

June 11, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, QUEBEC,
NEW BRUNSWICK, NOVA SCOTIA AND
NEWFOUNDLAND AND LABRADOR
(the "Jurisdictions")**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
NOVELIS INC.**

(the "Applicant")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Applicant for a decision (the "Requested Relief") under the securities legislation of the Jurisdictions (the "Legislation") that the Applicant is not a reporting issuer in all of the Jurisdictions.

Under the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS"):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Applicant:

1. The Applicant was formed under the *Canada Business Corporations Act* (Canada) on September 21, 2004, and is a reporting issuer or the equivalent in each of the Jurisdictions.
2. The Applicant's head office is located at 3399 Peachtree Road N.E., Suite 1500, Atlanta, GA 30326.
3. There are currently 75,415,536 common shares (the "Shares") of the Applicant outstanding. Pursuant to an agreement between Hindalco Industries Limited, a corporation existing under the laws of India, AV Metals Inc. ("AV Metals") (as assigned by its wholly-owned subsidiary, AV Aluminum Inc. ("AV Aluminum")), a corporation existing under the laws of Canada, and the Applicant, AV Metals agreed to acquire the Shares pursuant to a plan of arrangement (the "Arrangement"). The Arrangement required the approval of 66 2/3% of the votes cast by holders of the Shares at a special meeting. The Arrangement was approved by 99.8% of the Applicant's common shareholders at a special meeting held on May 10, 2007.
4. On May 15, 2007, the Applicant completed the Arrangement, and pursuant thereto, AV Metals became the sole shareholder of the Applicant (the "Transaction"). Soon after the completion of the Transaction, AV Metals transferred the Shares to AV Aluminum.
5. Pursuant to a trust indenture dated as of February 3, 2005, as supplemented by a supplemental indenture dated as of November 29, 2006 (together, the "Indenture"), US\$1,400,000,000 principal amount of 7¼% senior notes due 2015 (the "Notes") were issued.
6. The Notes are not convertible or exchangeable for the Shares or other securities of the Applicant. The Notes are not listed on any exchange or marketplace. The Notes are registered under U.S. securities laws. Under the terms of the Indenture as currently in effect, the Applicant is obligated to file with the United States Securities and Exchange Commission such reports (the "Reports") as would be required if the Applicant were subject to the reporting obligations of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to provide copies thereof to the holders of the Notes.
7. There is no obligation in the provisions of the Indenture for the Applicant to maintain its status as a reporting issuer or equivalent in any of the Jurisdictions.
8. The Shares were de-listed from the TSX on May 17, 2007 and from the NYSE on May 29, 2007 and none of the Applicant's securities are traded on a marketplace in Canada as defined in National Instrument 21-101 *Marketplace Operation*.

9. The Applicant has made an offer which it is obligated to make by the terms of the Indenture upon a change of control, for all of its outstanding Notes for \$1,010 for each \$1,000 principal amount of the Notes (the "Change of Control Offer").

10. In addition to and concurrently with the Change of Control Offer, the Applicant has made an offer to purchase all of its outstanding Notes at a price of \$1,015 for each \$1,000 principal amount of the Notes (the "Tender Offer"). In conjunction with the Tender Offer, the Applicant will be soliciting consents from holders of Notes to certain amendments to the Indenture. If the proposed amendments become operative, the Applicant will no longer will be obligated by the Indenture to file the Reports or provide copies thereof to the holders of Notes.

11. To the best of the Applicant's knowledge, as informed by Global Bondholder Services Corporation, there are 118 holders of Notes with addresses in Canada holding an aggregate of \$10,783,000 principal amount of Notes, representing not more than 0.77% of the outstanding principal amount of the Notes. The geographical distribution of the holders in the Jurisdictions is as follows:

Jurisdiction	Number of Holders	Principal Amount (\$)
Ontario	26	10,411,000
British Columbia	73	218,000
Alberta	9	31,000
Quebec	3	104,000
Unspecified Canadian Address	7	19,000
Totals:	118	10,783,000

12. The Applicant is applying for the Requested Relief in all of the jurisdictions of Canada in which it is currently a reporting issuer.

13. For so long as the Applicant has an obligation to deliver the Reports pursuant to the Indenture, Canadian holders of the Notes will receive such Reports concurrently with holders of Notes located in the United States and elsewhere.

14. The Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

15. The Applicant has no outstanding securities, including debt securities, other than the Shares and the Notes.

16. The Applicant has no plans to seek public financing by way of an offering of its securities in Canada.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted.

"W. David Wilson"

Commissioner

Ontario Security Commission

"Margot C. Howard"

Commissioner

Ontario Security Commission