

Novelis Q1 2008 Results

Mumbai, India
August 10, 2007

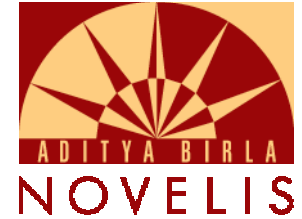


Cautionary Statement



Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Examples of forward-looking statements in this news release include those related to the integration of Novelis and Hindalco, the cost savings and new market opportunities to be realized in connection with Hindalco's acquisition of Novelis, Novelis' financial position following the restructuring of its debt, and Novelis' plans to achieve a more efficient tax structure. We caution that, by their nature, forward-looking statements involve risk and uncertainty. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Important risk factors which could impact Novelis are included under the caption "Risk Factors" in Novelis' Annual Report on Form 10-K for the year ended December 31, 2006, as amended and filed with the U.S. Securities and Exchange Commission, and are specifically incorporated by reference into this presentation.

Strategic Rationale & Synergy



Consistent Strategy and Value-Maximizing Objectives

- Transforms Hindalco from a low-cost Indian aluminum producer to a leading global integrated metals company
- Complements recently announced brownfield and greenfield upstream expansion plans

Stable Cashflow

- Provides stable cashflow; reduced LME exposure

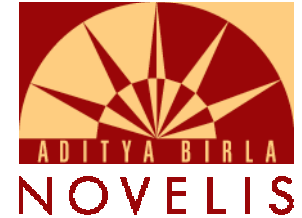
Significant Synergy Potential

- Synergies in SG&A, IT systems, economic hedges, R&D and procurement
- Jointly exploit Asian growth opportunities

Leverage Novelis' Advances in Technology

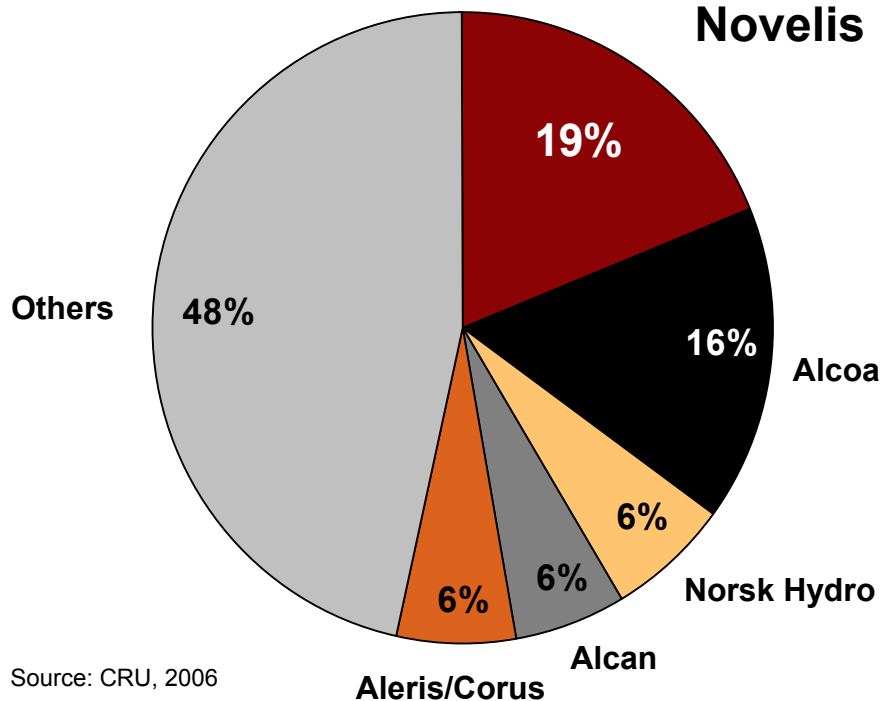
- Novelis' proprietary technology includes can, litho, and automotive products which are not available in Indian market

Global Leader in Rolled Aluminum



Global Aluminum Rolled Products Production

100% = 16,400 kt
Top 5 = 52%



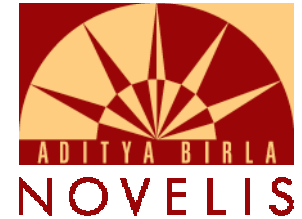
Source: CRU, 2006

#1 rolled products
supplier worldwide

Leader in:

- Can, Auto, Foil
- Europe, Asia & S-A
- Rolling technology
- Continuous casting technology
- Recycling

Novelis' Global Presence



North America
Employees: 3,100

United States

- ★ Atlanta, GA
- ▬ Aurora, IL
- Berea, KY
- ◆ Cleveland, OH
- Fairmont, WV
- Greensboro, GA
- Logan, KY⁽¹⁾
- Louisville, KY
- Oswego, NY
- Terre Haute, IN
- Warren, OH

Canada

- Burnaby
- ▬ ● Kingston
- Saguenay
- Toronto

United Kingdom

- Bridgnorth
- Latchford
- Rogerstone

Germany

- Berlin
- Göttingen
- Ludenscheid
- Nachterstedt
- Norf⁽¹⁾
- Ohle

Europe
Employees: 6,000

Luxembourg

- Dudelange

Switzerland

- Siere⁽²⁾
- ◆ Zurich

France

- Rugles
- ▬ PAE (Voreppe)

Italy

- Bresso
- Pieve

Brazil

- Aratu
- Ouro Preto
- Pinda
- ◆ Sao Paulo
- Utinga

South America

Employees: 2,200

Korea

- ◆ Seoul
- ▬ ● Ulsan⁽¹⁾
- Yeongju⁽¹⁾

Malaysia

- Bukit Raja⁽¹⁾

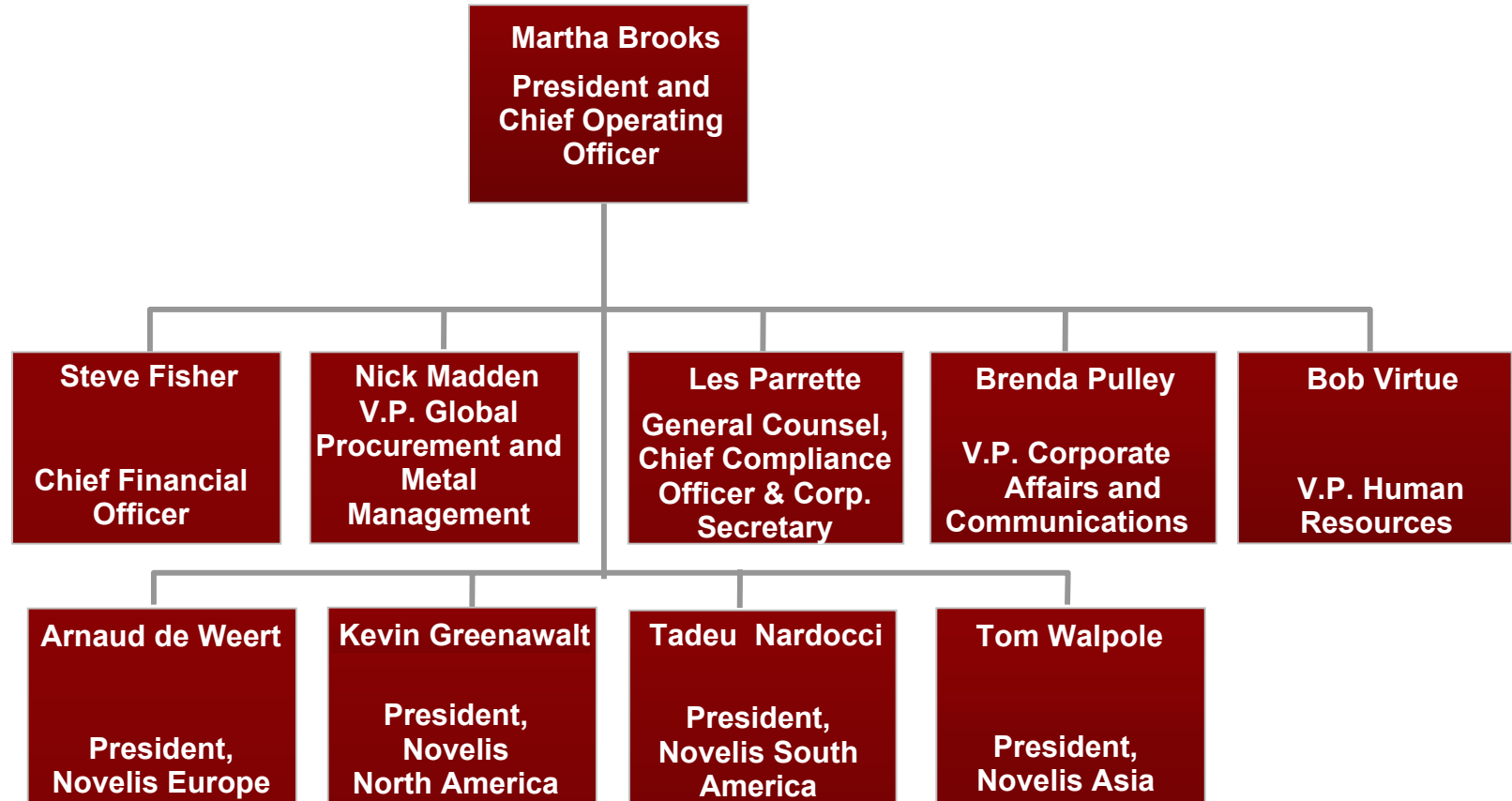
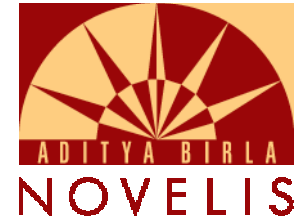
Asia

Employees: 1,600

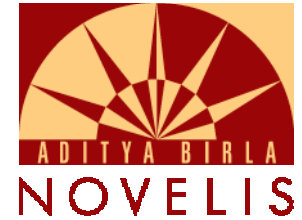
●	Manufacturing
●	Recycling
▬	Bauxite / alumina
●	Primary
■	Power
■	Refined Calcinated Coke
▬	Research and Development
◆	Regional Offices
★	Headquarters

Notes: (1) Jointly owned companies or facilities
(2) Long-term lease

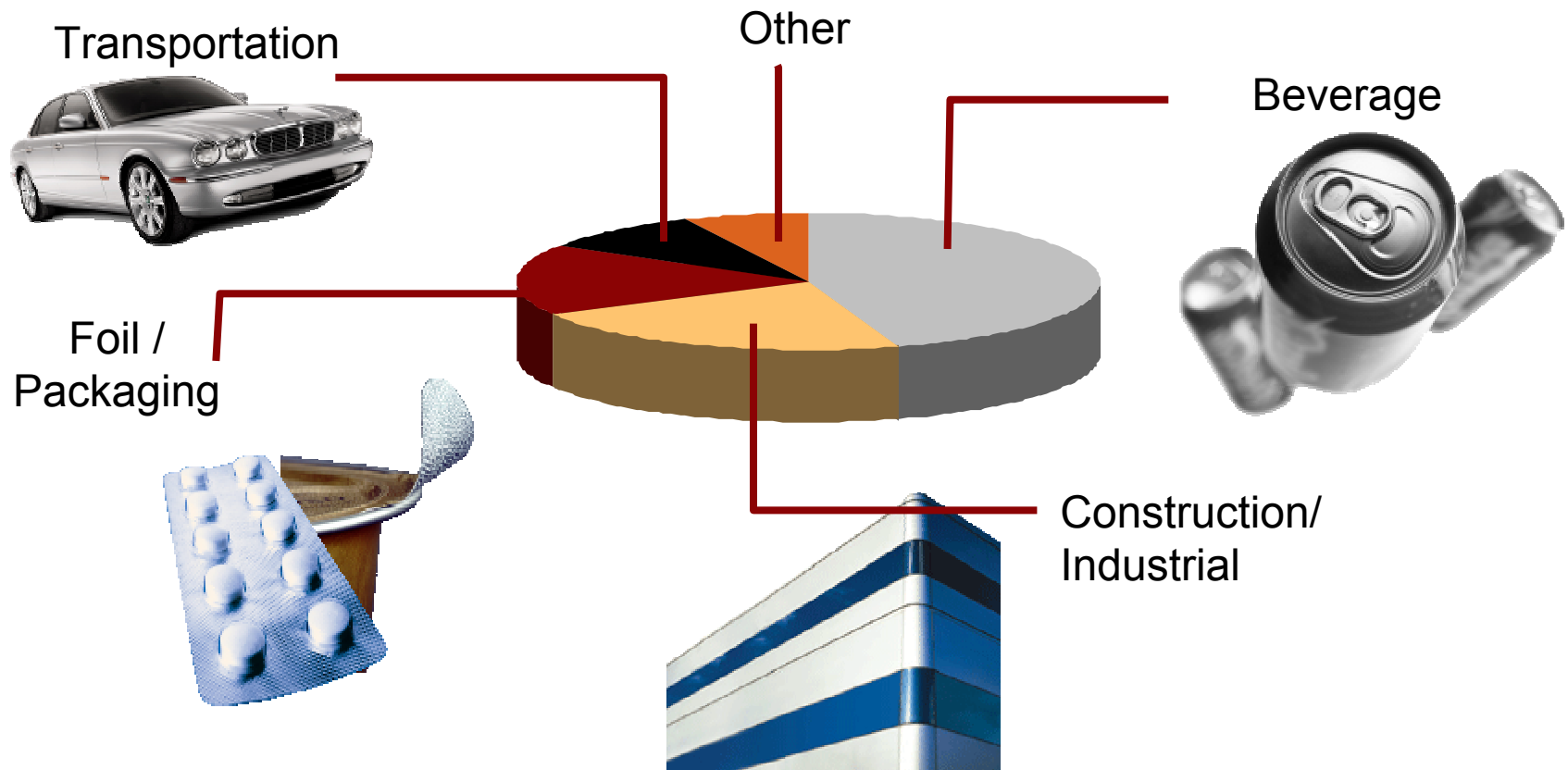
Novelis Management Team



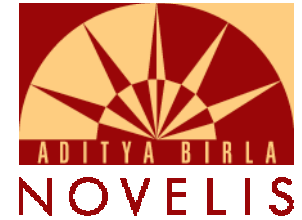
High-end Product Portfolio



Shipments by Market



Novelis Supplies World Leaders



Automotive and Transportation



DAIMLERCHRYSLER



Cans & Closures



Coca-Cola



REXAM



Building & Industrial



Printing & Lithographic

AGFA



Kodak Polychrome



Flexible & Semi-rigid Packaging



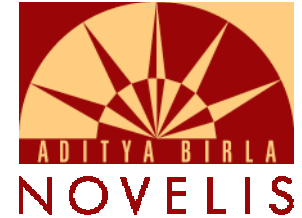
PACTIV



Tetra Pak

- High-end products
- Long term relationships with blue-chip customers

Attractive Industry Fundamentals



- Significant barriers to entry exist in the aluminum rolled products industry
 - large capital cost
 - long lead times to install cost competitive plants
 - technological requirements; premium on “know how”
 - customer qualifications demand
- Rising service, quality and efficiency demands of large, global customers
- Continued growth in aluminum consumption, particularly China and India
- Price structure insulates producer from the variability of primary aluminum prices

Novelis Regional Overview

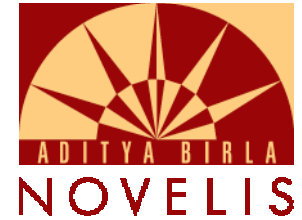


	Market Position	Shipments (kt)	Sales ¹ (\$mm)	End-Use Applications
North America	# 2	1,209	3,721	<ul style="list-style-type: none"> • Beverage Cans • Containers/Packaging • Automotive/Other Transportation • Building Products / Other Industrial
Europe	# 1	1,086	3,851	<ul style="list-style-type: none"> • Construction and Industrial • Beverage and Food Cans • Foil / Technical Products • Lithographic • Automotive
Asia	# 1	505	1,711	<ul style="list-style-type: none"> • Foil Reroll • Construction / Industrial • Beverage / Food Can
South America	# 1	313	889	<ul style="list-style-type: none"> • Automotive • Industrial Sheet • Light Gauge for Food Can • Construction / Industrial / Transportation / Packaging

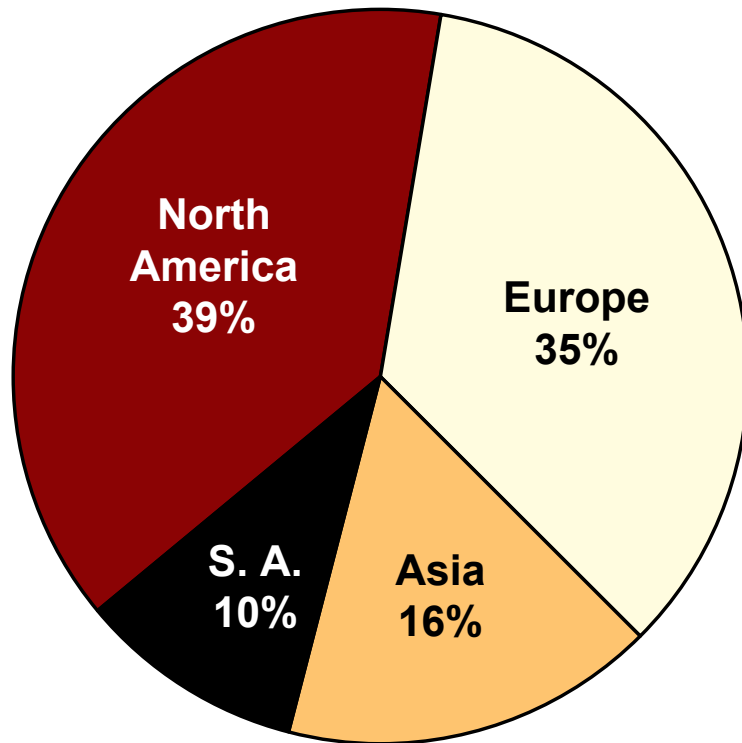
Note:

(1) Before elimination of inter-company transactions

A Balanced Portfolio and Market Position

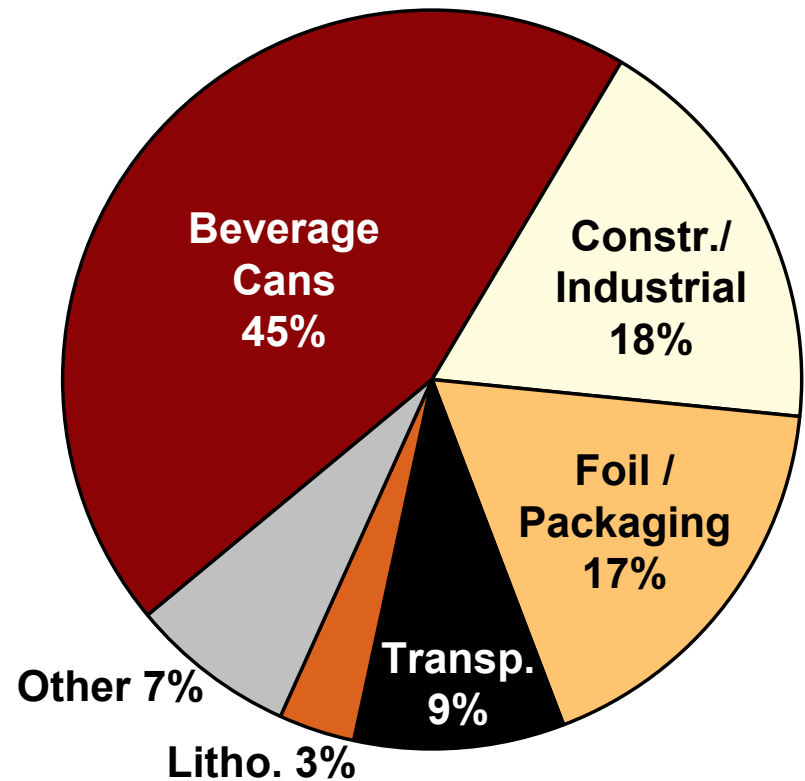


Shipments by Region



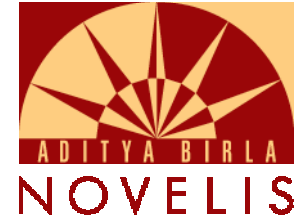
LTM 3/31/07 = 3,113 kt

Shipments by Market



2006 total shipments

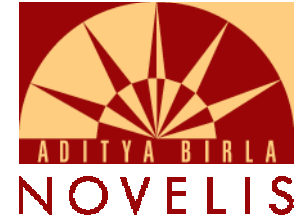
Operational Excellence



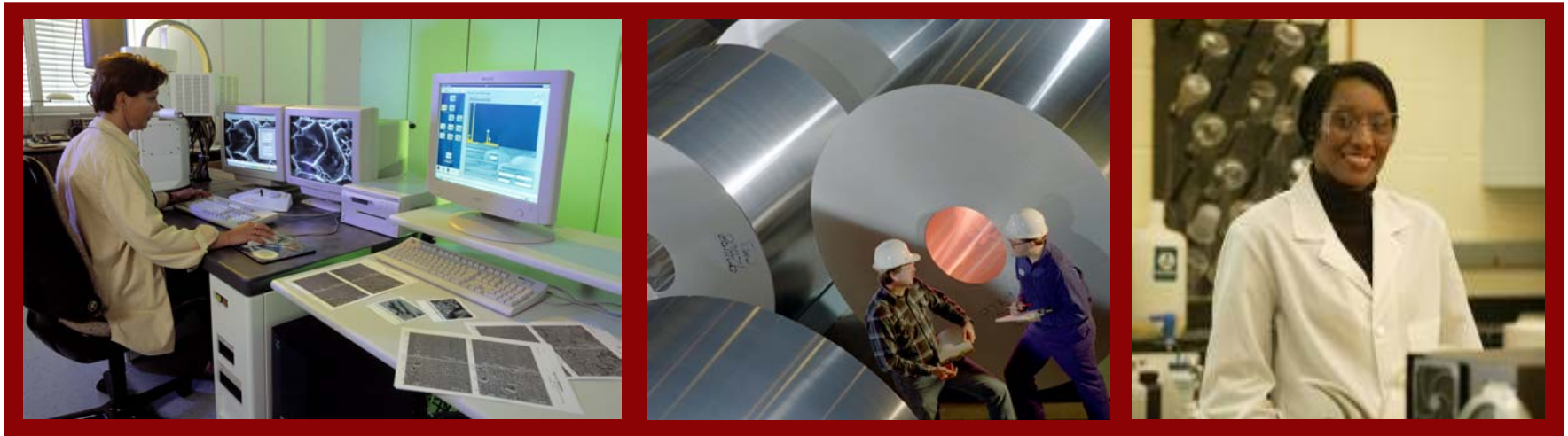
- Advanced manufacturing facilities and systems
- Lean Six Sigma
- Best practice sharing
- Drive working capital turns
- Leverage opportunity with Hindalco



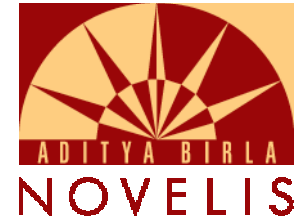
Innovative and Technical Leadership



- Customer Awards
- Technology Centers
- Molten Metal Processing
- Rolling and Finishing
- Continuous Casting



Innovative Processes / Products



Novelis Fusion™

THE WALL STREET JOURNAL.
ONLINE

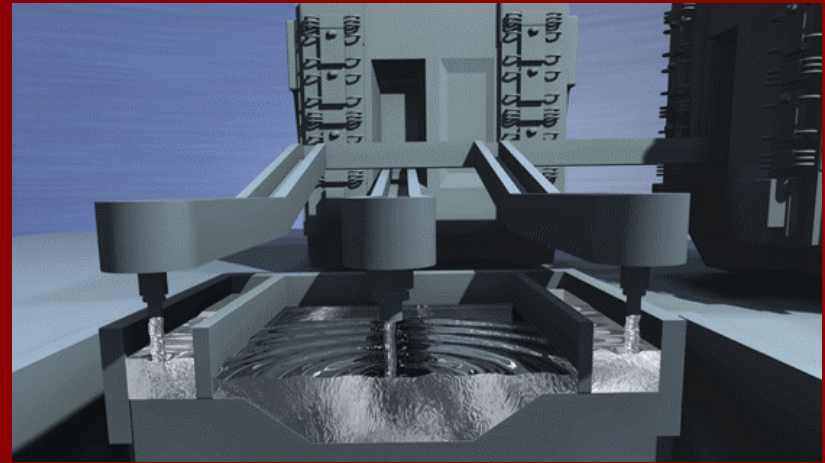
AMM
AMERICAN METAL MARKET

MANUFACTURER
AWARDS 2007

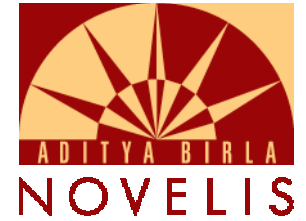
“It is clearly a major development”

“A game-changing technology”

Design & Innovation Award

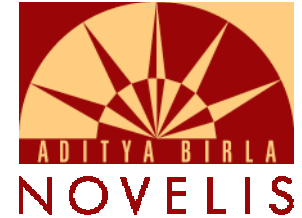


A New Generation of Sheet Products



Q1 Financial Review

Highlights



- Shipments up driven by Europe and South America
- Strong improvement in normalized EBIT
- Market Demand Outlook
 - ✓ Europe -- Strong demand across all products
 - ✓ South America – Strong can stock demand
 - ✓ North America – Signs of market recovery, continued slow housing demand
 - ✓ Asia – Growing competitive environment
- Sales volume under ceiling reduced to 10%, remaining exposure significantly offset by
 - ✓ Primary metal production in South America
 - ✓ UBC spreads
- Completed restructuring of debt with more favorable terms and achieved stronger financial position.
- Purchase Accounting – fair value allocation of purchase price

Drivers of Performance



	1Q		<i>Impact on Novelis Results</i>
	FY07	FY08	
LME Cash Average - \$/t	2,653	2,762	↓
Exchange Rates*			
U.S. dollar per Euro	1.275	1.354	↑
Brazilian Real per U.S. dollar	2.185	1.961	↓
South Korean Won per U.S. dollar	946	927	↓
Canadian dollar per U.S. dollar	1.113	1.080	↓

* Average of the month end rates.

Results at a glance



	Q1 FY07	Q1 FY08	\$m Change
Revenue	2,564	2,828	264
Cost of Goods Sold	(2,407)	(2,641)	(234)
SG&A	(98)	(137)	(39)
R&D	(10)	(19)	(9)
Change in FV of Derivatives	41	34	(7)
Transaction Fees	-	(32)	(32)
Other	8	(15)	(23)
EBITDA	98	18	(80)
Depreciation & Amortisation	(59)	(81)	(22)
EBIT	39	(63)	(102)
Interest	(49)	(51)	(2)
EBT	(10)	(114)	(104)
Taxes	20	(40)	(60)
Minority Interest	(4)	3	7
Net Income	6	(151)	(157)

Q1 FY08 includes several non-recurring items related to CoC

Normalised EBIT



	<u>Q1 FY07</u>	<u>Q1 FY08</u>	<u>\$m</u> <u>Change</u>
Reported EBIT	39	(63)	(102)
<u>Abnormals therein</u>			
Metal Price Lag	77	1	
Unrealised Gains / (Losses) on derivative fair values.	(37)	(10)	
<u>Change of Control related</u>			
Stock Compensation		(45)	
Sales & Transaction Fees		(32)	
Purchase Accounting		(19)	
Total Abnormals	40	(105)	(145)
EBIT without impact of abnormals	(1)	42	43

	<u>LME</u>	<u>% change</u>
Q4 FY06	2421	
Q1 FY07	2653	10%
Q4 FY07	2801	
Q1 FY08	2762	-1%

Last Year Q1 saw sharply rising LME - we gained on the lag.

\$77m 'pre-CoC' items do not affect consolidated Hindalco results.

Normalised EBIT Variance



\$m

Normalised EBIT Q1 FY07	(1)
Mix Improvement & Price Increases	26
Lower Ceiling Exposure, net of hedges	27
Lower Corporate Expenses	6
Exchange Gains / Losses	-16
Normalised EBIT Q1 FY08	42

Underlying Strong Operational Performance

Price Ceiling Exposures and Risk Mitigation



Net Exposures

- Price ceilings on certain North American contracts:
 - Remaining FY08 net exposure is less than 50 kilotonnes (kt)
 - We expect to reduce exposure to 10-20 kt for FY08.
 - Beyond FY08, we will continue to prudently reduce exposure

Mitigants

- Internal hedges reduce risk to metal price exposure:
 - Volume from smelters serve as a natural hedge
 - Benefit from spreads between UBC and LME prices -- expectations based on historical statistical evidence

Actions

- External hedges: purchase of LME futures and option contracts
- Aggressively pursuing all options for removal of price ceilings

Income Taxes



	\$m
	<u>Q1 FY 08</u>
Pre-tax income / (loss)	<u>(114)</u>
Income taxes at statutory rate of 33%	(37)
Increase/(decrease) in valuation allowances:	34
Exchange translation and remeasurement items	49
Tax rate differences in different regimes	4
Other	(10)
Provision for taxes on income	<u>40</u>

for loss making jurisdictions where utilisation of tax losses is not presently foreseen.

primarily for unrealised gains on translation of USD denominated debt in non-US entities where functional currency is USD.

Cash taxes paid for the quarter \$21m.

Cash Profits

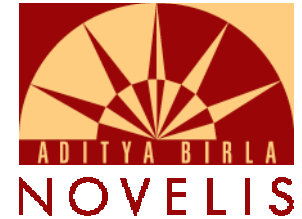


\$m

Q1 FY08

Net Income	(151)
Depreciation & Amortisation	81
Gain on change in Derivative FVs	(34)
Deferred Income Tax	5
Others	(4)
Cash Profit	<u>(103)</u>

Cash Flow

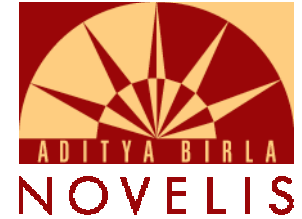


	\$m
<u>Q1 FY08</u>	
Cash Profits	-103
Change in Working Capital	-171
Cash used in Operating Activities	-274
Capex- net	-39
Others - mainly derivative settlements	54
Cash from Investing Activities	15
Proceeds from Equity	92
Debt Issue	150
Debt Repayment	-47
Higher Short Term Borrowings	143
Dividends	-8
Debt Issue Costs	-15
Others	1
Cash from Financing Activities	316
Change in Cash	57

Ceiling contract losses of \$80m.

- Significantly higher working capital due to:
 - Volume 3% higher than preceding quarter
 - Timing Issues
- Transaction related outflows of \$132m.
- Cash Tax Payment of \$ 21m.

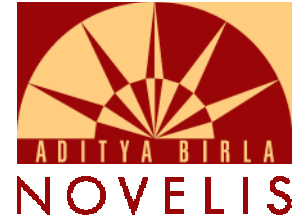
Re-financing



- Re-financing objectives were met successfully
- \$1.4 Billion Senior Notes continue at attractive coupon
- New Credit Agreement done on time
 - Provides sufficient liquidity at significantly higher LME prices.
 - Financial Covenants “Light”
 - Lower interest rate
- Re-financing completed before recent capital markets volatility

Provides sufficient liquidity and savings.

Summing Up



- 1st quarter affected by a number of non-recurring items.
 - Demonstrated Operational Improvement.
- Strong near-term outlook for product demand
- Anticipate positive operating cash flow for remainder of year.

