Report of the statutory auditor
to the General Meeting of
Novelis Switzerland SA
Sierre

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Novelis Switzerland SA, 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 SA 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 SA

Philippe Lienhard

Audit expert
Auditor in charge

Yan Pannatier

Audit expert

Lausanne, 11 May 2015

Enclosures:

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

Balance sheet at
(in Swiss Francs)

	March 31, 2015	March 31, 2014
Assets		
Current assets		
Liquid funds	18 206	15 757
Trade accounts receivable -		
Third parties, net	3 915 901	4 465 923
Group companies	52 415 198	39 663 366
Prepaid and accrued expenses -		
Third parties	2 022 035	1 250 412
Group companies	0	0
Other receivables -		
Third parties	13 285 102	7 848 418
Shareholders	176 085 855	163 787 764
Inventories, net	52 186 797	34 756 772
	299 929 094	251 788 412
Fixed assets		
Tangible fixed assets -		
Land and buildings	29 483 392	26 206 686
Machinery and other equipments	34 348 601	27 062 387
Construction in progress	8 567 430	19 959 021
Intangible fixed assets -		
Intellectual property	3 192 300	3 990 375
Softwares	87 512	59 770
	75 679 235	77 278 239
Other long-term assets		
Deposit	1 204 244	1 204 240
	1 204 244	1 204 240
Total assets	376 812 573	330 270 891

Balance sheet at
(in Swiss Francs)

	March 31, 2015	March 31, 2014
Liabilities and shareholders' equity		
Current liabilities		
Trade accounts payable -		
Third parties	89 837 027	77 523 093
Group companies	20 117 524	4 669 263
Other current liabilities -		
Third parties	648 973	659 523
Accrued liabilities		
Third parties	11 866 858	11 940 621
Group companies	147 845	360 023
Short-term provisions	17 776 528	10 970 102
Short-term loans from shareholder	0	0
Short-term debts	24 416	14 535
	140 419 171	106 137 160
Non-current liabilities		
Long term debt -		
Shareholders	0	60 000 000
third parties	37 344	30 336
	37 344	60 030 336
Shareholders' equity		
Share capital	5 000 000	5 000 000
General reserve	2 500 000	2 500 000
Retained earnings	228 856 057	156 603 396
	236 356 057	164 103 396
Total liabilities and shareholders' equity	376 812 572	330 270 892

Statement of income for the period

(in Swiss Francs)	April 1, 2014 - March 31, 2015	April 1, 2013 - March 31, 2014
Turnover		
Income from sales	671 689 321	552 214 849
Income from service fees	10 103 741	10 417 057
Sales deductions	(15 540 884)	(16 943 284)
	666 252 178	545 688 622
Materials used	(476 714 065)	(347 323 861)
Energy consumption costs	(14 164 618)	(14 226 679)
Variation in inventories	19 325 293	(13 590 420)
Gross profit	194 698 788	170 547 662
Personnel costs	(63 269 980)	(58 810 440)
Leasing	(8 313 962)	(8 027 163)
Maintenance	(7 493 420)	(7 761 847)
Other operating costs	(26 841 372)	(20 960 320)
Other income	6 178 937	0
Depreciation	(11 782 195)	(11 170 272)
Operating profit before financial items	83 176 796	63 817 620
Financial income	8 757 002	6 346 527
Financial expense	(10 127 057)	(5 423 775)
Operating profit	81 806 741	64 740 372
Non-operating expense	(319 720)	(183 120)
Income before tax	81 487 021	64 557 252
Taxes	(9 234 360)	(7 355 562)
Net income (loss) for the period	72 252 661	57 201 690

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Notes to the financial statements 2015

1. Notes in accordance with Article 663b of the Swiss Code of Obligations

	March 31, 2015 SFr	March 31, 2014 SFr
1.1 Assets pledged in favour of third parties		
Casthouse	60 000 000	60 000 000
Trade accounts receivables	56 331 099	44 129 289
Cash	18 206	15 757
	116 349 305	104 145 046

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 and
(2) a $1.2 billion five-year asset based loan facility (ABL Facility) that may be increased by an additional $500 million.

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 Switzerland SA and Novelis AG.
Pursuant to these agreements, Novelis Switzerland SA 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 CHF 26.8 million (2014: CHF 26.1 million).

1.2 Guarantee		
Guarantee in favour of Listex Sàrl, Sierre	3 000 000	3 000 000

1.3 Lease commitments not recorded in the balance sheet		
Liabilities from capital leases	26 625 304	30 898 784
Future operating lease payments	18 720 321	16 036 991
	45 345 625	46 935 775

1.4 Fire insurance value of tangible fixed assets

Assets are covered by a global property damage & business interruption insurance at a group level.

1.5 Amounts due to pension funds

Amounts due to pension funds	615 985	1 191 567
	615 985	1 191 567

1.6 Other contingent liabilities

The Company is jointly liable for Swiss VAT with respect to the Novelis AG VAT Group.

1.7 Commitments

As of 31.03.2015, the company owns 172 (FY14: 121) open forward contracts for an estimated net fair value of +2'318'405 CHF (FY14: -412'717 CHF).

154 (FY14: 103) contracts hedging the FX rates risk for an estimated fair value amounting to +2'585'634 CHF (FY14: -352’551 CHF) and 18 (FY14: 18) contracts hedging the metal price risk for an estimated fair value amounting to -267'229 CHF (FY14: -60’166 CHF) .

The losses related to these contracts have not been considered in the net profit as they are dedicated to hedge future trade commitments. Therefore, any unrealized losses on the contracts are offset by the corresponding gains on futur trade commitments

1.8 Risk Assessment Requirement

The Company is fully integrated into the group-wide risk assessment process of the Novelis group. This group risk assessment process also addresses the nature and scope of business activities and the specific risks of the Company.

1.9 Transitional Provisions

Applying the transitional provisions of the new accounting law, these financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations effective until 31 December 2012.

1.10 Derogation from the principle of continuity in the presentation.

Presentation of accounts for the past year has been changed for purpose of comparison.

Notes to the financial statements 2015

2. Movements on retained earnings

(in Swiss Francs)

	2015	2014
Retained earnings at the beginning of the period	156 603 397	99 401 707
Appropriations of retained earnings resolved by general meeting		
Dividends	0	0
Appropriations to general legal reserve	0	0
Net income for the period	72 252 661	57 201 690
Retained earnings at the disposal of the annual general meeting	228 856 058	156 603 397

Proposal of the board of directors for appropriation of retained earnings

	2015 Proposal of the board of directors
Gross dividend	0
Appropriation to general	0
legal reserve	0
To be carried forward	228 856 058
	228 856 058