



PHILIP MARTENS
President & Chief Executive Officer
Novelis Inc.

Novelis Reports Strong Fiscal Year 2012 Results

Novelis Inc., the world's leading producer of aluminum rolled products, reported net income attributable to its common shareholder of \$63 million for fiscal 2012. Excluding tax-effected items such as the loss on assets held for sale, extinguishment of debt and restructuring charges in fiscal 2012 and 2011, net income for fiscal 2012 was \$218 million, representing a 6

percent increase when compared to fiscal 2011. "Despite economic uncertainty driving slightly lower shipments in fiscal 2012, our solid business model, good cost management and focus on premium products allowed us to report a record EBITDA per tonne of \$371 for the year," said Philip Martens, Novelis President and Chief Executive Officer.

"Our operations generated a record \$600 million in cash that we used to invest in the business," said Martens. "This is an exciting time for us. All of our major strategic expansions in Brazil, South Korea and the United States are progressing well. In addition, we recently announced our entry into China with a plant that will initially focus on automotive sheet finishing capabilities, solidifying our global automotive leadership position."

"Throughout the year, we also invested significantly in global recycling facilities, with recycling investments in South America, Europe and a future state-of-the-art fully-integrated recycling system in Germany. Not only will these facilities ensure metal supply but they also reduce our overall cost base and ensure significant progress towards our goal of achieving 80 percent recycled content in our products by 2020."

The Company noted a number of significant accomplishments in fiscal 2012:

- Record free cash flow before capex of \$614 million.
- Record investment in the business of \$516 million, primarily geared at major global expansion projects and key product segments of can, automotive, electronics and high-end specialties.
- Continued optimization of the Company's footprint which will improve its competitive position, including the divesture of three foil plants in Europe and closure of an aluminum sheet mill in Canada.
- Invested in major recycling initiatives in all four operating regions, including advanced equipment and technology to process diversified scrap inputs, which will enable the Company to achieve recycled content of 50 percent in its products by 2015.
- Committed \$100 million to build a plant in China, geared initially at automotive sheet finishing capabilities. The Company continues to expect strong aluminum rolled products demand in Asia, driven primarily by China, over the next five years.

Shipments of aluminum rolled products totaled 2,838 kilotonnes for fiscal 2012 compared to shipments of 2,969 kilotonnes for fiscal 2011. The decrease in shipments was primarily a result of customer destocking due to economic uncertainty and continued weakness in the Company's electronics business. Shipments of aluminum rolled products totaled 703 kilotonnes for the fourth quarter of fiscal 2012 compared to shipments of 771 kilotonnes in the fourth quarter of the previous year.

Net sales for fiscal 2012 were \$11.1 billion, a 5 percent increase compared to the \$10.6 billion reported in the same period a year ago, mainly the result of favorable conversion premiums across all regions and an increase in average aluminum prices compared to the same period last year. Net sales for the fourth quarter of fiscal 2012 were \$2.6 billion, a

(in \$M)	FY12	FY11
	3/31/2012	3/31/2011
Cash and cash equivalents	\$317	\$311
Overdrafts	==	(17)
Gross availability under the ABL facility	704	767
Total Liquidity	\$1,021	\$1,061

(in \$M)	FY12	FY11
	3/31/2012	3/31/2011
Free Cash Flow	\$98	\$310
Capex	516	234
Free Cash Flow before Capex	\$614	\$544

decrease of 12 percent compared to the \$3.0 billion reported in the same period a year ago, mainly the result of lower volumes and average aluminum prices compared to the same period last year.

Adjusted EBITDA for fiscal 2012 was \$1,053 million, a 2 percent decrease compared to a record \$1,072 million in fiscal 2011. Adjusted EBITDA for the fourth quarter of fiscal 2012 was \$233 million, compared with \$280 million reported in the same period of the previous year. The

decrease in EBITDA for the year and quarter were primarily driven by weaker demand, partially offset by higher conversion premiums. "As expected we saw demand recovery from the third quarter and expect this trend to continue into fiscal 2013," said Steve Fisher, Chief Financial Officer for Novelis.

For fiscal 2012, Novelis reported solid liquidity of \$1,021 million and free cash flow of \$98 million. "We generated record cash flow in fiscal 2012, as a result of our strong

operating results as well as our ability to react quickly in this economic environment and effectively manage our working capital, ending the year at our lowest inventory levels since 2009," said Fisher. "Our robust cash generation allowed us to more than double our capital expenditures year-over-year. Going forward, we expect continued strong cash flow generation which will enable us to fund our strategic expansion projects across the globe."

Business Outlook

The Company continues to see a market recovery going forward and as a result expects fiscal 2013 Adjusted EBITDA to be above fiscal 2012 levels of \$1.05 billion. In addition, it expects fiscal 2013 free cash flow before capital expenditures to be between \$600-700 million and capital expenditures of approximately \$650-700 million primarily focused on its global expansion projects in Brazil, South Korea, China and the United States.

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