Novelis Deutschland GmbH, Goettingen

Management Report for Financial Year 2014/2015

1. Markets

In the financial year 2014/2015 the global economic growth further recovered and was 3.2% in 2014. However within the separate regions varying developments occurred, with Asia (excl. Japan) at 6.0% and China at 7.3% realizing the largest increase.

Since overcoming the acute crisis, the main challenge in the Eurozone and its member countries currently is to sustainably strengthen competitiveness and growth perspective. This year the economy in the Eurozone will recover slightly. Economic output is facilitated by exports due to the Euro depreciation as well as robust growth of private consumption.

The German economy is in a strong upswing stimulated by unexpected expansionary impulses, in particular the decline of energy and food prices and the strong euro depreciation. Further boost is expected through domestic demand due to high wage settlements with increase in real disposable income.

Daily **prices** for **aluminum** on the London Metal Exchange (LME) were very volatile in the financial year. On a monthly basis, the price range was from US$ 2,054 per tonne in November 2014 to US$ 1,749 per tonne in May 2014. The average price for the financial year was US$ 1,889 per tonne. Aluminum price as of March 31, 2015 was US$ 1,773 per tonne which show a price increase of 4% compared to March 31, 2014 (US$ 1,704 per tonne). The price increase was 33% in Euro due to the change in the currency relation.

2. Business Development

In the financial year 2014/2015 all markets supplied by Novelis Deutschland GmbH were generally in good condition. Demand and production of aluminum products increased overall. The beverage can market was stable with a slight increase in demand. Novelis also benefited highly from higher usage of aluminum in the automotive industry. Demand in segment Specialities was overall stable. Sales volume in the market segments Foil and Packaging decreased slightly due to capacity shifts within the European Novelis System.

Novelis invested € 200 million in the expansion of the recycling capacities of its plant in Nachterstedt. The world's largest recycling plant was constructed with an annual capacity of ready-to-ship aluminum ingots of about 400 kt. Production commenced in Q2 of calendar year 2014. The facility is within a separate legal entity, Novelis Sheet Ingot GmbH, which is a 100% subsidiary of Novelis Deutschland GmbH and integrated by a fiscal unity. Novelis Sheet Ingot GmbH created 200 new jobs in the course of this investment.

3. Earning position

Total shipment of 1,100.1 kt is 26.2% higher than in the previous year. The prior year expectation of 8% was exceeded significantly. But the original rolled products business is below plan.

The **Goettingen plant** production and sales volumes increased significantly compared to the prior year. The increase resulted from volume increase in almost all segments. The shift of some products of segment Specialities from Nachterstedt to Goettingen was positive. Furthermore, product Automotive as an extended workbench to support and relief the plant in Nachterstedt was further strengthened. The sales volume of segment Litho was also higher compared to prior year mainly due to increasing orders of our main customer. Segment Painted was instable and developed negatively compared to the previous year. In segment Can, we were significantly above prior year shipments driven by volume increase of product can body stock, higher volumes in beverage cans as well as in can end stock. In the autonomous segment Industrial Products, we were way above last year. Sales increased by 10.2%, which was mainly caused by higher demand for cartridges and bottles. But compared to the previous year, metal prices significantly increased.

The **plant in Nachterstedt** increased sales volume significantly compared to prior year. However the operating result of the prior year was not achieved. The increase in sales volume was again primarily due to the very positive development in segment Automotive. On the contrary, sales volume in segment Specialities did not develop as planned because some products have now been transferred to plant Goettingen. Overall, production equipment was well-utilized although we had bottlenecks in raw material for several months. Inventories significantly increased primarily due to increased Automotive volume and correspondingly more raw material. The lower operating result compared to prior year was primarily caused by an even stronger change in purchase-mix of semi-finished products.

Plant Luedenscheid comprises rolled products and finishing. Sales volume of rolled products was at lower level compared to prior year. In sector finishing sales volume was also below prior year level. Due to lower volumes in both segments, in particular in segment finishing, the operating result declined compared to the previous year. The volume reduction was to a small extent compensated within fixed cost.

Sales volume of the **rolling plant in Ohle** was above the prior year. Higher sales volume primarily resulted from increased sales volume to plant Goettingen in segment food can. Despite the increased volume, the operating result was below prior year due to lower sales volume to third party customer in some segments. Shipment volume of finished goods at **Ohler packaging** was below prior year level. The operating result increased in particular due to sales price increases and a metal price hedging at the beginning of the financial year versus increased metal price within the financial year.

In segment **Ohler flex pipes**, sales volumes as well as sales were above the prior year level. The operating result improved significantly due to volume growth combined with stable fix costs.

All plants together generated **sales** of € 2,995.0 million in the reporting period. This is an increase of 40.4% compared to the previous year. The increase was mainly caused by higher sales volume and higher metal prices.

Earnings before tax are € - 125.0 million in 2014/2015 and are based on a loss from ordinary activities of € -123.3 million.

The negative change in the result of ordinary activities of € 225.4 million resulted from a decline in operating profit of € 176.3 million and a decline in the financial result of € 49.1 million primarily due to higher interest expense for pensions and a loss assumption from SIG GmbH. Subsidiary SIG GmbH did not met the expected production volume and quality after the production startup. The guaranteed quality could be met by superior input material. The increased deployment costs charged by customers of SIG GmbH and the cost of not utilizing the capacity resulted in a loss amounting to € 44.9 million.

The decline in the operating result is primarily due to lower gross profit which is driven by higher metal expenses. Due to applying the Last-in First-out method in accordance with German GAAP hidden reserves in inventories increased significantly.

Furthermore, general administrative expenses increased notably due to higher charges from Novelis Inc. (higher management fees). Other operating income includes mainly cost charges to affiliated companies, income from the release of provisions, income from the reversal of impairment charges on financial assets as well as currency gains. The increase in selling expenses is due to higher freight cost. Significant items in other operating expenses are expenses for services, research and development, restructuring, losses from disposal of fixed assets as well as expenses for anticipated losses. Significant prior period expenses have not been incurred in the reporting period.

Our financial key performance indicator for our worldwide business is Operating EBITDA (operating profit in accordance with US GAAP before amortization and depreciation, interest, taxes and intra group charges).

In the financial year, we achieved an Operating EBITDA of € 81.2 million. We did not meet our prognosis of € 131.9 million. The main reasons were losses from currency and metal price hedging activities and revaluation of € 21 million, higher freight cost of € 12 million, higher purchase cost of ingots of € 8 million as well as lower sales of € 7 million.

Operating EBITDA in accordance with German GAAP is € -10.3 million. Significant deviations versus US GAAP result from different measurement of inventories applying the Last-in First-out method in the amount of € 73.2 million.

Furthermore, the losses of Novelis Sheet Ingot GmbH in the amount of € 44.9 million is included in earnings before tax in accordance with German GAAP.

4. Net assets and financial position

Total assets increased by € 165.5 million to € 916.5 million. Current assets increased by € 119.5 million to € 637.0 million. Prepaid expenses decreased by € 0.2 million. Non-current assets increased by € 46.2 million to € 277.5 million. The change in non-current assets resulted primarily from an increase in property, plant and equipment. In the financial year 2014/2015, investment in property, plant and equipment was € 60.1 million while depreciation was € 11.0 million. Investments comprised primarily of a new slitter for the Automotive production and a heat treatment facility in construction in plant Nachterstedt, a new cut to length line as well as annealing furnace for Specialities production in plant Goettingen. The increased current assets were caused primarily by higher inventories as well as higher trade receivables and receivables courtesy of Novelis Aluminum Holding Co. Dublin, Ireland.

Equity remained unchanged due to the profit and loss transfer agreement. The ratio of equity to total assets is 13.6% as of balance sheet date. As part of a worldwide credit agreement to increase available liquidity of Novelis Inc., € 20 million have been drawn which resulted in higher bank liabilities. The provisions for pension and similar obligations increased by € 31.8 million primarily. This was primarily due to accrued interest for pension obligations and changes in assumptions. Accruals for goods received not invoiced of € 31.3 million, trade payables to third and affiliated parties increased by € 83.0 million due to higher purchasing volume. The supply right resulted in a financial liability of € 6.6 million as of balance sheet date.

The credit facility of Alunorf GmbH was already increased from € 40.9 to € 81.8 million in the previous year. Currently, € 55.2 million have been drawn to finance strategic expansion projects resulting in higher demand for aluminum products and correspondingly higher production and purchasing volumes.

Novelis Deutschland GmbH arranged a cash pooling agreement with Novelis AG, Zurich, Switzerland in 2007. Bank balances are transferred to bank accounts of the Novelis AG on a daily basis and are interest-bearing at market rates. Interest-bearing funding can be obtained if needed.

In addition, trade receivables are sold to a foreign bank to finance sales on a short term basis. The legally sold trade receivables are no longer recognized in the financial statements.

5. Environment, Health and Safety

A key part of the integrated Business Management System of Novelis is the EHS-Management System (Environment, Health & Safety). It provides fixed standards for all business divisions aimed to constantly improve the high quality of environment protection and work safety on all sites. The objective for all sites regarding work safety is **avoidance of accidents**. In the reporting period, additional risk analyses were performed to develop measures and behavioral standards to further reduce and avoid accident risks completely. Intensive training courses and workshops with regard to various Novelis EHS-topics were enhanced further. Furthermore, a set of projects to increase **health care** were implemented.

The protection of **resources** and environment is something we do not take for granted. Environment protection is an integral part of our business and is monitored constantly. Novelis applies its expertise and experience in developing innovative products for the protection of environment, nature and climate as well as in the continued optimization of technologies and processes. No significant environmental incidents occurred during the reporting period.

Accidents and environmental incidents are key indicators in measuring the performance of safety and environmental work integrated in daily processes. Each person in authority is responsible for involving all employees in these activities.

6. Risk Management

Novelis Inc. further optimized its activities in central coordination of risk management in the current reporting period

The Novelis group has to comply with the **provisions of SOX 404** (Sarbanes Oxley Act). SOX 404 requires establishing a functioning internal control system and a review of this system by the auditors.

Following are the main risks according to order of priority:

Risks of Novelis Deutschland GmbH primarily result from the procurement markets' trends, foreign currency fluctuations and specific customer risks. Increase in raw material price must be passed on promptly via sales prices of our products. Price risks are eliminated either by provision of aluminum by the customers or in case of own raw material purchases reduced to an acceptable risk via extensive coordination of LME-price basis of purchase and sale prices. This is realized by commodity forward contracts (LME futures). Due to losses incurred, the effectiveness of our offset-hedging processes will be reviewed and adjusted. The time lag between metal purchase and the underlying hedging transaction should be reduced in particular. Aluminum price is denominated in US$, which results in a currency risk. Further currency risks exist on the purchasing and selling side. To hedge these risks, hedging contracts are closed. These commercial hedging accounts are not recognized as an evaluation unit on the balance sheet. Through early and systematic control of credit risk, bad debt losses remain on a low level. Furthermore, credit risks are mitigated significantly due to the factoring agreement with Novelis AG.

The new purchasing source for recycled ingots, SIG GmbH, will provide an extended portion of the ingot supply of Novelis Deutschland GmbH for the upcoming financial year. In addition to the UBC line, a further production line (“Flex line”) is in the works. The rolled products produced must meet the markets' quality standards. Qualification plans for this new routing have been agreed upon with customers in order to secure future deliveries/orders. Start-up problems in the process from scrap recycling to the delivered ingot must be reduced. This also includes increasing the portion of scrap as an input material. For this purpose, experts of Novelis have been sent to plant Nachterstedt. Novelis absorbs profit and loss of SIG as stipulated in the profit and loss transfer agreement. Alongside securing the supply with high quality aluminum, the start-up problems of SIG, if not resolved, could directly affect the result of Novelis Deutschland GmbH. In case the sole customer

Novelis AG does not order the contracted minimum volumes of 54 kt per quarter, a premium of 50 per €/to on the quarterly order volume will be imposed.

Our value streams Can and Automotive focus on a few significant customers with mostly long-term supply contracts.

In connection with securities given, as described under “Contingencies” in the notes to the financial statements, Novelis Deutschland GmbH is exposed to potential claims. However, no securities were drawn upon during the preparation of the financial statements and management does not expect any claims in the FY 2015/2016 as it is assumed that the original obligor will be able to fulfill its contractual obligations.

7. Research and Development

The research and development functions of region Novelis Europe are primarily concentrated in two facilities. The objective is to stand out from competition by focusing on customer service, innovation and faster implementation. The **research and technology center** in Goettingen focuses on the market segments Can, Specialities (Painted, Litho) and Recycling while the plant Sierre, Switzerland, serves the market segments Automotive and Specialities.

On the Goettingen site, **developments** in the area of Recycling, Architecture, Packaging, Litho and Painted semi-finished goods are carried out. With this facility, the leading position in upmarket products on the global market shall be secured. Moreover, the other Novelis-sites partake of the results. In addition, the research and technology center cooperates with the University of Goettingen and other local institutions.

Research and development expenses were € 15.1 million (prior year € 13.8 million), of that € 2.6 million (prior year € 2.8 million) are recognized in cost of sales and € 12.5 million (prior year € 11.0 million) in other operating expenses. In research and development, 16 persons are employed.

8. Employees

The company had 2,102 employees at year-end. Headcount is subdivided in 1,833 employees in production, 212 employees in sales and administration and 57 non-active employment contracts. At year-end, 115 young apprentices were employed. The apprentice ratio is at 5.9% which is 0.4% lower compared to March 31, 2014.

9. Branches

Novelis Deutschland GmbH has branches in Goettingen, Nachterstedt, Luedenscheid and Plettenberg-Ohle. Moreover, distribution offices are also located in Dordrecht (Netherland), Espoo (Finland).

10. Forecast

"*Zero accidents*" is still the ultimate objective in the area of work safety in all Novelis plants worldwide.

For the year 2015/2016 global macroeconomic growth is expected to be above prior year level. Growth stimuli are expected from USA, Great Britain and Germany. Growth stimuli are also expected from low oil price. The massive national debt of some industrial countries (in particular the Greece crisis) remains a stress factor. Concerns also arise from the emerging and developing countries like India, Mexico or Russia but from China and Brazil as well, which are not growing as expected.

A slight recovery in economic performance in south European countries, better than in the reporting period, is expected. With regard to the German economy, we expect a slightly higher growth compared to the prior year given the economic context and an expected increase in domestic demand. With this said, we continue to focus on optimizing our productivity, portfolio and our processes. Novelis works intensively, as in the past, on optimizing cost development, increasing capacity as well as freeing liquidity through working capital reductions.

In the full year 2014 the market growth was within the expected range. Due to a good start in the in the new "season" and a slight "one-off demand" during the world soccer championships, filling of beverage cans increased approximately by 3%. Based on expanded capital expenditures of our customers and the conversion from steel to aluminum, the demand for aluminum can stock developed above average in 2014. Novelis Deutschland GmbH partook of the market growth and could increase sales volume by +10% in the recent financial year compared to the previous year.

For 2015, it is expected that the demand pattern follows a positive trend. Beverage can producers predict a growth on the level of the most recent year. In addition, the demand for aluminum half-finished products will increase more than proportional due to line conversions in Spain and France. With the start of the new recycling center in Nachterstedt, the prerequisite for a sustainable and profitable growth was provided. Novelis Deutschland GmbH expects to continue the positive growth path in the upcoming financial year and to enhance its position as European market leadership.

In 2014, the European automotive market recovered significantly and grew by 5.7% compared to 2013. In the main markets, growth rates were as follows: Spain 18.1%, UK 9.3%, Italy 4.2% and Germany 2.9%. For 2015, analysts expect a further moderate increase in vehicle registration and production figures in Europe.

The production of premium and upper class cars as well as SUV is still on a very high level. Demand from abroad (China, North America) as well as within Europe for such cars remained strong from which in particular the German premium class manufacturer BMW, Daimler, Audi and Porsche as well as Land Rover and Jaguar will benefit in 2015. As premium cars have a higher portion of aluminum, Novelis could once again benefit from this positive development. Given the current information, this will continue into the financial year 2015/2016. Due to further new vehicle models and the particularly successful launch of Range Rover and Jaguar XE, production with high portion

of aluminum in the car body, a sustained positive development is expected. This will result in further enhanced capacity utilization, up to capacity limits for the plants Nachterstedt and Goettingen, based on increased supply of primary materials from the Novelis plant Sierre/Switzerland. This level of capacity utilization presents a chance for further profitable growth for the Nachterstedt and Goettingen plants but also a big challenge that needs to be overcome as well. In the second half year 2015, the new heat treatment facility in Nachterstedt commences its operation due support this growth. Mid- and long-term outlook remains very positive. However, it should be noted that the competition also invested massively in production capacity. Under certain circumstances this will result in temporary price pressure. But the market demand for the upcoming 2-3 years is higher than the expected capacities. The European car production is expected to grow by 2% to over 12 million vehicles. Furthermore, all automotive manufacturers are pursuing intensive plans to reduce the weight of future models by increasing the share of aluminum to increase fuel efficiency and to minimize CO^2 emissions. Recently an increased portion of aluminum in mass production series is planned, as in the case of VW Golf Generation 8. In addition, we noticed that our European customers use increasingly higher portions of aluminum in car bodies in their production centers in Asia and North America. As global technology and market leader, Novelis will benefit from this positive development which will result in higher demand in Europe.

In segment **Specialities** the Litho-market remained stable in the recent year. We maintained our market position and closed contracts with our customers, which ensure a further expansion of our market position. In our pursuit of additional growth in 2016, we shall enhance our supply performance significantly.

Furthermore, the products Compound Tubes and Plain have been transferred meanwhile to Goettingen, which will result in volume increases.

European demand in segment **Architecture products** is expected to grow moderately in the coming years. On the one hand, this is due to steady construction activity in Spain and Ireland and on the other hand, a robust economic development in Central and Northern Europe. In addition to the general positive trend in construction activities, aluminum is more and more recognized as a high quality material for roof and facade applications. Marketing activities of Novelis and our partners contributed significantly to the increased application of aluminum in construction activities.

The current calendar year is so far characterized by sluggish demand. The reasons are the prolonged winter as well as high stocks of large distributors towards the year end 2014. These factors are superimposed by a wait-and-see attitude of dealers in light of price increases in some product segments (in example Eloxal) at the beginning of 2015. These price increases are primarily caused by a dramatic increase of the metal premium ECDP and a significant increase in production cost. Due to the fundamentally positive market situation, we expect an uptake of the business at the beginning of spring.

Despite price increases of our premium products, the price pressure for our mass products (color aluminum with polyester/PVDF-coating systems) significantly increased. Competition from Southeast

Europe will erode our margins and will require resolute and prompt measures with regard to our production cost.

We see additional market growth opportunities for architectural products particularly in Asia and the Middle East. Within the industrial end-consumer market, we anticipate a stable order entry for the next year. In the segment Rolling shutters, strong competition comes from low-price vendors with medium quality. We differentiate ourselves through good quality and will continue to do so in the future. With regard to the remaining market segments, we expect a moderate growth in calendar year 2015.

The container strap market demonstrates a slight growth primarily driven by the tealights business. There is a transfer of production capacities from West to Eastern Europe, particularly Poland. Furthermore, we have increased sales in the pharmaceutical sector, which should continue in the coming year.

Demand in the European market for **Foil** is stable. However, competitive pressure is increasing as the market share of Chinese and Korean suppliers grows in Europe resulting in free capacities and lower sales for the European foil rolling facilities. Our limited supply range poses an additional disadvantage.

The order situation in segment packaging remains very satisfactory.

The price increase in autumn of calendar year 2014 was accepted by most customers without renegotiations. In many new framework agreements, the increased metal price could be passed on. On the other hand, we suffered customer losses in market segments with strong price competition.

Contrary to the observable trend in the recent year of key customers applying a risk-minimizing multi-supplier strategy, we could again act as the sole supplier in some sub-sectors. The current input material situation represents a challenge for us to meet the customer expectations with regard to supply reliability. This could again be an entry-level opportunity for competitors.

Fortunately, key customers continue the trend in investing new products which will result in some new product launches in the market.

Complicating to the argument for aluminum as “material of choice” is the ongoing anti-aluminum discussion. Recent writings of consumer protection associations caused considerable confusion questioning the safety of using aluminum package food. In some segments, customers openly considered substitutes like cardboard, paper or plastic. Some industrial customers have already made such switch, due mainly to pressure of market-dominant discounters and the retail food industry.

At Novelis, we focus on the success of our stakeholders, in particular customers, employees, shareholders and communities by aligning enterprise value to environment, health, safety and quality (EHS&Q). In all our plants, we have systems to avoid accidents and to constantly improve our environment and safety performance and dedicate financial and personnel resources to

- reduce accidents and health incidents by prevention and risk awareness to zero,
- minimize impacts on environment by reducing input of natural resources and avoiding pollution, and
- improve quality and advantages of our products and services throughout the entire life cycle, especially via increased recycling.

To gauge the safety standards at our plants, we regularly give an account of key figures pertaining to “Total Recordable Incidents (TRI Rate)” - accidents to be reported - and also “Days Away From Work (DAFW Rate)” - absence time due to injury and illness. Our TRI Rate was 0.8 and DAFW was 0.29 in financial year 2014/2015. Both key figures improved in the financial year 2014/2015. With regard to financial year 2015/2016, we expect a significant improvement of 0.5 for TRI Rate and 0.15 for DAFW.

Novelis takes interest in investing in its employees and enhancing their skills. Internal and external training programs for employees and university graduates are offered. Training programs are provided on regional and global level. Global Leadership Program, Accelerated Leadership Program, Leadership Essential 1 & 2 and Leadership Launch Program are a few examples.

For the financial year 2015/2016, we expect currently to improve shipments and therefore sales under high capacity utilization by 9%. The result is expected to be above the result of the financial year 2014/2015 primarily due to higher sales volumes in 2015/2016. For the new financial year 2015/2016, we forecast an increased Operating EBITDA of € 157.6 million.

Goettingen, May 07, 2015

Novelis Deutschland GmbH

Eric Tonkowski Gottfried Weindl

Annual Financial Statements
from April 1, 2014 to March 31, 2015

Novelis Deutschland GmbH, Goettingen

Balance Sheet as of March 31, 2015

Assets

	Notes	2015	2014
		K€	K€
A. Non-current assets	(3.1)		
I. Intangible assets	(3.2)	11,139	12,491
II. Property, plant and equipment		128,588	79,596
III. Financial assets	(3.3)	137,735	139,167
		277,462	**231,254**
B. Current assets			
I. Inventories	(3.4)	242,348	195,377
II. Receivables and other assets	(3.5)	390,016	317,388
		632,364	512,765
III. Cash and cash equivalents		5,038	5,153
		637,402	**517,918**
C. Prepaid expenses		**1,611**	**1,850**
		916,475	**751,022**

			Equity and Liabilities
	Notes	**2015**	**2014**
		K€	**K€**
A. Equity	(3.6)		
I. Share capital		111,500	111,500
II. Additional paid-in capital		9,296	9,296
III. Retained earnings		4,471	4,471
		125,267	**125,267**
B. Provisions and accruals	(3.7)	**235,870**	**167,489**
C. Liabilities	(3.8)	**555,338**	**458,266**
		916,475	**751,022**

Novelis Deutschland GmbH, Goettingen

Income Statement for Financial Year April 1, 2014 to March 31, 2015

	Notes	2014/15	2013/14
		K€	K€
1. Sales	(4.1)	2,994,973	2,133,129
2. Cost of sales		-2,850,380	-1,850,581
3. Gross profit		**144,593**	**282,548**
4. Selling expenses		-101,316	-97,906
5. General and administrative expenses	(4.2)	-51,023	-38,748
6. Other operating income	(4.3)	31,197	35,617
7. Other operating expenses	(4.4)	-82,077	-63,870
Operating profit		**-58,626**	**117,641**
9. Expenses from profit and loss transfer agreements		-44,878	-3,409
10. Income from long-term loans	(4.5)	3,008	1,383
11. Other interest and similar income	(4.5)	13	67
13. Interest and similar expenses	(4.5)	-22,809	-13,606
Financial result		**-64,666**	**-15,565**
14. Profit from ordinary activities		**-123,292**	**102,076**
15. Extraordinary result	(4.6)	**-1,757**	**-1,757**
16. Income taxes	(4.7)	-37	-9
17. Profit transferred due to profit and loss transfer agreement		125,086	-100,310
18. Profit for the year		**0**	**0**

Novelis Deutschland GmbH, Goettingen

Notes to the Financial Statements for Financial Year 2014/2015

(1) GENERAL BASIS OF PRESENTATION

In accordance with § 267 German Commercial Code (HGB) Novelis Deutschland GmbH is a large corporation with balance sheet date as of March 31, 2015. The annual financial statements are prepared in compliance with the provisions of the Commercial Law (HGB) for large corporations and the Limited Liability Company Law (GmbHG). Financial year is the 12 month period ending March 31.

Novelis Deutschland GmbH is included in the consolidated financial statements of Hindalco Industries Ltd., Mumbai, India (largest group of consolidated companies), as well as Novelis Inc., Toronto, Canada (smallest group of consolidated companies). The consolidated financial statements are available at the registered seat of the companies or at www.hindalco.com respectively www.novelis.com.

In accordance with § 271 Section 2 HGB, affiliated companies of Novelis Deutschland GmbH are the ultimate parent company Hindalco Industries Ltd., Mumbai, India and all subsidiaries of this parent company.

(2) ACCOUNTINIG POLICIES

Assets

Acquired intangible and fixed assets are valued at acquisition or production cost less ordinary accumulated amortization or depreciation. Grants received are recognized as a reduction of acquisition cost.

Buildings are depreciated straight-line over 25 to 50 years. Additions to property, plant and equipment before December 31, 2007 and within the period January 1, 2009 to March 31, 2010 are initially depreciated with declining balances and subsequently straight-line over 3 to 25 years. Additions within the period January 1, 2008 to December 31, 2008 as well as additions from April 1, 2010 onwards are depreciated straight-line. Unplanned depreciation is recognized if necessary. Extensive wear and tear due to multi-shift working is considered. Intangible assets are amortized over 3 years. A capitalized supply right is amortized over a useful life of 10 years.

Low-value items up to € 150 excluding VAT are fully expensed in the year of addition. Moveable assets with acquisition or production cost over € 150 and up to € 1,000 (excluding VAT) are grouped according to § 6 section 2a Income Tax Law (EStG) and expensed in equal portions over 5 years.

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.

Inventory, except for aluminum included, are measured at average acquisition respectively production cost. Production cost comprises all direct cost as well appropriate portions of indirect cost and general administrative cost. Selling costs are not capitalized. Aluminum is measured using the LIFO-Method or at lower cost of replacement. Risks due to slow-moving items or limited usability are considered by appropriate allowances.

Receivables and other assets are measured at nominal values less allowances for specific and general foreseeable risks. Receivables from and payables to affiliated companies are netted to the extent the requirements of § 387 German Civil Law (BGB) are met.

Cash, cash equivalents and restricted cash as well as cash-in-transit are stated at nominal value.

Prepaid expenses are payments before the balance sheet date to the extent that they represent expenses for a certain period after the balance sheet date.

Equity and Liabilities

Equity is stated at nominal value.

Pension obligations are measured using the projected unit credit method. The discount rate, as provided by the German Federal Reserve Bank, is the average market interest rate for the previous 7 years assuming a remaining term of pension obligations of 15 years. Assumed annual salary increase was 2.75% and annual pension increase was 2.00%. Life expectancy statistics 2005G of Prof. Dr. K. Heubeck are applied.

Up until March 31, 2010 pension obligations were measured applying the going-concern value method pursuant to § 6a EStG and a discount rate of 6%. The conversion to the accounting rules of the accounting modernization law as of April 1, 2010 resulted in K€ 25,116 higher pension obligations. The amount will be recognized on March 31, 2024 at latest, with annual minimum charges to extraordinary expenses of K€ 1,757. As of March 31, 2015 the unrecognized amount was K€ 15,809.

Pension obligations are netted with assets, which are solely available to fund pension obligations and are not subject to potential third party claims (plan assets). Plan assets are measured at fair value. Their fair value is equivalent to acquisition cost.

Other provisions and accruals are measured taking into account all identifiable risks. They are recognized at the amount reasonably necessary to settle the obligation. Other provisions and accruals with a remaining term of more than a year are discounted with the average market interest rate of the last 7 years equivalent to the remaining term of the obligation.

Long-term provisions exist for early retirement benefits and jubilee benefits and are measured applying actuarial principles. The planned annual salary increase was set at 2.75%. The discount rates applied have been derived from interest rates published by the German Federal Reserve Bank.

Early retirement obligations are based on the so called “Block Modell“. The likelihood of using the early retirement plan was assumed to be 6%. This assumption is based on the actual usage in prior years. Early retirement obligations are netted with plan assets. Plan assets are measured at fair value. Their fair value is equivalent to acquisition cost.

Liabilities are stated at their settlement amount.

Foreign currency

Receivables and payables denominated in a foreign currency are usually hedged by a currency forward contract. Foreign currency liabilities are converted at the exchange rate of the designated hedging instrument. Receivables and liabilities denominated in a foreign currency, which are not hedged, are converted with the historical exchange rate of the transaction date.

Long-term foreign currency receivables are converted with the spot exchange rate at the transaction date or the lower spot exchange rate as of balance sheet date (principle of prudence). Short-term foreign currency receivables (due within a year) as well as cash, cash equivalents and other short-term assets denominated in foreign currencies are converted with the spot exchange rate as of balance sheet date.

Long-term foreign currency liabilities are measured with the spot exchange rate of the transaction date or the higher spot exchange rate as of balance sheet date (principle of prudence). Short-term foreign currency liabilities (due within a year) are converted with the spot exchange rate as of balance sheet date.

Aluminum forward contracts

Novelis closes with its customers so called fixed-forward-price contracts over the sale of aluminum finished goods. The production costs of those finished goods result materially from costs of aluminum. Aluminum is purchased by Novelis at the average industry price LME cash of the month of delivery. Consequently, Novelis is exposed to aluminum price risk due to fixed selling price and variable purchasing price. In order to avoid this, Novelis closes commodity forward purchasing contracts (LME Future) at a fixed forward price. The fixed forward price is passed on to the customer. Later the forward purchasing contract is settled in cash (Cash Settlement). Approximately 2 months prior to the sale of the finished goods, Novelis closes a physical purchasing contract over the required amount of aluminum at the average price (LME cash) of the delivery month. The fixed selling price results in aluminum price risk. The exposure is compensated by the commodity forward contract.

Deferred taxes

A fiscal unity with Novelis Aluminium Holding Company, Dublin, Ireland, as well as Novelis Sheet Ingot GmbH, Goettingen, exists. Novelis Aluminium Holding Company is the fiscal unity parent. Novelis Deutschland GmbH and Novelis Sheet Ingot GmbH are the subsidiary companies. Deferred taxes relating to the subsidiary company are accounted for in the financial statements of the parent company as the parent company is solely subject to income taxes.

(3) BALANCE SHEET

(3.1) Non-current assets movement schedule

The development of non-current assets is on page 23 to 25. No non-scheduled depreciation have been recorded in the financial year (prior year K€ 0).

(3.2) Intangible Assets

Intangible assets comprise primarily a supply contract with an initial value of € 13.8 million. Furthermore, software licenses are included.

(3.3) Shareholdings

	Equity K€	Participation	Result K€
Novelis Sheet Ingot GmbH, Goettingen	20,000	100.0%	-44,878 [1]
ALUMINIUM NORF GmbH, Neuss	74,183 [2]	50.0 %	2,471 [2]
Novelis Italia S.p.A., Bresso	70,940 [3]	37.5 %	-8,579 [3]
Deutsche Aluminium Verpackung Recycling GmbH, Grevenbroich	79 [4]	30.0 %	-2 [4]

[1] Before profit and loss transfer

[2] For the period January 1, 2014 to December 31, 2014

[3] For the period April 1, 2014 to March 31, 2015

[4] For the period January 1, 2014 to December 31, 2014

In the financial year 2012/2013 Novelis Sheet Ingot GmbH was newly established. A profit and loss transfer agreement with Novelis Deutschland GmbH exists.

On October 25, 2013, the company granted a loan in the amount € 40 million to Novelis Sheet Ingot GmbH. This loan expires on October 1, 2023.

(3.4) Inventories

	2015 K€	2014 K€
Raw material	72,857	73,574
Work in progress / Unfinished goods	70,370	39,267
Finished goods and merchandise	99,121	82,536
	242,348	**195,377**

Compared to the relevant stock price inventories are stated € 102.8 million lower (prior year € 43.9 million).

(3.5) Receivables and other assets

	2015 K€	2014 K€
Trade receivables	20,207	7,683
Receivables from affiliated companies	302,021	258,231
Receivables from associated companies	55,158	39,374
Other assets	12,630	12,100
	390.016	**317,388**

Certain trade receivables are sold on a monthly basis to Novelis AG, Zurich, Switzerland, based on a factoring contract closed in 2007 (please refer also to note 10 and 11 “Contingencies”).

Furthermore, trade receivables are sold to a foreign bank to finance sales on a short-term basis. Legally sold receivables are no longer recognized in the financial statements of the company.

All trade receivables and other assets are due within a year. To account for general credit risks relating to trade receivables, a bad debt provision has been set up. The percentage of provision ranges from 0.5% to 1.32%.

Receivables from affiliated companies include cash pooling receivables from Novelis AG, Zurich, Switzerland, in the amount of K€ 95,029 (prior year K€ 228,200). Further receivables from affiliated companies amounting to K€ 3,440 resulted from financing activities.

As of balance sheet date, a receivable in the amount of K€ 125,086 from the sole shareholder Novelis Aluminium Holding Company due to the loss transfer for the fiscal year 2014/2015 exists (prior year K€ - 100,310 liability due to profit transfer).

The remaining receivables result from sale of goods and services in the amount of K€ 78.480 (prior year K€ 29,038). Trade receivables from affiliated companies are due within a year.

Receivables from associated companies in the amount of K€ 55,158 (prior year K€ 39,374) result from short-term borrowings.

(3.6) Equity

The sole shareholder of Novelis Deutschland GmbH is Novelis Aluminium Holding Company, Dublin, Ireland.

(3.7) Provisions and accruals

	2015 K€	2014 K€
Pensions and similar obligations	135,710	103,933
Taxes	2,203	1,366
Other provisions and accruals	97,957	62,190
	235,870	**167,489**

Provisions for pension obligations are K€ 135,710 as of March 31, 2015 (prior year K€ 103,933). The underlying interest rate is 4.37%. The planned annual salary and pension increase are set at 2.75% and 2.00% respectively.

Pension obligations are net of plan assets in the amount of K€ 1,292. The settlement amount is K€ 152,811. Income from plan assets (K€ 39) was netted with interest expense on the provision (K€ 15,867) in accordance with § 246 Section 2 Sentence 2 HGB. The net expense of K€ 15,828 is included in “Other interest and similar expenses”.

Pension provisions for former managing directors of the company and of former subsidiaries are K€ 7,350 as of March 31, 2015 (prior year K€ 6,349).

Actuarial assumptions in measuring early retirement and jubilee obligations are in line with the calculation of the pension obligations.

Provisions for early retirement obligations as of March 31, 2015 are offset by covered funds in the amount of K€ 4,659. The settlement amount is K€ 10,978. Income from plan assets in the amount of K€ 29 was netted with interest expense on the provision in the amount of K€ 454 in accordance with § 246 Section 2 Sentence 2 HGB. The net expense of K€ 425 is included in “Other interest and similar expenses”.

Other provisions and accruals comprise primarily of accruals for goods and services received but not invoiced (K€ 46,663; prior year K€ 15,275), overtime and vacation (K€ 7,385; prior year K€ 6,647), early retirement provisions net of plan assets (K€ 6,319; prior year K€ 6,525) as well as restructuring provisions (K€ 4,353; prior year K€ 10,406).

Provisions for onerous contracts (K€ 5,501; prior year K€ 1,795) were calculated based on the selling price of the contracts and the full production cost. An anticipated loss in the amount of K€ 1,694 due to a fixed raw material purchase contract is included. Furthermore, provisions were set up for possible losses from foreign currency and aluminum forward contracts (K€ 15,792; prior year K€ 9,263).

(3.8) Liabilities

	2015 K€	Due within a year K€	2014 K€	Due within a year K€
Trade payables	265,684	265,684	182,668	182,668
Bank liabilities	70,031	70,031	50,022	50,022
Liabilities to affiliated companies [1), 2)]	157.221	158,856	166,108	166,108
Liabilities to associated companies [3)]	40,512	40,512	38.789	38.789
Other liabilities [4)]	21,890	21,891	20,678	20,678
	555,338	**556,974**	**458,266**	**458,266**

[1)] Thereof from purchase of goods and services	113,978	62,389
[2)] Thereof to shareholders	0	103,719
[3)] Thereof from purchase of goods and services	40,512	38,789
[4)] Thereof from taxes	11,128	6,958

No liabilities are due in more than five years.

(4) INCOME STATEMENT

(4.1) Sales

Sales by region	2014/15	2013/14
	K€	
		K€
Germany	1,003,387	632,898
European Union - excluding Germany	1,550,136	1,178,533
Remaining Europe	235,778	161,005
Far East	59,370	59,648
North America	135,563	61,386
Other foreign countries	10,739	39,659
	2,994,973	**2,133,129**

Sales by product line	2014/15	2013/14
	K€	
		K€
Rolled products	2,836,587	1,978,618
Foil and foil products	135,764	133,878
Industrial products	22,622	20,633
	2,994,973	**2,133,129**

(4.2) General and administrative expenses

General and administrative expenses comprise, among other expenses, lallocation charges from Novelis Inc. Material prior period expenses have not been incurred during the reporting period.

(4.3) Other operating income

Other operating income comprises income from service charges and prior period income in the amount to K€ 12,641 (prior year K€ 4,681). Prior period income results from the release of restructuring and other provisions and, to a smaller extent, from the reduction of bad debt allowances. With regard to income from foreign exchange differences please refer to (12) derivative financial instruments.

(4.4) Other operating expenses

Other operating expenses include primarily service expenses and research and development expenses charged by affiliated companies, expenses from the

restructuring program as well as exchange losses and expenses to set up provisions for hedging transactions. Significant expenses relating to other periods have not been incurred in this reporting period. Other taxes included in other operating expenses are K€ 429 (prior year K€ 473). With regard to expenses from foreign exchange differences, please refer to (12) derivative financial instruments.

(4.5) Income from long-term loans, other interest and similar income as well as interest and similar expenses

Income from long-term loans results from interest income on loans to associated companies. Besides interest income from affiliated companies in the amount of K€ 2,434 (prior year K€ 1,007) is included.

Interest and similar expenses include interest payable to affiliated companies in the amount of K€ 3,582 (prior year K€ 3,127).

The accumulation of interest expense on long-term provisions net of interest income on the respective plan assets resulted in K€ 16,432 (prior year K€ 8,439) expenses.

(4.6) Extraordinary result

The extraordinary result includes expenses in the amount of K€ 1,757 (prior year K€ 1,757) to account for the pension obligation in accordance with new accounting regulations.

(4.7) Income taxes

Due to the fiscal unity with Novelis Aluminium Holding Company, a tax profit of the reporting year is not subject to income taxes. The expense of K€ 37 relates to foreign distribution offices maintained by Novelis Deutschland GmbH's.

(5) MATERIAL EXPENSES

	2014/2015	2013/2014
	K€	K€
Raw materials	2,553,253	1,427,014
Merchandise	6,635	6,919
	2,559,888	**1,433,933**
Services received	260,140	274,175
	2,820,028	**1,708,108**

(6) PERSONNEL EXPENSES

	2014/2015	2013/2014
	K€	K€
Salaries and wages	119,678	114,437
Social security	45,719	35,564
Thereof pension costs	23,524	14,507
	165,397	**150,001**

(7) EXPENSES FOR INSTITUTIONS OF THE COMPANY

	2014/15
	K€
Supervisory board	74
Insurance premiums for former managing directors and surviving family members	10
	84

The managing directors did not receive any remuneration from the company. The remuneration of former managing directors and their surviving family members amounted to K€ 1,104.

(8) INSTITUTIONS OF THE COMPANY

Members of the supervisory board

Dr. Erwin Mayr	Senior Vice President of Novelis Inc. and President of Novelis Europe, Chairman
Detlev Kiel *	Secretary of Labour Union, IG Metall Schoenebeck
Fortunato Llamido Lucido	Regional Counsel of Novelis Europe
Michaela Pampel *	Member Workers‘ Council of Aluminium Norf GmbH
Dieter Salewski *	Member Workers‘ Council Nachterstedt, Vice-Chairman
Burkhard Schmitz *	Representative of executive employees
Sabine Schauer	Communications Director Novelis Europe
Ralf Fischbach *	Representative of employees and Vice Chairman
Dr. Markus Gaertner	Strategy Director Novelis Europe

Ulf Halbauer*	2. Authorized Secretary of Labour Union IG Metall Süd-Niedersachsen-Harz (since April 1, 2014)
Pierre Labat	Automotive VS General Manager (since May 26, 2014)
Michael Hahne	Value Stream Manager Can Novelis Europe (since January 1, 2015)

* Representative of employees

Managing Directors

Eric Tonkowski	Managing Director Purchasing, Production, Sales, Finance, IT
Gottfried Weindl	Managing Director Human Resources, EHS, Legal, Labour director

(9) EMPLOYEES (average number of employees)

	2014/15	2013/14
Production	1,820	1,753
Administration and sales	194	187
Other	59	65
	2,073	2,005
Apprentices / Trainees	129	135
	2,202	**2,140**

(10) CONTINGENCIES

The latest comprehensive refinancing of the group took place on December 17, 2010. Afterwards, the Novelis group had a financial capital in the amount of US$ 5,500 million available to them. Novelis Inc. issued two Unsecured Senior Notes in the amount of US$ 2,500 and obtained a Term Loan Facility in the amount of US$ 1,800 million. On March 5, 2013, the term loan facility was increased by US$ 100 million in the course of a financing transaction (Increase and accession agreement). In addition, an Asset Based Revolving Credit Facility in the amount of US$ 1,200 million is available. In October 2014, the financing resources have been extended.

In this context thecompany sold a major portion of its existing and future trade receivables to Novelis AG, Switzerland. Novelis AG assigns the acquired receivables to the secured party by way of security. The company still administrates the receivables and payments are made to an account of Novelis AG.

The company assigned all moveable assets which are legal property of Novelis Deutschland GmbH by way of security to the secured party.

The company assigned all receivables not sold to Novelis AG by way of security to the secured party (global assignment). The profit and loss transfer agreement between

Novelis Deutschland GmbH and Novelis Aluminium Holding Company must stay in place. Receivables must be free of claims from third parties. Any claims have to be reported immediately to the secured party.

The company pledged all German bank accounts in favor of the secured party.

The company is obliged not to create mortgages on land and similar property rights. Mortgages in favor of the secured party have not been created.

The company assigned all intellectual property rights by way of security to the secured party.

In the ordinary course of business, the security provider has extensive disposition rights.

Due to the guarantees and securities given, Novelis Deutschland GmbH is exposed to potential claims. However at the date of the preparation of the financial statements, no claims have been made and management does not expect claims in the future given that the relevant company's expected liquidity has a high likelihood to provide sufficient funds to fulfill the agreement in time.

(11) OTHER FINANCIAL COMMITMENTS AND OFF-BALANCE-SHEET TRANSACTIONS

Financial commitments from rent and lease contracts and other purchase contracts amount to € 26.5 million (prior year € 24.8 million) and result from the on-going business. Thereof € 11.1 million will result in cash payments in the financial year 2015/2016. € 15.4 million will result in cash payments until March 31, 2021. To a large extent commitments are operating lease contracts which do not result in recognition of assets. The benefits of those contracts are lower financing needs and no risk of disposal. Risks may occur during the term of the agreements if the items are not fully used. Currently, no indication of risks exists.

Already fixed metal purchase contracts result in purchasing commitments of € 39.3 million for the upcoming financial year.

As of March 31, 2015 purchase commitments for investment activities amount to € 16.8 million (prior year € 33.6 million).

Novelis Deutschland GmbH concluded in 2003 a Joint Venture Agreement with ALUMINIUM NORF GmbH, Neuss. As a subcontractor, ALUMINIUM NORF GmbH will provide production services. Benefits from the agreement due to the construction of the world's largest aluminum rolling and melting plant are lower average cost, efficient processes and extensive production know-how. Risks and opportunities resulting from the market and product development as well as aluminum supply remain directly with Novelis Deutschland GmbH.

According to an agreement with the co-shareholder of Hydro Rolled Products GmbH, the shareholders are obliged to pay a commitment fee to ALUMINIUM NORF GmbH, Neuss, corresponding to their shareholdings. The commitment fee will be € 65.8 million in the financial year 2015/2016.

In 2007, the company concluded a factoring agreement with the affiliated company Novelis AG, Zurich/ Switzerland and in 2015, an additional factoring agreement with a foreign bank. Liquidity and financing are strengthened due to the factoring. The credit risk is fully transferred to Novelis AG, Zurich, Switzerland or the foreign bank.

(12) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to hedge raw material prices and foreign currency risks.

As of balance sheet, date aluminum forward contracts hedge aluminum price risks from contracted underlying transactions. Up to March 31, 2012, the underlying transaction and the hedging instrument represented a valuation unit. In 2013, it was opted not to designate a hedging relationship.

Market values of raw material price hedging instruments comprise negative fair values in the amount of € 11.1 million for which onerous contract provisions are recognized.

As of balance sheet date, currency forward contracts hedge foreign currency risks from contracted underlying transactions. Currency forward contracts mainly provide for the purchase of US$ (€ 360.8 million) and the sale of US$ (€ 191.4 million). Market values of the currency forward contracts comprise negative fair values of € 4.6 million for which onerous contract provisions are recognized. As of balance sheet, date no hedge relationship was designated.

As of balance sheet date, the nominal and fair values of existing derivatives are as follows:

Mio €	**Nominal volume**			**Market Value**	
	Purchase	**Sale**	**Total**	**Total**	**Total Prior Year**
Currency exchange forwards	371.5	240.2	611.7	-4.8	1.0
Currency swaps	0.0	0.0	0.0	0.0	0.0
Currency hedge contracts	**371.5**	**240.2**	**611.7**	**-4.8**	**1.0**
Aluminum forward contracts	28.4	550.0	578.3	8.5	4.1
Raw material hedge contracts	**28.4**	**550.0**	**578.3**	**8.5**	**4.1**

Nominal values are the total of all purchasing or sale contracts. Market value is the net amount of positive and negative market values. Market values match fair values which have been derived from Bloomberg-rates.

Currency exchange gains and losses from derivatives and underlying transactions are netted in the income statement. As of balance sheet date, currency exchange losses (prior year: gain) disclosed under other operating expenses (prior year: income) are as follows:

Mio €	Expense	Income	Total	Total Prior year
Underlying transactions	-64.2	25.5	-38.7	9.1
Currency derivatives	-16.3	40.9	24.6	-6.8
			-14.1	**2.3**

Currency losses include unrealized losses from the conversion with the spot exchange rate in the amount of K€ 4.571 (prior year K€ 4.189 income).

(13) OTHER INFORMATION

The Lifo-method is applied for measuring aluminum included in cost of sales. As a result, pre-tax income is approximately € 73.2 million lower (prior year € 27.08 million higher) compared to a measurement in accordance with the moving average price method.

(14) TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of the business Novelis Deutschland GmbH has business relationships with numerous companies including affiliated and associated companies. Affiliated and associated companies are considered related parties.

Purchases from the associated company ALUMINIUM NORF GmbH are invoiced applying the cost-plus-method. The risk mark-up is 0.7%. The resulting production costs are € 197.1 million in 2014/2015 (prior year € 196.1 million). Furthermore, ALUMINIUM NORF GmbH received a loan with a fixed interest rate of 1.1%. Interest income was

€ 0.6 million.

(15) AUDITOR RENUMERATION

Total auditor fees for audit services in the financial year were K€ 538 (prior year K€ 521).

Goettingen, May 7, 2015

Novelis Deutschland GmbH

Eric Tonkowski Gottfried Weindl

Movement in Fixed Assets

Novelis Deutschland GmbH, Goettingen

Movement in Fixed Assets

	Historical cost			
	April 1, 2014	**Additions**	**Reclassi-fications**	**Disposals**
	K€	**K€**	**K€**	**K€**
I. Intangible assets				
1. Concessions, intellectual property rights, licences and similar rights	**30,898**	0	84	0
	30,898	0	84	0
II. Property, plant and equipment				
1. Property, buildings and similar property rights	**94,013**	0	697	0
2. Technical equipment and machinery	**370,807**	0	23,466	519
3. Other plant, furniture and office equipment	**83,126**	0	3,050	1,537
4. Prepayments and construction in progress	**26,644**	60,108	-27,297	0
	574,590	60,108	-84	2,056
III. Financial assets				
1. Investments in affiliated companies	**59,750**	0	0	0
2. Loans to affiliated companies [1)]	**40,000**	0	0	0
3. Investments in associated companies	**30,836**	0	0	0
4. Loans to associated companies	**8,687**	0	0	1,432
	139,273	**0**	**0**	**1,432**
	744,761	**60,108**	**0**	**3,488**

	Amortization and depreciation				Book value	
March 31, 2015	April 1, 2014	Additions	Disposals	March 31, 2015	March 31, 2015	March 31, 2014
K€	K€	K€	K€	K€	K€	K€
30,982	18,407	1,436	0	19,843	11,139	12,491
30,982	18,407	1,436	0	19,843	11,139	12,491
94,710	71,451	1,301	0	72,752	21,958	22,562
393,754	348,715	7,191	494	355,412	38,342	22,092
84,639	74,828	2,506	1,528	75,806	8,833	8,298
59,455	0	0	0	0	59,455	26,644
632,558	494,994	10,998	2,022	503,970	128,588	79,596
59,750	0	0	0	0	59,750	59,750
40,000	0	0	0	0	40,000	40,000
30,836	106	0	0	106	30,730	30,730
7,255	0	0	0	0	7,255	8,687
137,841	106	0	0	106	137,735	139,167
801,381	513,507	12,434	2,022	523,919	277,462	191,254

Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Novelis Deutschland GmbH, Goettingen, for the business year from April 1, 2014 to March 31, 2015. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Company's Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB [Handelsgesetzbuch - German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany - IDW]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, May 8, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(sgd.) Nadia Brieder-Markl	(sgd.) ppa. Georg Rogowski
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)