## DIRECTORS AND OTHER INFORMATION

### Board of Directors at 13 May 2015

| | |
|---|---|
| Fortunato Llamido Lucido | (American) |
| Eric Tonkowski | (German) |
| Jeremy Quick | (British) |

### Secretary

Goodbody Secretarial Limited
25/28 North Wall Quay
IFSC
Dublin 1

### Registered Office

Novelis Aluminium Holding Company
c/o Goodbody Secretarial Limited
25/28 North Wall Quay
IFSC
Dublin 1

**Registered Number: 316911**

### Solicitor

A & L Goodbody Solicitors
25/28 North Wall Quay
IFSC
Dublin 1

### Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

## DIRECTORS' REPORT - continued

The directors submit their report together with the audited financial statements for the year ended 31 March 2015.

**Statement of directors' responsibilities**
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Books of account**
The measures taken by directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Hannoversche Str. 1, 37075 Göttingen, Germany.

**Principal activity and review of the business**
The principal activity of the company is that of an investment company. The company owns 100% share capital of Novelis Deutschland GmbH, a significant German industrial company. The company is expected to continue its current activities going forward.

Details of its subsidiary undertakings are disclosed in Note 16.

**Post year end events**
No events of note have taken place since the end of the financial year.

| **Loss for the financial period** | € |
|---|---|
| The loss for the financial year amounted to: | 145,565,463 |

The results for current fiscal year are driven by the losses of the 100% subsidiary Novelis Deutschland GmbH. The reason for these losses were mainly due to higher interest expenses for pensions and higher metal costs. In addition, the result for Novelis Deutschland GmbH was negatively impacted by a loss transfer from its 100% subsidiary Sheet Ingot GmbH which did not meet their expected production volume and quality levels during their production startup period. The guaranteed quality could only be met by using superior input material leading to extra costs being recharged by their only customer MetalCo AG.

The directors do not propose the payment of a dividend.

## DIRECTORS' REPORT - continued

### Political contributions
There were no political contributions which require disclosure under the Electoral Act, 1997.

### Future plans and developments
For the coming fiscal year the results from Novelis Deutschland GmbH are expected to improve significantly again, as shipments are expected to increase and due to expected higher utilization of the main production site. In addition, there is a project ongoing at Sheet Ingot GmbH, involving global experts from Novelis Europe AG, Zurich, to help alleviate the startup issues at the Sheet Ingot GmbH and to improve their processes of scrap recycling, quantity and quality.

### Principal risks and uncertainties
The risks of the company are closely aligned with those of its subsidiary, Novelis Deutschland GmbH, from which it derives its main operating results.
The risks of Novelis Deutschland GmbH primarily result from the procurement markets' trends, foreign currency fluctuations and specific customer risks. Increases in raw material price should be passed onto customers via the sales prices of our products. Startup issues for the Sheet Ingot GmbH in the process from scrap recycling to the finished ingot must be reduced, including increasing the proportion of scrap being used as an input material.

### Directors
The names of the persons who were directors at any time during the year ended 31 March 2015 are set out below. Except where indicated, they served for the entire year.

| | | |
|---|---|---|
| Fortunato Llamido Lucido | (American) | |
| Eric Tonkowski | (German) | |
| Kristin Sperling | (German) | (resigned 26 May 2014) |
| Jeremy Quick | (British) | (appointed 26 May 2014) |

### Auditors
The auditors, PricewaterhouseCoopers, are willing to be re-appointed in accordance with Section 160(2) of the Companies Act, 1963.

### Directors' and secretary's interests
The directors and secretary in office at 31 March 2015 had no beneficial interests, including family interests, in the share capital of Novelis Europe Holding Limited, Novelis Aluminium Holding Company or any group undertaking at 31 March 2014 and at 31 March 2015.

No director or secretary had at any time during the year a material interest in any contract of significance in relation to the company business.

Fortunato Llamido Lucido
Director

Eric Tonkowski
Director

13 May 2015
Date of board meeting

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NOVELIS ALUMINIUM HOLDING COMPANY

We have audited the financial statements of Novelis Aluminium Holding Company for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Recognised Gains and Losses, accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

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Chartered Accountants

pwc

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NOVELIS ALUMINIUM HOLDING COMPANY - continued**

**Matters on which we are required to report by the Companies Acts 1963 to 2013**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- The net assets of the Company, as stated in the Balance Sheet, are more than half of the amount of its called-up capital and, in our opinion, on that basis there did not exist at 31 March 2015 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 requires the convening of an extraordinary general meeting of the company.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

**Brian Neilan**
**PricewaterhouseCoopers**
**Chartered Accountants and Statutory Audit Firm**
**Dublin**

**13 May 2015**

## ACCOUNTING POLICIES - continued

The significant accounting policies adopted by the company are as follows:

**Basis of preparation**
The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are issued by the Financial Reporting Council and those promulgated by the Institute of Chartered Accountants in Ireland.

The directors of Novelis Aluminium Holding Company, having made appropriate enquiries, consider that adequate resources exist to continue in operational existence in the foreseeable future and, therefore, consider it appropriate to adopt the going concern basis for the year ended 31 March 2015.

The financial statements contain information about Novelis Aluminium Holding Company as an individual company and do not contain consolidated financial information as the parent of a group. The company has availed itself of the exemption from the obligation to prepare group financial statements contained in Regulation 9A of the European Communities (Companies: Group Accounts) Regulations, 1992.

The ultimate parent undertaking and controlling party of Novelis Aluminium Holding Company, which is the parent undertaking of the largest group to prepare consolidated financial statements, is Hindalco Industries Ltd, a company incorporated in India. The company is also consolidated into the financial statements of Novelis Inc. (smallest group). Copies of group financial statements for Hindalco Industries Ltd. can be obtained from the Company Secretary, Century Bhavan, Worli, Mumbai 400 030, India.

**Historical cost convention**
The financial statements are prepared under the historical cost convention.

**Reporting currency**
The accounts are prepared in Euro (€).

**Tangible assets**
Tangible assets are stated at cost less depreciation. Depreciation is calculated to write off their cost over their useful lives.

The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows:

| | |
|---|---|
| Office equipment | 5-10 years |
| Software | 3 years |

The company does not adopt a policy of revaluing tangible assets.

**Financial assets**
Financial assets are recorded at cost less provision for impairment in value, if any. Income from financial assets relates to profits from the German subsidiary, which are recognised as the Company becomes entitled to them under the profit and loss transfer agreement.

**Foreign currencies**
Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

## ACCOUNTING POLICIES - continued

### Taxation

German corporate tax, trade tax and surcharge tax are provided based on the results for the year.

In accordance with Financial Reporting Standard No. 19 "Deferred Tax", except where otherwise required by accounting standards, full provision is made for all timing differences which have arisen but not reversed at the balance sheet date. Provision is made at the rates of taxation expected to prevail at the time of reversal. A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually by the directors.

### Retirement benefits

The pension entitlements of past and current employees of the company arise under a defined benefit pension scheme. The company pays these benefits out of current income as they fall due. Scheme liabilities are measured using the entry-age normal method and actuarial assumptions that give an estimate of future cash flows that will arise under the scheme liabilities. These cash flows are discounted at the iBoxx-rate of 3.6%. The current service cost and any past service cost are charged to the profit and loss account within staff expenses.

The assumptions underlying the liabilities and pension cost are set out in note 13 to the financial statements.

### Dividends

Dividends on equity shares are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the company. Interim dividends declared by the directors are recognised when paid.

**PROFIT AND LOSS ACCOUNT**
**For the year ended 31 March 2015**

| | Notes | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|---|
| Administrative expenses | 1 | (1,548,626) | (1,304,750) |
| Other operating expenses | | (124,381) | (240,979) |
| Other operating (loss)/income | 2 | (123,644,892) | 101,952,089 |
| **Operating profit** | 3 | (125,317,899) | 100,406,360 |
| Interest income | 4 | 6,026,697 | 853,363 |
| Interest expense | 5 | (43,463,604) | (43,336,000) |
| **(Loss)/Profit on ordinary activities before taxation** | | (162,754,806) | 57,923,723 |
| **Taxation** | 6 | 17,189,343 | (23,807,921) |
| **(Loss)/Profit on ordinary activities for the period** | | (145,565,463) | 34,115,802 |

(Loss)/Profit before taxation arose solely from continuing operations.

There is no difference between the (loss)/profit on ordinary activities for the period above, and their historical cost equivalents.

The notes on pages 12 to 21 form part of these financial statements.

**On behalf of the Board**

Fortunato Llamido Lucido
Director

Eric Tonkowski
Director

## STATEMENT OF RECOGNISED GAINS AND LOSSES

| | Notes | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|---|
| (Loss)/Profit for the year | | (145,565,463) | 34,115,802 |
| Actuarial loss in respect of pension scheme | 13 | (1,681,470) | (652,000) |
| Deferred tax on actuarial loss | 13 | 506,451 | 196,640 |
| **Total recognised gains and losses** | 15 | (146,740,482) | 33,660,442 |

## BALANCE SHEET
**31 March 2015**

| | Notes | 31 March 2015 € | 31 March 2014 € |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 7 | 2,094 | 10,332 |
| Financial assets | 8 | 711,540,449 | 711,540,449 |
| | | 711,542,543 | 711,550,781 |
| **Current assets** | | | |
| Debtors and prepayments | 9 | 189,722,773 | 210,833,049 |
| Cash at bank and in hand | | - | - |
| Deferred tax asset | 10 | 23,455,319 | 2,798,712 |
| | | 213,178,092 | 213,631,761 |
| **Creditors** - amounts falling due within one year | 11 | (151,417,808) | (10,928,295) |
| **Net current assets** | | 61,760,284 | 202,703,466 |
| **Total assets less current liabilities** | | 773,302,827 | 914,254,247 |
| **Creditors** - amounts falling due after more than one year | 12 | (558,582,957) | (554,010,270) |
| **Pension liability** | 13 | (5,883,119) | (4,666,744) |
| **Net assets** | | 208,836,751 | 355,577,233 |
| **Shareholders' funds** | | | |
| Called up share capital | 14 | 3,000,000 | 3,000,000 |
| Profit and loss account | | 205,836,751 | 352,577,233 |
| | 15 | 208,836,751 | 355,577,233 |

The notes on pages 12 to 21 form part of these financial statements.

**On behalf of the Board**

Fortunato Llamido Lucido
Director

Eric Tonkowski
Director

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 1 Administrative expenses

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| Wages and salaries | 736,165 | 648,014 |
| Social welfare costs | 147,580 | 22,791 |
| Other pension costs | 222,332 | 247,310 |
| Staff costs | 1,106,077 | 918,115 |
| Other administrative expenses | 442,549 | 386,635 |
| | 1,548,626 | 1,304,750 |

Average number of persons employed by the company during the year was 9 (31 March 2014: 9).

Novelis Aluminium Holding Company participates in the Novelis Inc. stock appreciations rights (SARs). The details, assumptions and calculation method are disclosed in the Novelis Inc. group financial statements. Copies of the financial statements of Novelis Inc. can be obtained from the Company Secretary, Two Alliance Center, 3560 Lenox Road, Suite 2000, Atlanta, GA 30326, USA.

### 2 Other operating income

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| (Loss)/Income from financial assets (Note 8) | (125,086,107) | 100,309,732 |
| Service fee income | 1,440,414 | 1,644,000 |
| Other income/(expense) | 801 | (1,643) |
| | (123,644,892) | 101,952,089 |

### 3 Operating profit

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| Operating profit is stated after charging: | | |
| Depreciation | 8,238 | 3,589 |
| Auditors' remuneration (for services as auditor) | 38,632 | 40,016 |

### 4 Interest income

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| On group receivable | 6,026,697 | 853,363 |
| | 6,026,697 | 853,363 |

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 5 Interest expense

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| On group loans | 43,080,466 | 43,080,256 |
| Interest paid and accrued on taxation | 383,138 | 255,744 |
| | 43,463,604 | 43,336,000 |

The group loans are falling due on 31 March 2019.

### 6 Tax on profit on ordinary activities

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| **(a) Analysis of charge in year** | | |
| **Current tax:** | | |
| Irish corporation tax | - | - |
| German Income Tax on (loss)/profit for the period | 3,437,438 | 25,755,998 |
| | 3,437,438 | 25,755,998 |
| **Deferred tax:** | | |
| Origination and reversal of timing differences | (20,626,781) | (1,948,077) |
| | (20,626,781) | (1,948,077) |
| **Tax (credit)/charge for the year:** | (17,189,343) | 23,807,921 |

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| The deferred tax credit arises from: | | |
| Pension | 30,296 | 15,047 |
| Other | (20,657,077) | (1,963,124) |
| | (20,626,781) | (1,948,077) |

Novelis Aluminium Holding Co., Novelis Deutschland GmbH and the Sheet Ingot GmbH established a German fiscal unity. The stated German income tax is the tax of the fiscal unity.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### (b) Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of tax in the Republic of Ireland. The differences are explained below:

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| (Loss)/Profit on ordinary activities before tax | (162,754,807) | 57,923,723 |
| | (162,754,807) | 57,923,723 |
| (Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2014: 12.5%) | (20,344,351) | 7,240,465 |
| Effects of: | | |
| Income not subject to Irish taxation | 20,344,351 | (7,240,465) |
| Profit subject to German taxation | 3,437,438 | 25,755,998 |
| Current tax charge for the period | 3,437,438 | 25,755,998 |

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 7 Tangible assets

| | Total € |
|---|---|
| **Cost or valuation** | |
| At 1 April 2014 | 134,663 |
| At 31 March 2015 | 134,663 |
| **Accumulated depreciation** | |
| At 1 April 2014 | 124,331 |
| Charge for the period | 8,238 |
| At 31 March 2015 | 132,569 |
| **Net book amount** | |
| At 31 March 2014 | 10,332 |
| At 31 March 2015 | 2,094 |

The tangible assets are completely related to office equipment.

### 8 Financial assets

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Balance at 1 April | 711,540,449 | 711,540,449 |
| Balance at 31 March | 711,540,449 | 711,540,449 |
| Novelis Deutschland GmbH | 711,540,449 | 711,540,449 |

For further information in relation to financial asset investment see disclosures in note 16.

In 2012, the company has entered into a profit and loss transfer agreement ("Ergebnisabführungsvertrag") with Novelis Deutschland GmbH, under which all profits or losses of Novelis Deutschland GmbH are transferred to the company at the end of each financial year. The loss absorbed under this agreement for the year ended 31 March 2015 was € 125,086,107 (31 March 2014: profit of € 100,309,732).

### 9 Debtors and prepayments

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Amounts owed by group companies | 152,674,848 | 194,455,266 |
| Corporation tax receivable | 11,690,881 | 6,680,854 |
| Trade tax receivable | 10,343,815 | 4,803,407 |
| Prepaid expenses | 10,879 | 5,440 |
| Other debtors | 15,002,350 | 4,888,082 |
| | 189,722,773 | 210,833,049 |

Included in other debtors are amounts receivable in respect of VAT of € 14,799,738 (31 March 2014: € 4,888,082).

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 10 Deferred tax asset

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Property and equipment | (297) | 2,693 |
| Other | (23,455,022) | (2,801,405) |
| | (23,455,319) | (2,798,712) |

The deferred tax asset on pension is recorded in the pension line of the balance sheet (Note 13).

Included in other deferred tax asset are amounts for loss carry forward of € 23,537,297.

**Movement in deferred taxes**

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Deferred tax asset at 1 April | (2,798,712) | (835,588) |
| Charge to profit and loss account | (20,656,607) | (1,963,124) |
| Deferred tax asset at 31 March | (23,455,319) | (2,798,712) |

### 11 Creditors – amounts falling due within one year

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Amounts owed to subsidiary undertakings | 145,841,230 | 4,774,073 |
| Accruals | 264,589 | 311,692 |
| Trade creditors | 146,612 | 14,530 |
| Trade tax on income | 2,404,962 | 2,918,188 |
| Corporation tax | 2,606,332 | 2,764,582 |
| Other creditors | 154,083 | 145,230 |
| | 151,417,808 | 10,928,295 |

### 12 Creditors – amounts falling due after more than one year

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Amounts owed to group companies | 531,126,400 | 531,126,400 |
| Other creditors | 27,456,557 | 22,883,870 |
| | 558,582,957 | 554,010,270 |

Included in other creditors are amounts payable in respect of tax of €27,443,885 (31 March 2014: €22,871,296).

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 13 Retirement benefits

The company operates a defined benefit pension scheme with assets held in a separately administered fund. Pension liabilities are met out of the company's total resources. The contributions are determined by a qualified actuary on the basis of annual valuations using the projected unit credit method. The most recent valuation for funding purposes was carried out by a qualified independent actuary as at 31 March 2015 and is available for inspection by the scheme members but not for public inspection. The company has entered into reinsurance contracts to fund part of their pension liabilities. The value of these contracts at 31 March 2015 was € 1,550,716 (31 March 2014: €1,506,089).

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| **The amounts recognised in the balance sheet are as follows:** | | |
| Present value of scheme liabilities | (8,684,266) | (6,945,559) |
| Fair value of scheme assets | 1,550,716 | 1,506,089 |
| **Pension liability** | (7,133,550) | (5,439,470) |
| Related deferred tax asset | 1,250,431 | 772,726 |
| **Net pension liability** | (5,883,119) | (4,666,744) |
| **The amounts recognised in the profit and loss account are as follows:** | | |
| Interest cost | 218,593 | 222,072 |
| Expected return an scheme assets | (53,593) | (53,826) |
| Current service cost | 26,942 | 11,000 |
| | 191,942 | 179,246 |
| **The amounts recognised in the statement of total recognised gain & losses are as follows:** | | |
| Experience gains/(losses) on liabilities | 10,000 | (318,000) |
| Change in assumptions underlying the present value of scheme liabilities | (1,691,470) | (334,000) |
| Actuarial losses recognised in statement of total recognised gains and losses | (1,681,470) | (652,000) |
| Related deferred tax | 506,451 | 196,640 |
| | (1,175,019) | (455,360) |

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 March 2015 is €3,279,025 (31 March 2014: loss of €1,597,555). The related deferred tax asset is €987,703 (31 March 2014: asset of €481,252).

## NOTES TO THE FINANCIAL STATEMENTS - continued

### Movement in scheme assets and liabilities:

| | Scheme assets | Scheme liabilities | Pension liability |
|---|---|---|---|
| | € | € | € |
| **At 1 April 2014** | **1,506,089** | **(6,945,559)** | **(5,439,470)** |
| Transfer in / (out) | - | - | - |
| Current Service Cost | - | (26,942) | (26,942) |
| Interest on scheme liability | - | (218,593) | (218,593) |
| Expected return on scheme assets | 71,925 | - | 71,925 |
| Experience losses on liabilities | - | 10,000 | 10,000 |
| Change in assumptions | - | (1,691,470) | (1,691,470) |
| Benefits paid | (27,298) | 188,298 | 161,000 |
| Employer Contributions paid | - | - | - |
| **At 31 March 2015** | **1,550,716** | **(8,684,266)** | **(7,133,550)** |

| History of experience gains and losses | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Change in assumptions | (1,691,470) | (334,000) |
| | (19.5%) | (4.8%) |
| Charge to profit and loss account | 10,000 | (318,000) |
| | 0.1% | (4.6%) |
| **Scheme liabilities** | **(8,684,266)** | **(6,945,559)** |

### Company Contribution:

The company is expected to contribute circa € 257,000 to the scheme over the coming year, in line with the funding proposal.

### Amounts for the current and previous two periods:

| | 31 March 2015 € | 31 March 2014 € | 31 March 2013 € |
|---|---|---|---|
| Scheme`s liabilities | (8,684,266) | (6,945,559) | (6,281,524) |
| Scheme`s assets | 1,550,716 | 1,506,089 | 1,515,524 |
| Surplus/ (deficit) | (7,133,550) | (5,439,470) | (4,766,000) |
| Experience adjustment on liabilities | 10,000 | (318,000) | (13,000) |
| % of liabilities | 0,12% | 4,58% | 0,21% |
| Experience adjustment on assets | 0 | 0 | 0 |
| % of liabilities | - | - | - |

## NOTES TO THE FINANCIAL STATEMENTS - continued

| The principal actuarial assumptions at the balance sheet date: | 31 March 2015 % | 31 March 2014 % |
|---|---|---|
| Discount rate at 31 March | 1.40 | 3.10 |
| Future salary increases | 2.75 | 2.75 |
| Future pension increases | 2.00 | 2.00 |
| Future inflation rate | 2.00 | 2.00 |

Assumptions regarding future mortality are set based on advice from published statistics and experience. The average life expectancy in years for pensioner retiring aged 65 is as follow:

| | 31 March 2015 Years | 31 March 2014 Years |
|---|---|---|
| Male | 19,0 | 19,4 |
| Female | 23,1 | 23,4 |

### 14 Share capital

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| **Authorised:** | | |
| 889,947,424 ordinary shares of €0.2362605946 each | 210,259,508 | 210,259,508 |
| **Issued and fully paid:** | | |
| 647,590,007 ordinary shares of €0.0046325607 each | 3,000,000 | 3,000,000 |

### 15 Reconciliation of movements in shareholders' funds

| | 31 March 2015 € | 31 March 2014 € |
|---|---|---|
| Equity shareholders funds at 1 April | 355,577,233 | 321,916,791 |
| Profit for the year | (145,565,463) | 34,115,802 |
| Other recognised gains and losses relating to the year | (1,175,019) | (455,360) |
| Net increase in shareholders' funds | (146,740,482) | 33,660,442 |
| Reduction in share capital | - | - |
| Equity shareholders' funds at 31 March | 208,836,751 | 355,577,233 |

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 16 Subsidiaries

| Name | Principal activity | Group share | Registered office | Loss | Shareholder funds |
|---|---|---|---|---|---|
| | | | | €'000 | €'000 |
| Novelis Deutschland GmbH | Aluminium and packaging trading company | 100% | Göttingen, Germany | 125,087 | 125,267 |

The financial information for Novelis Deutschland GmbH presented above is for the year ended 31 March 2015.

Novelis Deutschland GmbH profit and loss and balance sheet are included in the consolidated accounts of Novelis Inc. which are publicly available (Note 21).

### 17 Guarantees and contingent liabilities

Novelis Aluminium Holding Co. has entered into various Guarantee and Security Agreements pursuant to which the Company will guarantee secured obligations and create fixed and floating charges over all of its present and future assets, to serve as collateral for two unsecured Senior Notes of USD 2,500 million, a term credit agreement of USD 1,800 million and an ABL credit agreement for USD 1,200 million. In this context the company has pledged any and all shares it holds in Novelis Deutschland GmbH.

### 18 Events after the balance sheet date

No events of note have taken place since the end of the financial year.

### 19 Related party transactions

Financial Reporting Standard No. 8 requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

Advantage has been taken of the exemption provided in Financial Reporting Standard No.8, "Related Party Disclosures", not to disclose details of all transactions with wholly owned group companies.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 20 Directors remuneration

The following table details the aggregate remuneration for the Directors of this company:

| | Year ended 31 March 2015 € | Year ended 31 March 2014 € |
|---|---|---|
| For services as directors | 6,000 | 10,625 |
| For other services | - | 228,375 |
| | 6,000 | 239,000 |

### 21 Parent undertaking

In the opinion of the directors, the immediate, ultimate parent company and controlling party at the balance sheet date was Hindalco Industries Ltd, a company incorporated in India. Hindalco Industries Ltd was also the parent company of the smallest group in which Novelis Aluminium Holding Company is included. Copies of the financial statements of Hindalco Industries Ltd can be obtained from its head office at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030, India.

### 22 Cash Flow Statement

The company has availed of the exemption in Financial Reporting Standard 1 "Cash Flow Statements" (Revised) which permits qualifying subsidiaries of an undertaking not to publish a cash flow statement.

### 23 Approval of financial statements

The directors approved the financial statements on 13 May 2015.