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Independent Auditor's Report

To the Management of Novelis South America Holdings LLC:

We have audited the accompanying financial statements of Novelis South America Holdings LLC (parent company alone), which comprise the balance sheet as of March 31, 2015 and the related statements of operations, of comprehensive income, of shareholder's equity and of cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of Chapter IX of the India Companies Act, 2013 as further described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Novelis South America Holdings LLC in accordance with the financial reporting provisions of Chapter IX of the India Companies Act, 2013, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the India Companies Act, 2013.

The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Novelis South America Holdings LLC (parent company alone) as of March 31, 2015, or the results of its operations or its cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Novelis South America Holdings LLC (parent company alone) as of March 31, 2015, and the results of its operations and its cash flows the year then ended in accordance with the financial reporting provisions of Chapter IX of the India Companies Act, 2013 as further described in Note 1.

Other Matter

The accompanying balance sheet of Novelis South America Holdings LLC (parent company alone) as of March 31, 2014, and related statements of operations, of comprehensive income, of shareholder's equity and of cash flows for the year then ended were not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on them.

PricewaterhouseCoopers LLP

Atlanta, Georgia
June 17, 2015

Novelis South America Holdings LLC
BALANCE SHEET
(In thousands, except number of shares)

	March 31,	
	2015	**2014 (Unaudited)**
ASSETS		
Investment in subsidiary	$ 1	$ 1
Total assets	$ 1	$ 1
LIABILITIES AND SHAREHOLDER'S EQUITY		
Total liabilities	$ -	$ -
Shareholder's equity		
Common stock, no par value; one share authorized; 1 share issued and outstanding as of March 31, 2015 and 2014	-	-
Additional paid–in capital	1	1
Total shareholder's equity	1	1
Total liabilities and shareholder's equity	$ 1	$ 1

See accompanying notes to the financial statements.

Novelis South America Holdings LLC
STATEMENT OF OPERATIONS
(In thousands)

	Year Ended March 31,	
	2015	**2014 (Unaudited)**
Income before income taxes	$ -	$ -
Income tax provision	-	-
Net income	$ -	$ -

See accompanying notes to the financial statements

Novelis South America Holdings LLC
STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year Ended March 31,	
	2015	**2014 (Unaudited)**
Net income	$ -	$ -
Comprehensive income	$ -	$ -

See accompanying notes to the financial statements.

Novelis South America Holdings LLC
STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended March 31,	
	2015	**2014 (Unaudited)**
OPERATING ACTIVITIES		
Net income	$ -	$ -
Net cash provided by operating activities	-	-
INVESTING ACTIVITIES		
Net cash provided by investing activities	-	-
FINANCING ACTIVITIES		
Net cash provided by financing activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents — beginning of period	-	-
Cash and cash equivalents — end of period	$ -	$ -

See accompanying notes to the financial statements

Novelis South America Holdings LLC
STATEMENT OF SHAREHOLDER'S EQUITY
(In thousands, except number of shares)

	Common Shares		Additional Paid-in Capital	Total Equity
	Shares	**Amount**		
Balance as of March 31, 2013 (Unaudited)	**1**	**$ -**	**$ 1**	**$ 1**
Net income	-	-	-	-
Balance as of March 31, 2014 (Unaudited)	1	-	1	1
Net income	-	-	-	-
Balance as of March 31, 2015	**1**	**$ -**	**$ 1**	**$ 1**

See accompanying notes to the financial statements

Novelis South America Holdings LLC
NOTES TO THE FINANCIAL STATEMENTS

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

References herein to the "Company," "we," "our," or "us" refer to Novelis South America Holdings LLC unless the context specifically indicates otherwise.

Organization of Business

Novelis South America Holdings LLC was formed in the United States of America on June 9, 2006. All of Novelis South America Holdings LLC common shares are directly held by Novelis Inc. (Canada). The Company's functional and reporting currency is United States Dollar (USD).

Use of Estimates and Assumptions

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Basis of Presentation

These financial statements have been prepared solely to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, to present separate audited subsidiary financial statements in accordance with Sections 136 and 137 of the Companies Act, 2013 in India (2013 Act). The results of the Company's separate financial statements are also included in the consolidated financial statements of our direct parent, Novelis Inc., and of our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly-owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The 2013 Act as interpreted, calls for separate financial statements to be presented. Accordingly, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. Investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our operations that could potentially affect our financial position, results of operations, and cash flows.

Investment in Subsidiary

For purposes of these standalone financial statements, we account for our investment in subsidiary using the cost method. See Note 2 — Investment in Subsidiary for further discussion.

Guarantees of Indebtedness

On December 17, 2010, Novelis Inc. issued $1.1 billion in aggregate principal amount of 8.375% Senior Notes Due 2017 (the 2017 Notes) and $1.4 billion in aggregate principal amount of 8.75% Senior Notes Due 2020 (the 2020 Notes, and together with the 2017 Notes, the Notes). We have issued guarantees on behalf of Novelis Inc.'s (the Parent and Issuer) 2017 Notes and 2020 Notes. This guarantee is full and unconditional as well as joint and several. As of March 31, 2015, no contingent loss has been recorded related to the guarantee of debt.

The Notes contain customary covenants and events of default that will limit Novelis Inc.'s ability and, in certain instances, the ability of certain of Novelis Inc.'s subsidiaries to (1) incur additional debt and provide additional guarantees, (2) pay dividends or return capital beyond certain amounts and make other restricted payments, (3) create or permit certain liens, (4) make certain asset sales, (5) use the proceeds from the sales of assets and subsidiary stock, (6) create or permit restrictions on the ability of certain of Novelis Inc.'s subsidiaries to pay dividends or make other distributions to Novelis Inc., (7) engage in certain transactions with affiliates, (8) enter into sale and leaseback transactions, (9) designate Novelis Inc.'s subsidiaries as unrestricted subsidiaries and (10) consolidate, merge or transfer all or substantially all of Novelis Inc.'s assets and the assets of certain of Novelis Inc.'s subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Notes and no default or event of default under the Indenture has occurred and is continuing, most of the covenants will be suspended. The Notes include a cross-acceleration event of default triggered if (1) any other indebtedness with an aggregate principal amount of more than $100 million is accelerated prior to its maturity or (2) not repaid at its maturity. As of March 31, 2015, Novelis Inc. was in compliance with the covenants in the Notes.

As of March 31, 2015, Novelis Inc. has outstanding senior secured credit facilities, which consist of (1) a $1.7 billion four-year secured term loan credit facility (Term Loan Facility) and (2) a $1.2 billion five-year asset based loan facility (ABL Revolver) which has a provision that allows the facility to be increased by an additional $500 million. The Term Loan Facility interest rate is equal to LIBOR (with a floor of 1%) plus a spread of 2.75%, at all times. We have issued guarantees on behalf of Novelis Inc.'s Term Loan Facility and ABL Revolver. As of March 31, 2015, no contingent loss has been recorded related to the guarantee of debt.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The senior secured credit facilities contain various affirmative covenants, including covenants with respect to consolidated Novelis Inc. financial statements, litigation and other reporting requirements, insurance, payment of taxes, employee benefits and (subject to certain limitations) causing Novelis Inc.'s subsidiaries to pledge collateral and guaranty Novelis Inc.'s obligations. The senior secured credit facilities also include various customary negative covenants and events of default, including limitations on Novelis Inc.'s ability to (1) make certain restricted payments, (2) incur additional indebtedness, (3) sell certain assets, (4) enter into sale and leaseback transactions, (5) make investments, loans and advances, (6) pay dividends or returns of capital and distributions beyond certain amounts, (7) engage in mergers, amalgamations or consolidations, (8) engage in certain transactions with affiliates, and (9) prepay certain indebtedness. The senior secured credit facilities include a cross-default provision under which lenders could accelerate repayment of the loans if a payment or non-payment default arises under any other indebtedness with an aggregate principal amount of more than $100 million (or, in the case of the Term Loan Facility, under the ABL Revolver regardless of the amount outstanding). Substantially all of consolidated Novelis Inc.'s assets are pledged as collateral under the senior secured credit facilities. As of March 31, 2015, Novelis Inc. was in compliance with the covenants in the Term Loan Facility and ABL Revolver.

In June 2015, Novelis Inc. amended its Term Loan Facility to increase the principal to $1.8 billion and extend the final maturity to June 2, 2022; provided that, in the event that any series of Novelis Inc.'s senior unsecured notes remain outstanding 92 days prior to its maturity date, then the Term Loan Facility will mature on such date, subject to limited exceptions. The amended Term Loan Facility accrues interest at the higher of LIBOR and 0.75% plus a 3.25% spread. We have issued guarantees on behalf of Novelis Inc. on the new amended Term Loan Facility.

In addition, in June 2015, Novelis Inc. entered into a new $200 million Junior Lien Revolver, which matures in September 2016. The Junior Lien Revolver accrues interest at LIBOR plus a spread of 3.25% to 3.50%, as specified in the agreement. We have issued guarantees on behalf of Novelis Inc. on the Junior Lien Revolver.

2. INVESTMENT IN SUBSIDIARY

The following table summarizes the ownership percentage of our subsidiary in which we have an investment as of March 31, 2015 and March 31, 2014 (in thousands) using the cost method.

	March 31,		Participation
	2015	2014 (Unaudited)	
Shareholdings - Common Stock			
Aluminum Upstream Holdings, LLC (Delaware)	$ 1	$ 1	100.0%