirmed.

With regard to information on environment, no environment-related damages have been reported in the course of the financial year, for which the Company was declared liable; no sanctions or penalties for environmental damages or crimes were inflicted on the Company.
The Company does not fall within the requirements provided for by Law 316/2004.

Significant events subsequent to year-end

No subsequent events occurred after the year end.

Outlook

The outlook for the year ahead sees weak demand in the first part of the financial year, especially in Italy and Southern Europe with a possible slight increase in demand in the second half of the financial year. While, a substantial consistency of sales is expected in Central and Northern Europe and in non-European countries.
The first quarter 2016 should see the industrial-scale production of rolled products for the production of cans.
Moreover, the Company has prepared commercial plans to significantly increase the export share in Central Europe and mitigate the negative trend of the Italian market.
As mentioned above, the restructuring programme announced in April 2015 will be implemented in the course of the current year.

Allocation of the result for the year

Dear Shareholders,
the financial year as at 31 March 2015 closed with a net loss of € 4,912,271.

In accordance with the provisions of current laws and the Company's by-laws, we propose that net loss of € 4,912,271 be brought forward.

Steven Kenneth Clarke
Member of the Board of Directors
Bresso, 13 May 2015

NOVELIS ITALIA SPA

Company subject to the management and co-ordination activities of Hindalco Industries Ltd

Registered office: VIA VITTORIO VENETO 106 - BRESSO (MI)

Share capital: € 96,000,000.00 fully paid-up

Registered at the Milan Chamber of Commerce for Industry, Agriculture and Handicraft

Tax code no. and Register of Companies 04598460964

VAT no. 04598460964 - Rea (Administrative Economic Register) no. 1760001

Financial Statements as at 31 March 2015

BALANCE SHEET

ASSETS	31/03/2015	31/03/2014
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL OWED		
Total receivables from shareholders for payments still owed (A)	**0**	**0**
B) NON-CURRENT ASSETS		
I – Intangible assets		
4) Concessions, licences, trademarks and similar rights	115,514	96,141
7) Other	128,260	108,175
Total intangible assets (I)	243,774	204,316
II – Property, plant and equipment		
1) Land and buildings	26,125,884	26,981,978
2) Plant and machinery	40,484,148	40,743,319
3) Industrial and commercial equipment	1,024,977	1,052,685
4) Other assets	1,516,060	1,655,793
5) Assets under construction and advances paid	414,521	1,648,435
Total property, plant and equipment (II)	69,565,590	72,082,210
III – Financial assets		
1) Equity investments		

d) other companies	3,613	3,827
Total equity investments (1)	3,613	3,827
2) Trade and Other Receivables		
d) due from others		
within 12 months	1,636,047	0
after 12 months	352,597	1,989,202
Total due from others	1,988,644	1,989,202
Total trade and other receivables (2)	1,988,644	1,989,202
Total financial assets (III)	1,992,257	1,993,029
Total non-current assets (B)	**71,801,621**	**74,279,555**
C) CURRENT ASSETS		
I) Inventories		
1) Raw materials, supplies & consumables	7,326,916	7,744,810
2) Work in progress and semi-finished products	14,220,685	13,800,581
4) Finished products and goods for resale	11,806,492	9,969,398
Total inventories (I)	33,354,093	31,514,789
II) Receivables		
1) Trade receivables		
within 12 months	13,110,722	14,935,046
Total trade receivables (1)	13,110,722	14,935,046
4) Due from parent companies		
within 12 months	4,478,362	0
Total due from parent companies (4)	4,478,362	0
4-bis) Tax receivables		
within 12 months	73,342	22,889
after 12 months	239,738	78,850
Total tax receivables (4-bis)	313,080	101,739
4-ter) Deferred tax assets		

after 12 months	183,497	183,497
Total deferred tax assets (4-ter)	183,497	183,497
5) Due from others		
within 12 months	3,562,206	9,238,448
after 12 months	0	193
Total due from others (5)	3,562,206	9,238,641
Total receivables (II)	21,647,867	24,458,923
IV – Cash and cash equivalents		
1) Banks and post office accounts	16,608	6,504
3) Cash on hand	13,715	9,187
Total cash and cash equivalents (IV)	30,323	15,691
Total current assets (C)	**55,032,283**	**55,989,403**
D) ACCRUED INCOME AND PREPAID EXPENSES		
Accrued income and prepaid expenses	313,297	461,677
Total accrued income and prepaid expenses (D)	**313,297**	**461,677**
TOTAL ASSETS	**127,147,201**	**130,730,635**

BALANCE SHEET

LIABILITIES	**31/03/2015**	**31/03/2014**
A) SHAREHOLDERS' EQUITY		
I – Share capital	96,000,000	96,000,000
IV – Legal reserve	611,647	611,647
VII – Other reserves, shown separately		
Amounts paid-in for future capital increase	10,000,000	10,000,000
Total other reserves (VII)	10,000,000	10,000,000
VIII – Retained earnings (accum. losses) carried forward	-35,672,029	-27,093,229
IX – Net income (loss) for the year	-4,912,271	-8,578,800
Total shareholders' equity (A)	**66,027,347**	**70,939,618**
B) PROVISIONS FOR RISKS AND CHARGES		

1) Retirement benefit obligations	409,357	509,942
3) Others	1,377,152	2,914,162
Total provisions for risks and charges (B)	**1,786,509**	**3,424,104**
C) STAFF LEAVING INDEMNITY (TFR)	**3,735,641**	**4,353,537**
D) PAYABLES		
4) Bank borrowings		
within 12 months	0	10,262
Total bank borrowings (4)	0	10,262
7) Trade payables		
within 12 months	36,188,503	36,908,004
Total trade payables (7)	36,188,503	36,908,004
11) Due to parent companies		
within 12 months	180,551	0
Total due to parent companies (11)	180,551	0
12) Tax payable		
within 12 months	614,623	538,195
Total tax payable (12)	614,623	538,195
13) Due to insurance and pension institutes		
within 12 months	1,843,724	1,717,911
Total due to insurance and pension institutes (13)	1,843,724	1,717,911
14) Other payables		
within 12 months	16,760,367	12,839,004
after 12 months	9,936	0
Total other payables (14)	16,770,303	12,839,004
Total payables (D)	**55,597,704**	**52,013,376**
E) ACCRUED LIABILITY AND DEFERRED INCOME		
Total accrued liability and deferred income (E)	**0**	**0**
TOTAL LIABILITIES	**127,147,201**	**130,730,635**

MEMORANDUM ACCOUNTS

	31/03/2015	31/03/2014
1) Hedging transactions (forward contracts)	17,272,619	16,906,957
2) Guarantees issued in favour of third parties (sureties)	733,614	1,515,360
3) Metal hedging transactions	7,369,322	12,906,214
TOTAL MEMORANDUM ACCOUNTS	**25,375,555**	**31,328,531**

INCOME STATEMENT

	31/03/2015	31/03/2014
A) VALUE OF PRODUCTION (REVENUE):		
1) Revenues from sales and rendering of services	180,098,638	190,909,980
2) Change in inventories of work in progress, semi-finished and finished products	2,257,198	-5,687,928
5) Other revenues and income		
Miscellaneous	5,284,153	2,078,256
Total value of production (A)	**187,639,989**	**187,300,308**
B) PRODUCTION COSTS:		
6) Raw, ancillary and consumable materials	120,694,378	119,156,136
7) Costs of services	34,639,248	34,770,454
8) Leases and rentals	747,739	823,210
9) Personnel costs:		
a) Wages and salaries	17,084,482	17,880,575
b) Social security contributions	5,782,855	6,025,891
c) Staff leaving indemnity	1,129,668	1,195,765
e) Other costs	26,581	95,456
Total personnel costs (9)	24,023,586	25,197,687
10) Amortisation, depreciation and write-downs:		
a) Amortisation of intangible assets	48,942	51,201

b) Depreciation of property, plant and equipment	6,544,613	6,312,195
d) Write-downs of receivables included under current assets and cash and cash equivalents	303,031	267,306
Total amortisation, depreciation and write-downs (10)	6,896,586	6,630,702
11) Change in inventories of raw, ancillary, and consumable materials	417,894	-1,128,206
12) Provisions for risks	7,176	0
13) Other accruals	0	11,878
14) Other operating expenses	1,416,686	1,349,830
Total production costs (B)	**188,843,293**	**186,811,691**
Difference between production value and cost (A-B)	**-1,203,304**	**488,617**
C) FINANCIAL INCOME AND CHARGES:		
16) Other financial income:		
d) Income other than the foregoing		
Others	3,822	11,191
Total other financial income (16)	3,822	11,191
17) Interest and other financial charges		
Others	2,524,138	2,517,985
Total interest and other financial charges (17)	2,524,138	2,517,985
17-bis) Exchange gains and losses	879,366	-294,937
Total financial income and charges (C) (15+16-17+-17-bis)	**-1,640,950**	**-2,801,731**
D) VALUATION ADJUSTMENTS TO FINANCIAL ASSETS:		
Total valuation adjustments to financial assets (D) (18-19)	**0**	**0**
E) EXTRAORDINARY INCOME AND CHARGES:		
20) Income		
Gains from disposals, which cannot be recorded under no. 5	0	37,081
Other	3	0
Total income (20)	3	37,081
21) Charges		
Losses from disposals, which cannot be recorded under no. 14	0	501

Other	1,393,471	5,587,913
Total charges (21)	1,393,471	5,588,414
Total extraordinary income and charges (E) (20-21)	**-1,393,468**	**-5,551,333**
PRE-TAX RESULT (A-B+-C+-D+-E)	**-4,237,722**	**-7,864,447**
22) Current and deferred income taxes for the year		
Current taxes	674,549	714,353
Total current and deferred income taxes for the year (22)	674,549	714,353
23) INCOME (LOSS) FOR THE YEAR	**-4,912,271**	**-8,578,800**

Member of the Board of Directors:

NOVELIS ITALIA SPA

Company subject to the management and co-ordination activities of Hindalco Industries Ltd

Registered office: VIA VITTORIO VENETO 106 - BRESSO (MI)

Share capital: € 96,000,000.00 fully paid-up

Registered at the Milan Chamber of Commerce for Industry, Agriculture and Handicraft

Tax code no. and Register of Companies 04598460964

VAT no. 04598460964 - Rea (Administrative Economic Register) no. 1760001

Financial Statements as at 31 March 2015

All amounts are expressed in euros

Preamble

The financial year ending 31 March 2015 closed with a net loss of € 4,912,271, after depreciation/amortisation of € 6,593,555, provision for doubtful accounts for € 303,031, extraordinary charges for restructuring equal to € 1,393,471, and the charge for current income taxes of € 674,549.

Business carried out

Pursuant to Art. 2428 of the Italian Civil Code, the aluminium rolling and recycling activities have been carried out in the Bresso registered office, the Pieve Emanuele plant, as well as the San Martino Buon Albergo (VR) and Campi Bisenzio (FI) Distribution Centres.

Group structure

The Company is controlled by the Novelis Inc. Group, based in the USA, through the English subsidiary Novelis Europe Holdings Limited. In May 2007, the Aditya Birla Group, which is one of the main industrial groups in India, acquired the majority of the share capital of the Group parent Novelis Inc.. Therefore the Company is subject to the management and co-ordination of Hindalco Industries Ltd, company belonging to the Aditya Birla Group, which deals with the production and marketing of metals.

Below is presented the latest available data relating to the consolidated financial statements of Hindalco Industries Ltd (in $ millions):

	Financial year as at 31/03/2014
Fixed assets	14,034
Other assets	4,347
Total assets	18,381
Current liabilities	10,790
Deferred taxes	529
Minority interests	297
Shareholders' equity	6,765
Total liabilities and shareholders' equity	18,831

	Financial year as at 31/03/2014
Net revenues	14,514
Costs	13,142
Operating result before taxes and other items	1,372
Income taxes	-87
Other revenues	168
Other items	-647
Interest	-447
Net result	359

For an adequate and complete understanding of the financial position and results of operations of the Hindalco Industries Ltd Group at 31 March 2014, reference should be made to the financial statements of the above mentioned (which are available in the format and the manner provided for by the law).

Basis of preparation

These Financial Statements were prepared in accordance with the provisions set forth in Arts. 2423 and subsequent of the Italian Civil Code, as indicated in these notes, drawn up in compliance with Art. 2427 of the Italian Civil Code, which form, pursuant to and by effects of Arts. 2423, an integral part of the Financial Statements for the year.
The Balance Sheet and the Income Statement reflect the provisions drawn down by Arts. 2423-ter, 2424 and 2425 of the Italian Civil Code.
As outlined in the explanatory notes, the items "Due from/to other Group companies" have been reported separately to show the balances of the transactions made at arm's length with other companies subject to the control of the Group parent Novelis Inc. All the relationships with the parent companies and related concerns are also outlined in a specific section of the Directors' Report and are regulated at arm's length.
The Balance Sheet and Income Statement items have been recorded in compliance with the principles set forth in Arts. 2424-bis and 2425-bis of the Italian Civil Code.
It should be also noted that these Financial Statements comply with the requirements of the form and substance principles and give a true and fair value of the financial position and results of operations of the Company.
Please refer to the Directors' Report for the information relating to Art. 2428 of the Italian Civil Code.

Accounting principles

The items in the Financial Statements have been valued in accordance with the general criteria of prudence, accrual and on a going concern basis as well as by taking account of the economic substance of assets or liabilities considered. The valuations have been undertaken in accordance with the provisions set forth in Art. 2426 of the Italian Civil Code and the accounting standards as contemplated by the Organismo Italiano di Contabilità (the Italian Accounting Standards Committee). In particular, account was taken of the new national accounting principles approved definitively and published by the Organismo Italiano di Contabilità (hereinafter "OIC"), and that are already applicable as from the financial year ending 31 March 2015.
The application of the principle of prudence requires each asset and liability item to be valued on an individual basis so as not to offset losses that should be recognised against profits that should not be recognised, as they have not been realised.
In accordance with the accrual basis, the effect of the operations and other events was accounted for and attributed to the year such operations and events refer to, and not to the year in which the relative movements took place (receipts and payments).
Taking into account the economic function of each single component, the valuation of each item of assets and liabilities, expressing the principle of prevalence of substance over form - compulsory where not expressly in contrast with other specific regulations on the Financial Statements – allows the representation of the transactions according to the financial reality behind the formal aspects.

The accounting policies, remained unchanged from the prior year, were as follows:

Non-current assets

Intangible assets

Intangible assets are stated at their historical purchase cost, with the consent of the Board of Statutory Auditors where contemplated by the regulations in force, and shown net of the amortisation made.

Amortisation is calculated over the expected useful life of 10 years.

Property, plant and equipment

These are stated at purchase cost and adjusted by the corresponding accumulated depreciation.
Any accessory charges and costs incurred for bringing the asset in the present location, were capitalized when recording this item to the Balance Sheet and any non-negligible commercial and cash discounts were deducted from said costs and charges.
Depreciation charged to the Income Statement has been calculated taking into account the use, utility and economic-technical life of the assets, over their estimated useful life.
The depreciation rates of the assets received upon transfer with effect 1 January 2005 differ from the rates of the new assets acquired after the transfer in virtue of their different residual possibility of use by adjusting the same to the useful life of the newly-acquired assets.

The assets acquired after the transfer by Alcan Alluminio SpA are depreciated systematically using the economic-technical rates reflecting the remaining possibilities for the use of the assets, as shown in the following table:

	Useful life
Land and buildings	from 10 to 50 years
Plant and machinery	from 2 to 35 years
Industrial and commercial equipment	from 3 to 10 years
Motor vehicles	from 3 to 8 years
Office furniture and machines	from 5 to 10 years

For fixed assets acquired during the year, depreciation is reduced by 50%.
Land is not depreciated since not subject to a limited use in the time.

Ordinary maintenance and repair cost are expensed when incurred. Improvement and expansion costs, where they represent an increase of the asset value or useful life, are shown as an increase in the value of the assets.

Impairment of assets

Impairment of property, plant and equipment and intangible assets is recorded as prescribed by the new accounting principle OIC 9 prepared by the OIC.
In particular, if the recoverable amount of an asset (e.g. intended as the higher of its value in use and its fair value) has declined below its carrying value, the asset is measured at the lower value. The difference is recorded in the Income Statement as impairment loss and is recognised in the Income Statement under item B10c) if attributable to ordinary operations, or under item E21 if attributable to extraordinary operations. If requirements for write-down no longer apply in subsequent periods, the original value is restored as adjusted by depreciation/amortisation only. Similarly, the reinstatement is recorded under item A5 if the previous impairment loss was attributable to ordinary operations, or under item E20 if the previous impairment loss was attributable to extraordinary operations.

If it is not possible to estimate the recoverable value of an individual asset, the company determines the recoverable amount of the Cash Generating Unit to which the asset belongs. This occurs when individual assets do not generate cash flows in an autonomous way with respect to other assets.

The Company verifies at least annually, whether any indication exists that assumes a permanent impairment of assets; in the presence of this indication, the Company estimates the recoverable amount of the related assets.

Revaluations

The book value of property, plant and equipment can include revaluations of cost, if these are made under specific laws.
Revaluations do not represent an Income Statement component but are carried to a shareholders' equity reserve.

Receivables

Receivables are stated at their estimated net realisable value. The adjustment of the nominal value of receivables to their estimated realisable value is obtained by setting aside a specific allowance, taking into account the general economic conditions and the risks potentially under way.

Payables

Payables are stated at their nominal value, which corresponds to their estimated settlement value.

Prepayments/deferred income/accrued income and liabilities

Prepayments and deferred revenue are recorded on the basis of the matching principle, in compliance with the costs and revenues correlation.

Inventories

Raw materials, supplies & consumables and finished products are valued at the lower of purchase or production cost and their net realisable value presumed from market trends (replacement cost for raw materials), applying the weighted average cost method.
Work-in-progress is measured on the basis of the costs incurred in the financial year.
A stock depreciation provision has been recorded in order to adjust the value of obsolete and slow-moving items to their market value, and recorded as a direct reduction of the closing inventories value.

Cash and cash equivalents

These are stated at nominal value.
The cash pooling is represented by debit and credit positions with respect to the company that manages the cash pooling itself, for withdrawals from the pool account and the deposits paid in respectively.

Equity investments

Investments in subsidiaries, associated and other companies, that are meant to be held for the long term and thus recorded under financial fixed assets, are stated at their cost of acquisition or subscription, reduced in the event of permanent impairment of value. Impairment losses are reversed up to the original amount in subsequent years, when the reasons for the original write-down are no longer valid.

Provisions for risks and charges

Provisions for risks and losses are accrued to cover known or probable losses or liabilities, whose amounts or settlement dates are uncertain at year-end.
In measuring the value of these provisions, the general principles of prudence and accruals basis have been complied with and no provisions for general risks without any economic justification have been set aside.
Potential liabilities have been recognised in the accounts and recorded as provisions since they are considered probable and being their amount reasonably determinable.
In compliance with OIC 31 para. 16, given that the classification of expenses by nature should prevail, provisions for risks and charges are recorded under the items of operational activity (classes B, C and E of the Income Statement) to which the operation refers (ordinary, accessory, financial or extraordinary).

Staff indemnity leaving (TFR)

This represents the liability accrued in favour of employees in accordance with current legislation and employment contracts, taking into consideration any type of remuneration having a permanent nature.
The indemnities set aside fully cover the employee retirement and seniority accrued up to the date of their transfer to funds outside the company in compliance with Law no. 296 of 27 December 2006.

Current and deferred taxes

Current taxes are determined on the basis of a realistic estimate of the amounts payable in accordance with the current fiscal regulations. Current income taxes are reflected in the Balance Sheet under item "Tax receivables" in case the advances paid are higher than the actual tax payable for the year, or otherwise under "Tax payable". Deferred tax assets and liabilities result from the temporary differences between the carrying amounts of assets and liabilities reported in the Balance Sheet and their carrying amounts for tax purposes.
Deferred tax assets are booked to the extent their future recoverability is deemed probable on the basis of the future taxable income.
Deferred tax assets and liabilities are calculated on the basis of the rates in force in the financial year in which the temporary differences arise.

Revenues recognition

Revenues from sales of finished products are recognised upon the transfer of ownership, which normally coincides with the delivery or shipment of the products.
Financial revenues and revenues from services are recognised on an accrual basis.

White certificates

White certificates are recognised when there is reasonable assurance that all the conditions for obtaining them are met; this generally coincides with the issue of the certificate by the authorised body.

White certificates are recorded in the Income Statement on the basis of their nature, as a reduction in electric power costs.

Translation of foreign currencies

Receivables and payables originally expressed in foreign currency, entered on the basis of the exchange rates prevailing at the date of transactions, are translated at the rates in force at the closing of the financial statements for the currencies of non-EMU countries. The gains and losses resulting from the translation of receivables and payables are respectively reflected in the Income Statement under item C)17 bis Exchange gains and losses. The exchange gain resulting from the translation is set aside, for the part not absorbed by the loss for the year, as a specific reserve not distributable until realisation.

Financial derivative instruments and hedging transactions

The Company has not entered into derivative contracts for speculative purposes. The financial derivative instruments used for specific hedging strategies are recorded on the basis of the underlying assets and liabilities as explained below.

Forward foreign currency purchase/sale transactions

If the Company uses financial instruments as part of hedging strategies to neutralise the risk of cash flow variations related to a receivable or payable stated in the financial statements in currencies other than the euro, the accrued income or expense pertaining to the financial year deriving from the differential between the exchange rate at the date of transaction and the fixed forward exchange rate of the derivative instrument are recorded in the Income Statement under financial income and charges. The market value of derivative instruments outstanding at the end of the financial year is recorded in the memorandum accounts.

Hedging strategies on metal purchase/sale transactions or foreign currency purchase/sale transactions

If the Company uses financial instruments as part of hedging strategies to neutralise the risk of cash flow variations related to highly probably operations, the gains or losses arising from the valuation of the derivative instrument at the end of the financial year are shown in the memorandum accounts and not recognised in the financial statements. The gains and losses realised on hedging contracts coincides with the delivery of materials or the booking of receivables or payables in currencies other than the euro. These gains or losses are reflected in the Income Statement respectively as production cost (as part of the purchase cost allocation and the stock valuation) or as financial income/charges.

Forward metal purchase/sale transactions (offset hedge)

The Company faced the management of the metal price risk through entering in contracts directly with the suppliers of raw materials or with financial counterparts. The portion of gain or loss realised on the offset hedge is distributed among the Group companies included in the hedging process. The Company is taking part in the global hedging strategy and records the pertaining portion of the result in the Income Statement as operating income or expense.

Factoring without recourse

The Novelis Group entered into an agreement with a German bank in December 2013, relating to the assignment of trade receivables without recourse. As provided for by OIC 15, the assigned receivables have been removed from the Balance Sheet up to a quota of 90% equal to the advance received. The difference of 10% is recorded in the Balance Sheet as receivable from factoring companies.
Interest and fees due to the factoring company have been fully charged to the Income Statement.

Guarantees, commitments, third party assets and risks

Commitments and guarantees are shown in memorandum accounts at their contract value.

Employment data

The average size of the Company's workforce, broken-down by category, recorded the following changes compared to the previous financial year:

Staff	2015 FY	2014 FY	Changes
Executives	10	10	0
Office workers	130	146	- 16
Manual workers	246	260	- 14
	386	**416**	**- 30**

The changes are mainly due to the extraordinary restructuring started in July 2013 and completed at 31 March 2015.

The relevant national labour contract in force is the contract applicable to the metal and mechanical industry.

Balance sheet - Assets

Intangible assets

Intangible assets amount to € 243,774 (€ 204,316 in the previous financial year).

The break-down and changes in individual items are shown below:

Opening balance

Description	Net book value at 31 March 2014	Transfers from assets under construction	Disposals	Amortisation for the period	Net book value at 31 March 2015
Concessions, licenses, trademarks	96,141	42,154	0	22,781	115,514
Other	108,175	46,246	0	26,161	128,260
Total	**204,316**	**88,400**	**0**	**48,942**	**243,774**

The item "Concessions, licenses, trademarks" regards licenses for the use of software.

The final balance of "Other" refers to software packages.

Property, plant and equipment

Property, plant and equipment amount to € 69,565,590 (€ 72,082,210 in the previous financial year).

The break-down and changes in individual items are shown below:

Opening balance

Description	Historical cost at 31 March 2014	Accumulated depreciation at 31 March 2014	Net book value at 31 March 2014
Land and buildings	44,119,317	17,137,339	26,981,978
Plant and machinery	80,564,200	39,820,881	40,743,319
Industrial and commercial equipment	4,371,159	3,318,474	1,052,685
Other assets	5,443,398	3,787,605	1,655,793
Assets under construction and advances paid	1,648,435	0	1,648,435
Total	**136,146,509**	**64,064,299**	**72,082,210**

Movements occurred in the financial year and closing balance

Description	Acquisitions/ Capitalisation	Transfers from assets under construction	Transfers to intangible assets	Depreciation for the period	Accumulated depreciation at 31 March 2015	Net book value at 31 March 2015
Land and buildings		169,732		1,025,826	18,163,165	26,125,884
Plant and machinery		4,582,851		4,842,022	44,662,903	40,484,148
Industrial and commercial equipment		250,901		278,609	3,597,083	1,024,977
Other assets		258,423		398,156	4,185,761	1,516,060
Assets under construction and advances paid	4,116,393	-5,261,907	-88,400			414,521
Total	**4,116,393**	**0**	**-88,400**	**6,544,613**	**70,608,912**	**69,565,590**

Land is not depreciated in accordance with the accounting principles.

The investments in assets under construction made during the financial year include the costs relating to the completion of the cutting line at the Bresso plant, as well as investments to improve plants and increase the level of safety and environmental protection.

The transfer from assets under construction refers to the above-mentioned investments.

Impairment of assets

As required by the accounting principles, directors have assessed at the reference date of the financial statements whether any indication exists that a tangible asset or a cash generating unit may be impaired. After considering the economic trend, directors have drawn-up a five-year financial plan to assess the recoverability of the value of the assets recorded in the financial statements.

On the basis of the estimated future cash flows on a timescale of five years, the recoverability of the recorded values is deemed probable and therefore no write-down is needed.

Revaluation/ write-down of property, plant and equipment

It should be noted that in the 2009 financial year, pursuant to Legislative Decree 185/2008, land was revalued by € 12,060,895 and buildings were written-down by € 2,046,662.

Financial assets – Equity investments

The equity investments, which are included under financial assets, amount to € 3,613 (€ 3,827 in the previous financial year), with a decrease of € 214.

In compliance with Art. 2427 bis of the Italian Civil Code, the fair value of equity investments in other companies cannot be determined reliably on the basis of the information at disposal. However, it should be specified that these equity investments are not material and cannot generate significant impacts on the Company's earnings, capital and financial position.

The outstanding equity investments refer to Consorzio Conai, Consorzio imballaggi Alluminio, Società Gas Intensive.

Financial assets – Trade and other receivables

The amounts due from others included under financial assets are equal to € 1,988,644 (€ 1,989,202 in the previous financial year).

The break-down and changes in individual items are shown below:

Description	Net opening balance	Reclassification	Decreases	Net closing balance
Cash guarantee deposits due within one year:				
- For remediation activities at the Borgofranco plant		1,636,047		1,636,047
Cash guarantee deposits due after one year:				0
- For remediation activities at the Borgofranco plant	1,636,047	-1,636,047		0
- Sundry	353,155		558	352,597
Total	**1,989,202**	**0**	**558**	**1,988,644**

The remediation activities of the Borgofranco plant were completed in the course of the financial year. The Company is going to formalise soon the request to clear the guarantee, which should be finalised within one year; the reclassification has been recorded accordingly.

Current assets

Current assets - Inventories

The inventories included under current assets amount to € 33,354,093 (€31,514,789 in the previous financial year).

The break-down and changes in individual items are shown below:

Description	Opening balance	Closing balance	Change
Raw materials, supplies & consumables	7,744,810	7,326,916	-417,894
Work in progress and semi-finished products	13,800,581	14,220,685	420,104
Finished products and goods for resale	9,969,398	11,806,492	1,837,094
Total	**31,514,789**	**33,354,093**	**1,839,304**

The change is mainly due to the significant increase of the average value of the metal.

Current assets - Receivables

The receivables included under current assets amount to € 21,647,867 (€24,458,923 in the previous financial year).

The break-down is shown below:

Description	Nominal value	Provision for doubtful accounts	Net closing balance	Net opening balance	Change
Trade receivables within 12 months	14,151,214	1,040,492	13,110,722	14,935,046	-1,824,324
Due from parent companies – within 12 months	4,478,362	0	4,478,362	0	4,478,362
Tax receivables within 12 months	73,342	0	73,342	22,889	50,453
Tax receivables after 12 months	239,738	0	239,738	78,850	160,888
Deferred tax assets after 12 months	183,497	0	183,497	183,497	0
Due from others within 12 months	3,562,206	0	3,562,206	9,238,448	-5,676,242
Due from others after 12 months	0	0	0	193	-193
Total	**22,688,359**	**1,040,492**	**21,647,867**	**24,458,923**	**-2,811,056**

The item “Trade receivables” consists of:

Description	Opening balance	Closing balance	Change
Receivables from customers / Unaccepted orders to pay	14,518,473	12,809,583	-1,708,890
Doubtful receivables	1,263,631	1,295,641	32,010
Other	9,513	45,989	36,476
Provision for doubtful accounts - trade	-856,571	-1,040,492	-183,920
Total	**14,935,046**	**13,110,722**	**-1,824,324**

It should be noted that trade receivables are shown net of the assignment of receivables without recourse; the assigned receivables amount to € 16,954 thousand at 31 March 2015 (€ 15,789 thousand in the previous financial year).

The decrease in trade receivables is mainly due to the drop in sales compared to the previous financial year.

The provision for doubtful accounts showed the following movement in the course of the financial year:

I

Opening balance	**856,571**
Utilisation	-119,110
Charge	303,031
Closing balance	**1,040,492**

The utilisations in the year refer to closed matters, for which credit collection was considered not possible, as expressed by legal advice.

The item "Due from parent companies" includes USD 4 million for Market assistance fees, equal to € 3,759,670 acknowledged this year by Novelis Inc.-US Branch.

Deferred tax assets, equal to € 183,497, refer to tax losses, net of deferred tax liabilities as explained hereinafter.
The main reasons for recognising deferred tax assets arising from the carried forward of unused tax losses are illustrated in the relevant paragraph in these Notes.

The item "Due from others" consists of the following:

Description	Opening balance	Closing balance	Change
Cash pooling receivable in Euro - Novelis AG	3,853,978	0	-3,853,978
Receivables from related companies	2,685,225	674,990	-2,010,234
Receivables from factoring companies	2,579,876	2,496,572	-83,303
Receivables from employees	20,903	9,039	-11,864
Positive differentials on forward contracts	14,168	335,644	321,476
Receivables from social-security institutions	21,489	40,615	19,126
Other	63,002	5,345	-57,657
Total	**9,238,641**	**3,562,206**	**-5,676,434**

As mentioned in the Directors' Report, since October 2011 the Company has adhered to the group cash-pooling managed by the related concern Novelis AG.
The related credits and debits are remunerated at market rates and governed by a specific contract.
At 31 March 2015 the cash-pooling credit position in USD is recorded under "Other payables" as a reduction of the cash-pooling debit position in Euro.

Receivables from related companies are detailed in the Directors' Report.

Receivables – break-down by maturity dates

Description	Within 12 months	After 12 months	Total
Trade receivables	13,110,722	0	13,110,722
Due from parent companies	4,478,362	0	4,478,362
Tax receivables	73,342	239,738	313,080
Deferred tax assets	0	183,497	183,497
Due from others	3,562,206	0	3,562,206
Total	**21,224,632**	**423,235**	**21,647,867**

At 31 March 2015, there are no receivables with maturity after 5 years.

Receivables – break-down by geographical area

Description	Italy	Other EU countries	Rest of Europe	Africa and Middle East	Other	Total
Trade receivables	2,244,389	10,076,926	542,441	217,185	29,782	13,110,722
Due from parent companies					4,478,362	4,478,362
Tax receivables	313,080					313,080
Deferred tax assets	183,497					183,497
Due from others	1,064,236	2,410,699	47,426		39,844	3,562,206
Total	**3,805,202**	**12,487,625**	**589,868**	**217,185**	**4,547,988**	**21,647,867**

Current assets – Cash and cash equivalents

The cash and cash equivalents included in current assets total € 30,323 (€15,691 in the previous financial year).

The balance is made up of cash and cash equivalents and cash and valuables existing at the closing date of the financial year.
There are no constraints on the availability of the amounts shown in the above table.

Accrued income and prepaid expenses

Accrued income and prepaid expenses amount to € 313,297 (€461,677 in the previous financial year).

This item shows income and expenses related to prior or subsequent periods without considering the date of payment or collection of the relative income and charges.

At 31 March 2015, there were no accruals and deferrals with a duration of more than five years.

The break-down and changes in individual items are shown below:

Description	Opening balance	Closing balance	Change
Prepaid expenses – insurance	337,101	250,834	-86,267
Prepaid expenses - EDP costs	67,818	22,111	-45,707
Sundry	45,397	25,478	-19,919
Other amounts	11,361	14,874	3,513
Total	**461,677**	**313,297**	**-148,380**

Balance sheet – Liabilities and Shareholders' equity

Shareholders' equity

The Shareholders' equity at the end of the financial year was equal to € 66,027,347 (€70,939,618 in the previous financial year).

The changes in Shareholders' equity are provided in the following table:

Description	Share capital	Legal reserve	Revaluation reserve ex Legislative Decree 185/2008	Other reserves	Retained earnings (accum. losses) carried forward	Net income (loss) for the year	Total
31/03/2013	96,000,000	611,647	8,273,774	1	-30,974,354	-4,392,649	69,518,419
- Euro unit rounding off				-1			-1
Allocation of the result:					-4,392,649	4,392,649	0
- coverage of prior-year losses			-8,273,774		8,273,774		0
- amounts paid-in for future capital increase				10,000,000			10,000,000
Result for the year						-8,578,800	-8,578,800
31/03/2014	**96,000,000**	**611,647**	**0**	**10,000,000**	**-27,093,229**	**-8,578,800**	**70,939,618**
Allocation of the result:					-8,578,800	8,578,800	0
Result for the year						-4,912,271	-4,912,271
31/03/2015	**96,000,000**	**611,647**	**0**	**10,000,000**	**-35,672,029**	**-4,912,271**	**66,027,347**

The Shareholders' meeting of 16 May 2014 resolved to carry forward the loss for the financial year ended 31 March 2014.

"Other reserves" include the amounts paid-in for future capital increase on 6 December 2013 by the two shareholders on a pro-quota basis.

Below is given the information required by Art. 2427 point 7-bis of the Italian Civil Code regarding the Shareholders' equity items, broken-down by origin, possibility of utilisation, possibility of distribution and the uses made in the previous financial years:

Description	Amount	Possible utilisation (*)	Available portion	Distributions made in the 3 previous periods for loss coverage	Distributions made in the 3 previous periods for other reasons
Share capital	96,000,000			0	0
Revaluation reserves – Legislative Decree 185/2008(**)	0			-8,578,800	
Legal reserve	611,647	B		0	0
Other reserves	10,000,000	A,B	10,000,000	0	0
Retained earnings (accum. losses) carried forward	-35,672,029		0	0	0
Total	**70,939,618**		**10,000,000**	**-8,578,800**	
Non-distributable portion			**10,000,000**		
Remaining non-distributable portion			**0**		

(*) A = for capital increase; B = for loss coverage; C = for distribution to shareholders

Below is provided the information required by Art. 2427, point 17 of the Italian Civil Code relating to the data on the shares making up the Company's share capital, the number and the nominal value of the shares subscribed in the year:

Description	Nominal value	Number of shares at the beginning of financial year	Value of shares at the end of financial year
Ordinary shares	1,000	60,000	1,000
Preferred shares	1,000	36,000	1,000
Total	**1,000**	**96,000**	**1,000**

With deed of 14 May 2013, the shareholders Novelis Deutschland GmbH and Novelis Europe Holdings Limited gave as pledge the Company's shares in favour of third parties lenders, for a value of € 96,000,000.

Provisions for risks and charges

The provisions for risks and charges are recorded under liabilities for € 1,786,509 (€ 3,424,104 in the previous financial year).

The break-down and changes in individual items are shown below:

Description	Opening balance	Charge for the year	Utilisation	Closing balance
Retirement benefit obligations	509,942	10,100	110,685	409,357
Others	2,914,162	1,559,632	3,096,642	1,377,152
Total	**3,424,104**	**1,569,732**	**3,207,327**	**1,786,509**

The item "Retirement benefit obligations" is made up by provisions to cover the indemnities in case of termination of agency relationships.

The movement of "Others" occurred in the financial year is detailed in the following table:

Description	Opening balance	Charge for the year	Decreases	Closing balance
Provision for sales returns	300,250	158,985	299,500	159,735
Provision for restructuring and risks	2,558,198	1,368,104	2,708,885	1,217,417
Provision for legal disputes	55,714	32,543	88,257	0
Total - Others	**2,914,162**	**1,559,632**	**3,096,642**	**1,377,152**

The "Provision for sales returns" reflects the estimate of the liabilities deriving from the credit notes that the Company shall issue against the return goods for sundry complaints.

The "Provision for restructuring and risks" includes € 1,207,000 for the new mobility provision, to be implemented in the current financial year, recorded in the Income Statement under "Other extraordinary charges". The decrease reflects the conclusion of the extraordinary restructuring started in 2013 for the Bresso and Pieve Emanuele plants and for the shutting-down of the Zola Pedrosa (BO) and Pomezia (RM) Distribution Centres.

With regard to the Borgofranco environmental remediation, the remaining amount set aside at 31 March 2015 is equal to € 10,400.

Staff leaving indemnity (TFR)

The staff leaving indemnity is recognised under liabilities for a total amount of € 3,735,641 (€4,353,537 in the previous financial year).

The break-down and changes in individual items are shown below:

Description	Opening balance	Charge for the year	Utilisation	Transfers to pension funds	Closing balance
Staff leaving indemnity	4,353,537	1,129,668	645,787	1,101,777	3,735,641
Total	**4,353,537**	**1,129,668**	**645,787**	**1,101,777**	**3,735,641**

The transfer to the pension funds took place in compliance with the regulations in force (Law no. 296 of 27 December 2007).

Payables

Payables are recorded under liabilities for a total of € 55,597,704 (€ 52,013,376 in the previous financial year).

Payable are valued at their nominal value.

The break-down of the individual items is shown as follows:

Description	Opening balance	Closing balance	Change
Bank borrowings	10,262	0	-10,262
Trade payables	36,908,004	36,188,503	-719,501
Due to parent companies	0	180,551	180,551
Tax payable	538,195	614,623	76,428
Due to insurance and pension institutes	1,717,911	1,843,724	125,813
Other payables	12,839,004	16,770,303	3,931,299
Total	**52,013,376**	**55,597,704**	**3,584,328**

“Trade payables” are stated net of trade discounts; cash discounts are instead recorded upon payment. The nominal value of these payables has been adjusted, on the occasion of returns or rebates (invoicing adjustments), to the amount set with the counterpart.

The item “Tax payable” within 12 months includes payables to Tax authorities for source withheld taxes.

The item “Other payables” is made up by:

Description	Opening balance	Closing balance	Change
Cash pooling payable – net position:			
- Euro account	0	12,290,369	12,290,369
- USD account	76,142	-2,310,834	-2,386,976
Payables to related concerns	6,337,037	2,386,268	-3,950,769
Payables to employees for vacations accrued, year-end bonus, fourteenth-month pay, bonuses	3,026,863	2,669,946	-356,917
Payables to factoring companies/ collections to be transferred	2,974,650	1,236,223	-1,738,427
Others	329,530	406,716	77,186
Payables towards Statutory Auditors for emoluments	94,782	91,616	-3,166
Total	**12,839,004**	**16,770,303**	**3,931,299**

"Payables to related concerns" are detailed in the Directors' Report.

Payables – break-down by maturity dates

Description	Within 12 months	After 12 months	Total
Bank borrowings	0		0
Trade payables	36,188,503		36,188,503
Due to parent companies	180,551		180,551
Tax payable	614,623		614,623
Due to insurance and pension institutes	1,843,724		1,843,724
Other payables	16,760,367	9,936	16,770,303
Total	**55,587,768**	**9,936**	**55,597,704**

Payables – break-down by geographical area

Description	Italy	Other EU countries	Rest of Europe	Africa and Middle East	Other	Total
Bank borrowings	0					0
Trade payables	24,250,874	6,968,978	246,631	4,328	4,717,693	36,188,503
Due to parent companies					180,551	180,551
Tax payable	614,623					614,623
Due to insurance and pension institutes	1,843,724					1,843,724
Other payables	3,168,278	11,458,885	2,143,141			16,770,303
Total	**29,877,498**	**18,427,862**	**2,389,772**	**4,328**	**4,898,243**	**55,597,704**

Accrued liability and deferred income

There were no accrued expenses and deferred income at 31 March 2015.

Memorandum accounts

Description	Opening balance	Closing balance	Change
Hedging transactions (forward contracts)	16,906,957	17,272,619	365,662
Guarantees issued in favour of third parties (securities)	1,515,360	733,614	-781,746
Metal hedging transactions	12,906,214	7,369,322	-5,536,891
Total	**31,328,531**	**25,375,555**	**-5,952,976**

Securities mainly refer to the Customs Authorities for temporary import.

Information on the fair value of derivative financial instruments

Pursuant to Art. 2427-bis, para. 1, point 1) of the Italian Civil Code, below are provided the fair value and the information on the entity and nature of the outstanding transactions related to the exchange rate risk management:

Underlying Type of transaction	Nominal value in USD	Contract value in €	Fair value	
			Positive	Negative
Unlisted derivatives				
financial derivatives				
forward contracts				
- purchases	21,154,280	19,258,762	601,557	-208,721
Total commitments	**21,154,280**	**19,258,762**		

Underlying Type of transaction	Nominal value in GBP	Contract value in €	Fair value	
			Positive	Negative
Unlisted derivatives				
financial derivatives				
forward contracts				
- sales	-1,046,646	-1,421,950	471	-17,899

Underlying Type of transaction	Nominal value in USD	Contract value in €	Fair value	
			Positive	Negative
Unlisted derivatives				
financial derivatives				
forward contracts				
- sales	-684,293	-564,193	0	-70,784
Total commitments	**-1,730,939**	**-1,986,143**		

The counterpart of the above-mentioned transactions is the company Novelis AG, which is part of the Novelis Group.

Positive and negative differentials related to the forward contracts outstanding at 31 March 2015 and valued as hedging instruments have been recorded respectively in the Balance Sheet under “Due from others” and “Other payables” in the Income Statement under “Exchange gains and losses” (item C17-bis) for a total of € 303,274 (gains).

Below are provided the fair value and the information on the entity and nature of the outstanding transactions related to the management of the metal price risk (Fixed Forward Price).

Tons	Nominal value in USD	Nominal value in Euro	Positive FV	Negative FV	Net FV in USD	Net FV in Euro
4,347	**7,928,654**	**7,369,322**	**34,327**	**-202,277**	**-167,949**	**-156,101**

The counterpart of the above-mentioned transactions is the company Novelis AG.

Income Statement

For the comments on the trend of operating income and expenses, please refer to the Directors' Report.

A) Value of production

Description	Prior period	Current period	Change
Revenues from sales and rendering of services	190,909,980	180,098,638	-10,811,342
Change in inventories	-5,687,928	2,257,198	7,945,126
Other revenues and income	2,078,256	5,284,153	3,205,897
	187,300,308	**187,639,989**	**339,681**

Revenues from sales and rendering of services

Break-down of sales and services by type of activities:

Description	Prior period	Current period	Change
Sale of goods	6,326,541	6,666,294	339,753
Sale of products	177,691,888	170,763,736	-6,928,152
Sale of ancillary materials	275	995	720
Rendering of services	6,891,276	2,667,613	-4,223,663
Total	**190,909,980**	**180,098,638**	**-10,811,342**

Revenues from sales and rendering of services showed a decrease of 6%, mainly related to the reduction in the volumes of sale, particularly in Italy.

Break-down of sales and services by geographical area:

Description	Prior period	Current period	Change
Italy	74,081,942	63,387,113	-10,694,829
Other EU countries	106,309,617	98,780,998	-7,528,618
Rest of Europe	8,622,157	11,969,097	3,346,941
Africa and Middle East	1,137,702	500,925	-636,777
Asia	654,222	838,025	183,803
North America and Canada	104,341	4,622,479	4,518,138
Total	**190,909,980**	**180,098,638**	**-10,811,342**

The intra-group sales are outlined in the Directors' Report.

Other revenues and income

Other revenues and income are recorded under Value of production in the Income Statement for a total of € 5,284,153 (€ 2,078,256 in the previous financial year).

The break-down of the individual items is shown below:

Description	Prior period	Current period	Change
Services to Group companies	1,075,420	4,998,860	3,923,441
Reimbursement of expenses	126,888	97,788	-29,100
Prior-.year over-accruals	405,516	139,293	-266,223
Sundry revenues and income	470,432	48,212	-422,221
Total	**2,078,256**	**5,284,153**	**3,205,897**

Services to Group companies include USD 4 million for Market assistance fees, equal to € 3,759,670, this year acknowledged by Novelis Inc.- US Branch.

B) Production costs

Description	Prior period	Current period	Change
Raw, ancillary and consumable materials	119,156,136	120,694,378	1,538,242
Costs of services	34,770,454	34,639,248	-131,206
Leases and rentals	823,210	747,739	-75,471
Wages and salaries	17,880,575	17,084,482	-796,093
Social security contributions	6,025,891	5,782,855	-243,036
Staff leaving indemnity	1,195,765	1,129,668	-66,097
Other personnel costs	95,456	26,580	-68,876
Amortisation of intangible assets	51,201	48,942	-2,259
Depreciation of property, plant and equipment	6,312,195	6,544,613	232,418
Write-downs of receivables included under current assets	267,306	303,031	35,725
Change in inventories of raw materials	-1,128,206	417,894	1,546,100
Provisions for risks	0	7,176	7,176
Other accruals	11,878	0	-11,878
Other operating expenses	1,349,830	1,416,686	66,856
Total	**186,811,691**	**188,843,292**	**2,031,601**

Raw, ancillary and consumable materials

The item “Raw, ancillary and consumable materials” includes the purchases with the Group companies (Novelis Deutschland GMBH and Novelis Switzerland SA), as reported in the Directors’ Report.

Costs of services

Costs of services are recognised under Production costs in the Income Statement for a total of € 34,639,248 (€ 34,770,454 in the previous financial year).

The break-down of the item is as follows:

Description	Prior period	Current period	Change
Purchases of services	4,112,295	4,617,429	505,134
Transport	4,616,575	4,777,706	161,131
External processes	1,217,204	1,277,528	60,324
Electric power	7,270,898	6,931,833	-339,065
Gas	5,267,234	4,301,400	-965,834
Water	126,308	117,750	-8,558
Maintenance and repair costs	2,868,966	2,601,874	-267,092
Technical counselling and services	103,890	134,124	30,234
Emoluments to Statutory Auditors and Independent Auditors	176,492	145,591	-30,901
Commission expense	501,971	472,245	-29,726
Advertising	31,314	43,068	11,754
Legal expenses and advice	189,390	75,083	-114,307
Tax, administrative and commercial advice	90,082	71,174	-18,908
Telephone expenses	29,632	19,264	-10,368
Insurance	578,195	728,925	150,730
Entertainment expenses	4,559	97	-4,462
Travelling expenses	293,113	378,882	85,769
Refresher and training expenses	84,951	70,089	-14,862
Other	7,207,385	7,875,186	667,801
Total	**34,770,454**	**34,639,248**	**-131,206**

Purchases of services are in line with the previous financial year.
The decreases in “Electric power” and “Gas” reflect the recognition of white certificates for a total of € 850 thousand.

The item “Other” includes the services supplied by the Group companies, as outlined in the Directors’ Report.

Leases and rentals

Leases and rentals are recognised under Production costs for a total of € 747,739 (€ 823,210 in the previous financial year).

The break-down of the individual items is shown below:

Description	Prior period	Current period	Change
Rents and leases	291,903	228,971	-62,932
Leasing	531,307	518,768	-12,539
Total	**823,210**	**747,739**	**-75,471**

Personnel costs

Personnel costs are recognised under Production costs in the Income Statement for a total of € 24,023,586 (€ 25,197,687 in the previous financial year).

This item includes all subordinate employee costs, including merit payments, promotions, cost-of-living increases, cost of untaken holidays and provisions allocated as required by law and collective agreements.

The reduction is affected by the corporate restructuring.

Amortisation and depreciation

Amortisation of intangible assets and depreciation of property, plant and equipment are recorded under Production costs in the Income Statement for a total of € 6,593,555 (€ 6,363,396 in the previous financial year).
As to depreciation, take note that it has been calculated based on the asset's useful life and its use in the production phase.

Other operating expenses

Other operating expenses are recognised under Production costs in the Income Statement for € 1,416,686 (€ 1,349,830 in the previous financial year).

The break-down of the item is shown below:

Description	Prior period	Current period	Change
Stamp duties	2,686	3,172	486
IMU (Municipal property tax)	369,823	370,711	888
Registration tax	8318	2,348	-5,970
Chamber of Commerce dues	6,261	6,201	-60
Losses on receivables	177,922	55,122	-122,800
Prior-year charges and losses	663,667	878,671	215,004
Miscellaneous	121,153	100,461	-20,692
Total	**1,349,830**	**1,416,686**	**66,856**

C) Financial income and charges

Other financial income

Description	Prior period	Current period	Change
Bank and postal interest	99	2	-97
Other income	11,092	3,820	-7272
Total	**11,191**	**3,822**	**-7,369**

The item "Other income" refers to interest on trade receivables.

Interest and other financial charges

Description	On bank borrowings	Sundry	Total
Others	112	2,524,026	2,524,138
Total	**112**	**2,524,026**	**2,524,138**

The item "Others" mainly includes the cash discounts granted to customers in the amount of some € 2.1 million, € 104,898 for interest relating to the cash-pooling payable and € 350,529 for interest and fees related to factoring.

Exchange gains and losses

Below is given the information regarding the break-down of exchange gains and losses deriving from valuation at year-end and those actually realised:

Description	Realised	Unrealised	Total
Exchange gains	2,426,563	335,644	2,762,207
Exchange losses	1,849,471	33,370	1,882,841
Total			**879,366**

E) Extraordinary income and charges

Extraordinary charges

The break-down of the item "Interest and other financial charges" is shown below:

Description	Prior period	Current period	Change
Capital losses from disposals	501	0	-501
Euro unit rounding off difference	4	0	-4
Other extraordinary charges for corporate restructuring	5,587,909	1,393,471	-4,194,438
Total	**5,588,414**	**1,393,471**	**-4,194,943**

Income taxes

This item is broken-down as follows:

Description	Prior period	Current period	Change
Current taxes:	**714,353**	**674,549**	**-39,804**
IRES	0	0	0
IRAP	714,353	674,549	**-39,804**
Deferred taxes (assets)	**0**	**0**	**0**
IRES	0	0	0
IRAP	0	0	0
Total	**714,353**	**674,549**	**-39,804**

Deferred taxation

Deferred tax assets amount to € 3,970,618 and refer to the tax losses emerged in the previous financial years (€ 14,438,612).

Deferred tax liabilities, equal to € 3,787,121 reflect the revaluation of land pursuant to Legislative Decree 185/2008.

Description	Prior period		Current period	
	Temporary differences	Tax effect IRES + IRAP	Temporary differences	Tax effect IRES + IRAP
Net deferred tax assets:				
Deferred tax assets – Tax losses	14,438,612	3,970,618	14,438,612	3,970,618
Deferred tax liabilities – Land revaluation ex Leg. Decree 2008	-12,060,894	-3,787,121	-12,060,894	-3,787,121
Total	**2,377,717**	**183,497**	**2,377,717**	**183,497**

For the sake of providing complete information, below are tabled deferred tax assets and liabilities recognised in the accounts (shown above) and the theoretical deferred tax assets and liabilities (i.e. not recognised in the financial statements) according to the schedule proposed by OIC.

Theoretical deferred tax assets and liabilities and related effects:

Description	Temporary differences at beginning of the year	Decreases	Increases	Temporary differences at end of the year	Theoretical fiscal effect on final temporary differences	
					Ires 27.5%	Irap 3.90%
Deferred tax assets:						
Provisions for risks and charges	2,945,775	-3,442,578	1,873,955	1,377,152	378,717	6,230
Costs fiscally deductible in future financial years	48,752	-24,752	67,000	91,000	25,025	3,549
Provision for doubtful accounts	793,859	-60,049	235,577	969,387	266,581	0
Total deferred tax assets	**3,788,386**	**-3,527,379**	**2,176,533**	**2,437,539**	**670,323**	**9,779**
Deferred tax liabilities:						
Revaluation	12,060,894	0	0	12,060,894	3,316,746	470,375
Total deferred tax liabilities	**12,060,894**	**0**	**0**	**12,060,894**	**3,316,746**	**470,375**
TOTAL NET					**-2,646,423**	**-460,596**
Tax losses carried forward:						
Tax losses available to a limited extent	36,019,887	501,446	3,685,961	40,207,293	11,057,006	0
Tax losses available to a full extent	10,827,009	0	0	10,827,009	2,977,427	0
Total tax losses carried forward	**46,846,896**	**501,446**	**3,685,961**	**51,034,302**	**14,034,433**	**0**
TOTAL DEFERRED TAX ASSETS					**10,927,414**	

Deferred tax assets

Deferred tax assets were not recognised in the amount of € 680,102 (made up of € 670,323 and € 9,779) for prudential reasons.

Deferred tax assets on tax losses

The amount of € 501,446, shown in the column reflecting the decreases in tax losses, represents an adjustment of the same reported in the prior-year Notes to the Financial Statements with respect to the tax losses actually shown in the tax return.

The amount of € 3,685,961, shown in the column reflecting the increases for the year, is made up of the tax loss pertaining to the closing financial year.
Furthermore, with regard to the total tax losses reported in the schedule (€ 51,034,302), it should be noted that:

- deferred tax assets were accounted for on € 14,438,612 (as shown above);
- deferred tax assets were not recognised on the remaining part (€ 36,595,690) for prudential reasons, though they can be carried forward without timing limitation.

Tax charge reconciliation

In order to allow a reconciliation between the tax charge from the accounts and the theoretical tax charge, in accordance with the appropriate accounting principles (OIC document no. 25) below are reported the differences relevant to IRES and IRAP purposes.

RECONCILIATION BETWEEN TAX CHARGE FROM THE ACCOUNTS AND THEORETICAL TAX CHARGE (IRES)			
Pre-tax result (loss)		**-4,237,720**	
Theoretical tax charge (27.5% tax rate)			**0**
Temporary differences:			
- Deductible in subsequent years:			
Charge to the provision for risks and charges	1,841,950		
Charge to the provision for doubtful accounts	231,927		
Other costs	67,000		
		2,140,877	
- Taxable in subsequent years:			
Tot.		0	
Reversal from previous years:			
Release from provision for risks and charges	-3,442,578		
Release from provision for doubtful accounts	-60,049		
Other costs	-24,754		
Tot.		-3,527,381	
Permanent differences:			
- for the year:			
Disallowed costs - Novelis Switzerland	1,648,378		
Telephone expenses	133,599		
Travelling expenses	56,832		
Non-deductible tax and duties	362,626		
Prior-year operating costs	642,756		
Staff indemnity leaving (TFR)	-44,071		
Prior-year taxes	-1,332		
10% Irap deduction	-58,958		
Deductible Irap related to personnel costs	-729,042		
20% recovery related to IMU (*Municipal property tax*)	-72,525		
Tot.		1,938,263	
Gross taxable income (tax loss)		**-3,685,961**	
Carried forward tax losses			
Net taxable income (carried forward tax losses)		**0**	
Current IRES income tax for the year			**0**

RECONCILIATION BETWEEN TAX CHARGE FROM THE ACCOUNTS AND THEORETICAL TAX CHARGE (IRAP)			
Difference between production value and cost		**-1,203,302**	
Costs not relevant to Irap purposes	24,333,791		
Total		**23,130,489**	
Theoretical tax charge (3.9% tax rate)			902,089
Temporary differences:			
- Deductible in subsequent years:			
Charge to the provision for risks and charges	158,985		
Legal and professional fees	67,000		
Other costs	0		
Tot.		225,985	
- Taxable in subsequent years:			
Tot.		0	
Reversal from previous years:			
Release from provision for risks and charges	-299,500		
Release from other provisions	-119,111		
Tot.		-418,611	
Permanent differences:			
- for the year :			
Disallowed costs - Novelis Switzerland	1,648,378		
Losses on receivables	174,233		
IMU (Municipal property tax)	362,626		
Other non-deductible items	1,354,009		
Other decreases	-756,417		
Tot.		2,782,829	
Gross taxable income (tax loss)		**25,720,692**	
Tax wedge	-8,424,553		
Net taxable income		**17,296,139**	
Current IRAP tax for the period			**674,549**

Other information

Remuneration to the Corporate bodies

Below is reported the information concerning the Directors and the Members of the Board of Statutory Auditors, pursuant to Art. 2427, point 16 of the Italian Civil Code:

Description	Prior period	Current period	Change
Board of Statutory Auditors	64,750	64,750	0
Total	**64,750**	**64,750**	**0**

Directors are not entitled to any compensation, since they are all employees of the Novelis Group.

Fees to the auditing firm

Below is reported the information concerning the fees due to the legal auditors, i.e. the auditing firm, pursuant to Art. 2427, point 16-bis of the Italian Civil Code:

Description	Prior period	Current period	Change
Legal audit of the accounts	76,000	76,000	0
Services other than the legal audit	15,000	15,000	0
Total	**91,000**	**91,000**	**0**

Contingent liabilities

With regard to the main tax assessments received during the financial year and the pending litigation relating to direct and indirect taxes, it should be noted the following.

Assessments on the 2005 taxable period

As already outlined in the Notes to the Financial Statements of the previous financial year, in the course of 2013 the Company has been unsuccessful in the appeal – filed by the Revenue Authorities before the Milan Provincial Tax Commission – in relation to the notice of assessment for VAT pertaining to the 2005 taxable period (€ 263,853 plus interest and penalties).

Against this judgment of second instance, the Company filed:

- an appeal to the Court of Cassation;
- an appeal for partial revocation to the Milan Provincial Tax Commission.

The Milan Provincial Tax Commission upheld the appeal for revocation of the judgment of second instance filed by the Company, thereby cancelling the notice of assessment in the amount € 167,804 for taxes (plus any related interest and penalties).
The judgment of the Commission was declared, on the basis of the opinion expressed by an expert, voidable for vices which may be brought before the Court of Cassation.
Consequently, the Company – which in any case is waiting for a hearing before the Court of Cassation – has not set aside any provisions for risks.

Assessments on the 2006 taxable period

In the course of 2013, the Company was notified the appeals which had been filed by the Revenue Authorities before the Milan Provincial Tax Commission against the judgements of first instance – in the favour of the Company – relating to the notices of assessment for the 2006 taxable year concerning the IRES tax (adjustment of carried-forward losses for € 7,167,449), IRAP tax (€ 322,253), VAT (€ 2,029,476).
The Company thus appeared before the judge by presenting its counter-deductions to the Milan Provincial Tax Commission, which fixed the hearing for February 2014. The judgment of second instance, in the favour of the Company, became final on 6 January 2015.

Assessments on the 2007 taxable period

A notice of assessment for the 2007 taxable year was served in relation to the IRES tax (€ 841,043), IRAP tax (€ 108,626), VAT (€ 509,722), withholdings on interest (€ 17,825), as well as penalties and interest for € 2,440,370.
With regard to this assessment, the Company filed an appeal to the Milan Provincial Tax Commission, which was upheld in full.

Against this favourable judgement, the Revenue Authorities appealed to the Milan Provincial Tax Commission. The Company thus appeared before the judge by presenting its counter-deductions to the Milan Provincial Tax Commission on 11 April 2014.
The judgement of second instance, unfavourable to the Company, was challenged before the Court of Cassation. The hearing date is awaited.

With regard to these proceedings, the Company has not set aside any provisions since there are valid defensive arguments.

However, on 22 April 2015, the Company received a notice from Equitalia (Italian State owned tax collection agency) requiring a payment of € 2,227,601. The Company will file an appeal to suspend the collection, while waiting for the hearing before the Court of Cassation.

Tax inspection for the 2011 and 2012 taxable periods

On 19 December 2014 an Ascertainment Report was notified upon the conclusion of the tax inspection started on 29 May 2014. The tax inspection was mainly focused on intra-group transactions (transfer pricing).
For both years under assessment, since the national documentation on intra-group transactions, which had been submitted by the Company, was deemed appropriate by the inspectors, no penalties should be applied with reference to the disallowed items related to these transactions.
On 15 April 2015 the Company filed an appeal to find a possible settlement of the Ascertainment Report (which would result in a reduction to one-third of the penalties).

According to the Company, there are no grounds to set aside any provisions in relation to the above dispute.

For the sake of completing the section “Other information” of these Notes to the Financial Statements, the following should be specified:

Cash flow statement

The Cash flow statement has been prepared on the basis of the provisions set forth in the new principle OIC n. 10. The reclassification of the statement pertaining to the previous financial year is also provide

CASH FLOW STATEMENT	Current period	Prior period
A. CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Income (loss) for the year	-4,912,271	-8,578,800
Income taxes	674,549	714,353
Interest expense/(interest income)	453,214	319,024
(Capital gains)/capital losses from disposals of assets	0	0
1. Income / (loss) for the year before income taxes, interest, dividends and capital gains and losses	*-3,784,508*	*-7,545,423*
Adjustments for non-monetary items, which do not have counterpart in net working capital		
Charge to the provisions for risks and charges	1,597,623	5,796,386
Amortisation/depreciation	6,593,555	6,363,396
2. Cash flows before changes in net working capital	*4,406,671*	*4,614,359*
Changes in net working capital		
Decrease/(increase) in inventories	-1,839,304	4,559,723
Decrease/(increase) in trade receivables	1,824,324	22,894,989
Increase/(decrease) in trade payables	-719,501	8,943,849
Decrease/(increase) in accrued income and prepaid expenses	148,380	-15,771
Other changes in net working capital	-8,285,096	-5,350,143
3. Cash flows after changes in net working capital	*-4,464,526*	*35,647,005*
Other adjustments		
Interest received/(paid)	-453,214	-319,024
Income taxes (paid)/cashed	-846,000	-614,539
Utilisation of provisions	-3,853,114	-4,111,358
Cash flows from (used in) operating activities (A)	**-9,616,855**	**30,602,084**
B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Increase/(decrease) in trade payables for property, plant and equipment	-4,027,993	-6,053,756
Changes in trade payables for intangible assets	-88,400	-77,722
Disposals of property, plant and equipment and intangible assets		60,842
Change in non-current receivables	772	-169,559
Cash flows from (used in) investing activities (B)	**-4,115,621**	**-6,240,195**
C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Changes in financial activities with third parties		
Increase/(decrease) in bank borrowings within 12 months	-10,262	-355,917
Changes in financial activities with group companies		
Change in cash pooling position towards NOVELIS AG	13,757,370	-34,119,815
Own funds		
Amounts paid-in for future capital increase	0	10,000,000
Cash flows from (used in) financing activities (C)	**13,747,108**	**-24,475,732**
Net cash flows for the period (A+B+C)	**14,632**	**-113,844**
Cash and cash equivalents at the beginning of the year	15,691	129,535
Cash and cash equivalents at the end of the year	30,323	15,691
Increase (decrease) in cash and cash equivalents	**14,632**	**-113,844**

These Financial Statements, comprising the Balance Sheet, the Income Statement and the Notes to the Financial Statements, give a true and fair view of the financial position and results of operations for the year ended 31 March 2014, and are in agreement with the accounting records.

Steven Kenneth Clarke
Member of the Board of Directors
Bresso, 13 May 2015