Novelis Services (North America) Inc.

Financial Statements and Related Notes As of March 31, 2018

(Unaudited)

Novelis Services (North America) Inc.

Table of Contents

	Page Number
CERTIFICATION	**3**
STATEMENT OF OPERATIONS (unaudited)	**4**
STATEMENT OF COMPREHENSIVE INCOME (unaudited)	**5**
BALANCE SHEET (unaudited)	**6**
STATEMENT OF CASH FLOWS (unaudited)	**7**
STATEMENT OF SHAREHOLDER'S EQUITY (unaudited)	**8**
NOTES TO THE FINANCIAL STATEMENTS (unaudited)	**9**
1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	**9**

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Services (North America) Inc. and certify that the information included therein accurately reflects the financial position of Novelis Services (North America) Inc. as of 31 March 2018 and the results of its operations for the year then ended.

_____

Signature

_____

Print Name

_____

Title

_____

Date

Novelis Inc.
3560 Lenox Rd, Suite 2000
Atlanta, Georgia 30326

Telephone +1 404 760 4000
Fax +1 404 760 0120

Website www.novelis.com
Email info@novelis.com

Novelis Services (North America) Inc.

STATEMENT OF OPERATIONS (unaudited)

(In thousands)

	Year Ended March 31, 2018	
	2018	**2017**
Income before income taxes	-	-
Income tax provision	-	-
Net income	$ -	$ -

See accompanying notes to financial statements.

Novelis Services (North America) Inc.

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(In thousands, except number of shares)

	Year Ended March 31,	
	2018	**2017**
Net income	$ -	$ -
Comprehensive Income	$ -	$ -

See accompanying notes to financial statements.

Novelis Services (North America) Inc.

BALANCE SHEET (unaudited)

(In thousands, except number of shares)

	March 31,	
	2018	**2017**
ASSETS		
Current assets		
Cash and cash equivalents	$ -	$ -
Prepaid expenses and other current assets	4	6,287
Total current assets	4	6,287
Total assets	$ 4	$ 6,287
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Accounts payable		
— related parties	$ 4	6,287
Total liabilities	4	6,287
Shareholder's equity		
Common stock, no par value; 1,000 shares authorized; 1,000 shares issued and outstanding as of March 31, 2018 and 2017	-	-
Additional paid–in capital	-	-
Retained Earnings	-	-
Accumulated other comprehensive loss	-	-
Total shareholder's equity	-	-
Total liabilities and shareholder's equity	$ 4	$ 6,287

See accompanying notes to financial statements.

Novelis Services (North America) Inc.

STATEMENT OF CASH FLOWS (unaudited)

(In thousands, except number of shares)

	Year Ended March 31,	
	2018	**2017**
OPERATING ACTIVITIES		
Net income	$ -	$ -
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts payable	(6,283)	6,286
Other current assets	6,283	(6,287)
Net cash used in operating activities	-	(1)
INVESTING ACTIVITIES		
Net cash provided by investing activities	-	-
FINANCING ACTIVITIES		
Net cash provided by financing activities	-	-
Net decrease in cash and cash equivalents	-	(1)
Cash and cash equivalents — beginning of period	-	1
Cash and cash equivalents — end of period	$ -	$ -

See accompanying notes to financial statements.

Novelis Services (North America) Inc.

STATEMENT OF SHAREHOLDER'S EQUITY (unaudited)

(In thousands, except number of shares)

	Common Shares		Total
	Shares	Amount	Equity
Balance as of March 31, 2016	1,000	$ -	$ -
Net income	-	-	-
Balance as of March 31, 2017	1,000	-	-
Net income	-	-	-
Balance as of March 31, 2018	1,000	$ -	$ -

See accompanying notes to financial statements.

Novelis Services (North America) Inc.

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

References herein to the "Company," "we," "our," or "us" refer to Novelis Services (North America) Inc. unless the context specifically indicates otherwise.

Organization and Description of Business.

Novelis Services (North America) Inc. was formed in the United States of America on December 3, 2014. This entity provides cash management services for factoring transactions. All Novelis Services (North America) Inc's common shares are directly held by Novelis Corporation. All of Novelis Corporation's common shares are directly held by Novelis Holdings Inc. All of Novelis Holdings Inc's common shares are directly held by Novelis Inc. (Canada). The Company's functional and reporting currency is United States Dollar (USD).

Use of Estimates and Assumptions

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires us to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as on the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to (1) the fair value of derivative financial instruments; (2) impairment of goodwill; (3) impairment of long lived assets and other intangible assets; (4) impairment and assessment of consolidation of equity investments; (5) actuarial assumptions related to pension and other postretirement benefit plans; (6) tax uncertainties and valuation allowances; and (7) assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 ("The 2013 Act"). In accordance with Sections 136 and 137 of The 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly-owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of Novelis Services (North America) are prepared and recorded under U.S. GAAP. Accordingly, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP.

These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, Investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our operations that could potentially affect our financial position, results of operations, and cash flows.

Cash and Cash Equivalents

"Cash and cash equivalents" includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may, at times, exceed federally insured limits. However, management periodically evaluates the credit-worthiness of those institutions, and we have not experienced any losses on such deposits.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent, Novelis Inc., or with subsidiaries of Novelis Inc., which we classify as related party transactions and balances. As of March 31, 2018 and March 31, 2017 we had an outstanding accounts payable due to Novelis Corporation of $4 thousand and $6,287 thousand respectively, which is shown as "Accounts payable — related party" in the accompanying balance sheet.