Report of the statutory auditor
to the General Meeting of
Novelis AG
Küsnacht ZH

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Novelis AG, which comprise the balance sheet, income statement and notes, for the year ended 31 March 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 the auditor's 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, the auditor considers the internal control system relevant to the entity's preparation 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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 opinion.

Opinion

In our opinion, the financial statements for the year ended 31 March 2015 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi

Mei Ling Ow

Audit expert
Auditor in charge

Zürich, 13 May 2015

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of the available earnings

Novelis AG, Kuesnacht

Balance sheet

	Note	March 31, 2015 EUR	March 31, 2014 EUR	March 31, 2015 CHF	March 31, 2014 CHF
Assets					
Current assets					
Cash and cash equivalents		102 351 441	52 864 844	106 906 583	64 382 955
Trade receivables -					
Third parties		299 447 752	285 672 701	312 774 647	347 914 627
Group companies		68 250 881	5 790 404	71 288 380	7 052 009
Other receivables -					
Third parties	2.4	39 261 365	9 263 457	41 008 688	11 281 765
Group companies	2.4	18 840 625	12 949 749	19 679 125	15 771 220
Cash pooling with group companies	2.1	47 707 670	42 106 124	49 830 895	51 280 141
Cash pooling with shareholder	2.1	4 325 934	4 088 011	4 518 459	4 978 700
Short term loans -					
Group companies		0	58 550 099	0	71 306 904
Inventories		11 126 451	0	11 621 633	0
Prepayments and accrued income -					
Third parties		679 625	87 636	709 872	106 730
Group companies		0	258 647	0	315 000
		591 991 744	**471 631 672**	**618 338 282**	**574 390 051**
Fixed assets					
Financial assets -					
Loans to group companies		39 252 206	85 069 837	40 999 124	103 604 722
Other financial assets, third	2.4	28 325	66 583	29 585	81 090
Investment in subsidiary		159 078 968	159 078 968	240 161 518	240 161 518
Tangible assets		1 372 829	1 612 627	1 433 926	1 963 983
Intangible assets		30 672 324	17 837 053	32 037 392	21 723 363
		230 404 651	**263 665 068**	**314 661 545**	**367 534 676**
Total assets		**822 396 395**	**735 296 739**	**932 999 827**	**941 924 727**

Novelis AG, Kuesnacht

Balance sheet

	Note	March 31, 2015 EUR	March 31, 2014 EUR	March 31, 2015 CHF	March 31, 2014 CHF
Liabilities and shareholders' equity					
Current liabilities					
Trade payables -					
Third parties		82 411 595	7 559 605	86 079 315	9 206 680
Group companies		22 910 273	14 260 550	23 929 892	17 367 617
Other current liabilities -					
Third parties	2.4	27 008 509	17 789 115	28 210 520	21 664 980
Group companies	2.4	39 504 172	4 945 268	41 262 302	6 022 735
Shareholder		28 711	0	29 989	0
Cash pooling with group companies	2.1	360 308 127	447 016 641	376 343 607	544 411 937
Cash pooling with shareholder	2.1	63 283	110 966	66 100	135 143
Accrued liabilities -					
Third parties		5 460 333	11 074 735	9 708 427	13 487 681
Shareholder		117 101	117 101	122 313	142 615
Short term debts (interest-bearing) -					
Third parties		130 000 000	80 000 000	135 785 638	97 430 276
Group companies		0	3 267 328	0	3 979 209
Short-term provisions -					
Third parties		6 674 221	7 069 128	6 971 255	8 609 336
		674 486 326	**593 210 438**	**708 509 358**	**722 458 209**
Non-current liabilities					
Long-term loans (interest-bearing) -					
Shareholder		9 368 076	9 368 076	9 785 001	11 409 177
Long-term provisions		745 201	1 413 467	778 366	1 721 431
Other non-current liabilities -					
Third parties	2.4	5 216	149 171	5 448	181 672
Group companies	2.4	19 550	29 138	20 420	35 486
		10 138 042	**10 959 851**	**10 589 235**	**13 347 766**
Shareholders' equity					
Share capital		662 383	662 383	1 000 000	1 000 000
Legal reserve		249 387	249 387	376 500	376 500
Retained earnings		130 214 680	134 313 932	204 742 252	209 765 607
Net income/(loss) for the year		6 645 577	(4 099 252)	7 782 482	(5 023 355)
		137 772 027	**131 126 451**	**213 901 234**	**206 118 752**
Total liabilities and shareholders' equity		**822 396 395**	**735 296 739**	**932 999 827**	**941 924 727**

Novelis AG, Kuesnacht

Statement of income for the financial year

	April 1, 2014 to March 31, 2015	April 1, 2013 March 31, 2014	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
	EUR	**EUR**	**CHF**	**CHF**
	12 months	**12 months**	**12 months**	**12 months**
Net revenue from sales of goods	224 743 566	0	263 191 924	0
Income from services	40 678 393	44 029 836	47 637 513	54 024 338
Changes in inventories (finished goods & work-in-progress)	(512 063)	0	(599 665)	0
Costs of material	(189 029 244)	0	(221 367 718)	0
Operating Expense	(30 283 413)	0	(35 464 195)	0
Administrative expense	(22 553 704)	(14 383 659)	(26 412 114)	(17 648 661)
Personnel costs	(37 287 218)	(36 775 976)	(43 666 187)	(45 123 897)
Depreciation and amortisation	(2 225 198)	(2 105 241)	(2 605 878)	(2 583 118)
Operating profit/(loss) before financial items	**(16 468 881)**	**(9 235 040)**	**(19 286 320)**	**(11 331 338)**
Financial income (operating incl. ABL)	54 134 243	8 191 657	63 395 343	10 051 113
Financial income FX	110 569 963	47 845 692	129 485 893	58 706 370
Financial income metal	223 027 827	197 994 822	261 182 662	242 938 432
Financial expense (operating incl. ABL)	(20 471 840)	(10 435 995)	(23 974 092)	(12 804 901)
Financial expense FX	(129 654 033)	(47 100 615)	(151 834 799)	(57 792 166)
Financial expense metal	(223 845 342)	(193 588 630)	(262 140 034)	(237 532 061)
Interest income	7 709 220	6 776 022	9 028 087	8 314 138
Interest expense	(3 801 007)	(3 291 808)	(4 451 270)	(4 039 028)
Translation from functional currency	0	0	0	6 400
Income/(loss) before tax	**1 200 150**	**(2 843 895)**	**1 405 470**	**(3 483 041)**
Tax	5 445 427	(1 255 356)	6 377 012	(1 540 314)
Net income/(loss) for the period	**6 645 577**	**(4 099 251)**	**7 782 482**	**(5 023 355)**

Notes to the financial statements for the year ended March 31, 2015

Principal activities

The principle activities of Novelis AG (the "Company"), as a headquarter entity, are to provide management services and undertake forex and metal trading/hedging activities for and on behalf of the Novelis European entities. The Company also operates as cash pool leader in the European cash pool system.

During the financial year ended March 31, 2015, the Company began a tolling arrangement with Novelis Sheet Ingot GmbH ("Novelis SIG") as the principal that owns the metal tolled by Novelis SIG and recognises the revenues from the related product sales to other Novelis entities.

1. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO effective January 1, 2013). The Company is adopting these provisions in advance of the applicable effective date.

Novelis AG, as a subsidiary of Novelis Inc., Canada is included in the consolidated financial statement of the group company. Novelis Inc. prepares and publishes consolidated financial statements in accordance with generally accepted accounting procedures in the United States of America, which is a recognised financial reporting standard per Art. 962a CO. As a result, per Art. 961d CO, the Company is exempt from disclosing additional information in the notes to the annual accounts, and from preparing the cash flow statement and the management report.

Significant balance sheet and income statement items are accounted for as follows:

1.1 Trade receivables and other short-term receivables

Trade receivables and other short-term receivables are carried at their nominal value less allowance on an individual basis for specific foreseeable risks.

1.2 Inventories

Inventories are valued at the lower of cost (acquisition and production cost) and net realisable value. Production cost comprises all direct cost as well as appropriate portions of indirect cost and general administrative cost. The cost is determined using the weighted average method. Net realisable value is defined as the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

1.3 Recognition of revenue

Net revenue from sales of goods represents product sales to other Novelis entities in relation with the Novelis SIG tolling arrangement. Income from services comprises charges for service provided to Novelis entities. These revenues are recognized if delivery has occurred or service has been provided and collectability of the fixed or determinable sales price/service charge is reasonably assured.

1.4 Non-current assets

Acquired intangible asset and property plant and equipment are valued at acquisition or development cost less ordinary accumulated amortization or depreciation.

Depreciation is calculated on the basis of the following useful lives and in accordance with the following methods:

Property, plant and equipment	Useful life	Method
Fixtures and fittings	10 years	10%,linear
Enterprise resource planning system	10 years	10%,linear
Software License	5 years	20%, linear

Investments in affiliates and in associated companies are stated at acquisition cost or lower recoverable amounts as of balance sheet date. Loans to associated companies are stated at acquisition cost less redemptions.

1.5. Assets with observable market price

Derivative financial instruments are measured at their observable market price as of the balance sheet date. The Company applies the prudence principle and records a provision for net unrealized gains.

1.6. Leases

Operating lease expenses are recognized in the statement of income on a straight-line basis over the term of the relevant lease agreements.

1.7 Foreign currencies

The Company's functional currency is Euro (EUR) due to the primary economic environment in which the Company carries out business operations. Balance sheet items in foreign currency are translated into EUR at rates prevailing on March 31. The exchange rates used for transactions conducted during the course of the year and for items in the statement of income are the rates prevailing at the dates of the transactions.

For statutory accounts purposes, the exchange rates applied for translating the values into the financial report currency Swiss Francs (CHF) are:

Rate	Income Statement	Balance Sheet	Balance Sheet (historical rate) [1]
CHF/EUR	1.171	1.045	1.510

1) The historical CHF/EUR rate is applied for share capital and general reserve

The Company has chosen the option to translate the investment in a subsidiary at the historical rate (CHF/EUR rate 1.510) into the financial reporting currency (CHF) to reflect the accurate nominal value.

Translation gains and losses resulting from conversion of functional currency (EUR) to financial reporting currency (CHF) are presented in the statement of income account "Translation from functional currency" for a translation loss or recorded as provision on the balances sheet for a translation gain.

2. Details, analyses and explanations to the financial statements

2.1 Cash Pooling

In 2007, Novelis AG set up a Cash Pooling System for some European subsidiaries.
Resulting balances are shown as follows:

	March 31, 2015 EUR	**March 31, 2014** EUR	**March 31, 2015** CHF	**March 31, 2014** CHF
Other receivables				
From cash pooling with group companies	52 033 603	46 194 135	54 349 354	56 258 841
Other current liabilities				
From cash pooling with group companies	360 371 411	447 127 607	376 409 707	544 547 080

2.2 Guarantees and assets pledged in favour of third parties

Pledged assets

	March 31, 2015 EUR	**March 31, 2014** EUR	**March 31, 2015** CHF	**March 31, 2014** CHF
All assets pledged	822 396 395	735 296 739	932 999 827	941 924 727
	822 396 395	735 296 739	932 999 827	941 924 727

At the balance sheet date Novelis Inc's senior secured facilities consisted of:
(1) a $1.7 billion four-year secured term loan credit facility ("Term Loan Agreement"), and
(2) a $1.2 billion five-year asset based loan facility that may be increased by an additional $500 million ("ABL Agreement").
All the assets of the Company, along with those of certain other companies in the Novelis Inc. Group, have been pledged as security for these facilities.

As of March 31, 2015, the outstanding borrowing under the ABL facility is $609 million (2014: $563 million) for the Novelis Inc. Group.

The ABL Agreement and the Term Loan Agreement require Novelis AG and Novelis Switzerland SA, to enter into:
(i) a First Ranking Account Pledge Agreement related to the ABL Agreement, and
(ii) a Second Ranking Account Pledge Agreement related to the Term Loan Agreement (together, the "Pledge Agreements"). The Pledge Agreements provide collateral rights over certain assets of Novelis AG and Novelis Switzerland SA to the lending syndicates of the ABL Agreement and the Term Loan Agreement.

In addition to the Pledge Agreements, there are also non-recourse receivables purchase agreements in place between Novelis Deutschland GmbH and Novelis AG and, since 31 August 2012, between Novelis Switzerland SA and Novelis AG. Pursuant to these agreements, Novelis Deutschland GmbH and Novelis Switzerland SA, respectively, agreed to sell their receivables in arm's length transactions to Novelis AG. As at 31 March 2015, the balance outstanding under the non-recourse receivables purchase agreements is approximately EUR 285.4 million/CHF 298.3 million (2014: EUR 285.7 million/CHF 347.9 million).

Total amount given in guarantee

	March 31, 2015 EUR	March 31, 2014 EUR	March 31, 2015 CHF	March 31, 2014 CHF
Guarantees given	3 685 204	10 718 732	3 849 181	11 195 768
	3 685 204	9 192 682	3 849 181	11 195 768

2.3 Inventories

	March 31, 2015 EUR	March 31, 2014 EUR	March 31, 2015 CHF	March 31, 2014 CHF
Raw materials, consumables and supplies	10 614 375	0	11 086 767	0
Work in progress	134 445	0	140 428	0
Finished goods	377 631	0	394 438	0
Total inventory	11 126 451	0	11 621 633	0

2.4 Assets and Liabilities with observable market price

Other receivables and other current liabilities contain short term unrealized forex and metal derivatives which are measured at their observable market price.

Short Term Derivatives	March 31, 2015 EUR	March 31, 2014 EUR	March 31, 2015 CHF	March 31, 2014 CHF
Metal/forex derivatives receivables - third party	38 140 168	8 580 147	39 837 593	10 449 576
Metal/forex derivatives receivables - intercompany	16 503 747	12 949 749	17 238 245	15 771 220
Metal/forex derivatives payables - third party	(20 949 885)	(13 754 734)	(21 882 258)	(16 751 594)
Metal/forex derivatives payables - intercompany	(32 916 092)	(4 945 268)	(34 381 019)	(6 022 735)

Other financial assets and other non-current liabilities contain long term unrealized forex and metal derivatives which are measured at their observable market price.

Long term Derivatives	March 31, 2015 EUR	March 31, 2015 CHF	March 31, 2014 EUR	March 31, 2014 CHF
Metal/forex derivatives receivables - third party	28 325	29 585	66 583	81 090
Metal/forex derivatives receivables - intercompany	3 688	3 852	202 109	246 144
Metal/forex derivatives payables - third party	(5 216)	(5 448)	(149 171)	(181 672)
Metal/forex derivatives payables - intercompany	(19 550)	(20 420)	(29 138)	(35 486)

2.5 Amounts payable to pension funds

	March 31, 2015 EUR	March 31, 2014 EUR	March 31, 2015 CHF	March 31, 2014 CHF
Amounts payable to pension funds	268 581	0	284 081	0
	268 581	0	284 081	0

2.6 Significant investments

Company	Business	Share capital	Quote
Novelis Switzerland SA, Sierre	B, C, D, E	CHF 5'000'000	100%

Business	
A	Dormant
B	Production
C	Sales
D	IT Applications
E	Research R&D

2.7 Lease obligations

Total amount of operating lease obligations not recorded in the balance sheet are as follows:

	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	EUR	EUR	CHF	CHF
Future lease obligations				
Within one to five years	6 402 818	6 284 785	6 687 744	6 759 583
Over five years	451 282	352 858	471 364	1 622 240
Total	6 854 101	6 637 643	7 159 108	8 381 823

2.8 Full-time equivalents

The number of full-time equivalents did not exceed 250 on an annual average basis.

Retained earnings carried forward and proposal of the Board of Directors for appropriation of retained earnings

	March 31, 2015 Proposal of the board of directors EUR	March 31, 2014 Proposal of the board of directors EUR	March 31, 2015 Proposal of the board of directors CHF	March 31, 2014 Proposal of the board of directors CHF
Retained earnings at the beginning of the year	130 214 680	134 313 932	204 742 252	209 765 607
Net income/(loss) for the year	6 645 577	(4 099 252)	7 782 482	(5 023 355)
Retained earnings at the disposal of the annual general meeting	136 860 257	130 214 680	212 524 734	204 742 252
Retained earnings to be carried forward	136 860 257	130 214 680	212 524 734	204 742 252
	136 860 257	130 214 680	212 524 734	204 742 252