DEUTSCHE BANK AKTIENGESELLSCHAFT
Form 424B2
October 30, 2014

Pricing Supplement No. 2224BG
To underlying supplement No. 1 dated October 1, 2012,
product supplement BG dated October 9, 2012,
prospectus supplement dated September 28, 2012
and prospectus dated September 28, 2012

Registration Statement No. 333-184193
Dated October 28, 2014; Rule 424(b)(2)

$2,775,000 Three-Year Autocallable Securities Linked to the Lesser Performing of the EURO STOXX 50® Index and the iShares® MSCI EAFE ETF due November 2, 2017

The securities are linked to the lesser performing of the EURO STOXX 50® Index (the "Index") and the iShares® MSCI EAFE ETF (the "Fund," and together with the Index, each, an "Underlying") and are designed for investors who seek potential early call prior to maturity. If the Closing Levels of both Underlyings on any annual Call Date (including the Final Valuation Date) are greater than or equal to their respective Initial Levels, the Issuer will automatically call the securities and pay you a Redemption Amount in cash per $1,000 Face Amount of securities equal to $1,000 multiplied by the applicable Call Return based on an annualized return of 13.30%. If the securities are not automatically called and the Final Level of the lesser performing Underlying, which we refer to as the "Laggard Underlying," is greater than or equal to its Knock-Out Level, which is 70.00% of its Initial Level, you will receive the Face Amount per $1,000 Face Amount of securities at maturity. If the securities are not automatically called and the Final Level of the Laggard Underlying is less than its Knock-Out Level, for each $1,000 Face Amount of securities, you will lose 1.00% of the Face Amount for every 1.00% by which the Final Level of the Laggard Underlying is less than its Initial Level. The securities do not pay coupons or dividends and investors should be willing to lose a significant portion or all of their initial investment if the securities are not automatically called and the Final Level of either Underlying is less than its respective Initial Level by more than 30.00%. Any payment on the securities is subject to the credit of the Issuer.

The securities are senior unsecured obligations of Deutsche Bank AG and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the securities depends on the ability of Deutsche Bank AG to satisfy its obligations as they come due and is not guaranteed by any third party. In the event Deutsche Bank AG were to default on its obligations, you might not receive any amounts owed to you under the terms of the securities.

Terms and Conditions

Issuer	Deutsche Bank AG, London Branch
Trade Date	October 28, 2014
Issue Date	October 31, 2014
Final Valuation Date†	October 30, 2017
Maturity Date††	November 2, 2017
Call Dates†	November 2, 2015 October 31, 2016 October 30, 2017 (Final Valuation Date)
Denominations	$1,000 (the "Face Amount") and integral multiples of $1,000 in excess thereof
Underlyings	EURO STOXX 50® Index (Ticker: SX5E) iShares® MSCI EAFE ETF (Ticker: EFA)
Issue Price	100% of the Face Amount
Automatic Call	If the Closing Levels of both Underlyings on any Call Date are greater than or equal to their respective

Payoff Diagram

Investing in the securities involves a number of risks. See "Risk Factors" beginning on page 8 of the accompanying product supplement and "Selected Risk Considerations" beginning on page PS-6 of this pricing supplement.

The Issuer's estimated value of the securities on the Trade Date is $942.50 per $1,000 Face Amount of securities, which is less than the Issue Price. Please see "Issuer's Estimated Value of the Securities" on page PS-1 of this pricing supplement for additional information.

	Initial Levels, the securities will be automatically called. If the securities are automatically called, you will be entitled to receive a Redemption Amount in cash per $1,000 Face Amount of securities equal to $1,000 multiplied by the applicable Call Return for the Call Date payable on the corresponding Call Settlement Date. The Call Return reflects an annualized (non-compounded) return of 13.30%.
Call Return	First Call Date: 113.30% Second Call Date: 126.60% Last Call Date: 139.90%
Underlying Return	For each Underlying, the Underlying Return will be calculated as follows: $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Initial Level	For each Underlying, the Closing Level of such Underlying on the Trade Date, as set forth below: EURO STOXX 50® Index: 3,036.15 iShares® MSCI EAFE ETF: $62.82
Final Level	For each Underlying, the Closing Level of such Underlying on the Final Valuation Date
Closing Level	For the Fund, the closing price of one share of the Fund on the relevant date of calculation multiplied by the then-current Share Adjustment Factor, as determined by the calculation agent. For the Index, the closing level of the Index on the relevant date of calculation.
Share Adjustment Factor	Initially 1.0, subject to adjustment for certain actions affecting the Fund. See “Description of Securities — Anti-Dilution Adjustments for Funds” in the accompanying product supplement.
Knock-Out Event	A Knock-Out Event occurs if the Final Level of the Laggard Underlying is less than its Knock-Out Level.
Knock-Out Level	For each Underlying, 70.00% of its Initial Level, as set forth below: EURO STOXX 50® Index: 2,125.31 iShares® MSCI EAFE ETF: $43.97
Listing	The securities will not be listed on any securities exchange.
CUSIP	25152RRG0
ISIN	US25152RRG01

Key Terms

Issuer:	Deutsche Bank AG, London Branch
Underlyings:	EURO STOXX 50® Index (Ticker: SX5E) iShares® MSCI EAFE ETF (Ticker: EFA)
Issue Price:	100% of the Face Amount
Laggard Underlying:	The Underlying with the lower Underlying Return on the Final Valuation Date. If the calculation agent determines that the two Underlyings have equal Underlying Returns, then the calculation agent will, in its sole discretion, designate either of the Underlyings as the Laggard Underlying.
Automatic Call:	If the Closing Levels of both Underlyings on any Call Date are greater than or equal to their respective Initial Levels, the securities will be automatically called.
Call Settlement Date††:	The third business day following the related Call Date. For the last Call Date, the Call Settlement Date will be the Maturity Date.
Redemption Amount upon Automatic Call:	If the securities are automatically called, you will be entitled to receive a Redemption Amount in cash per $1,000 Face Amount of securities equal to $1,000 multiplied by the applicable Call Return for the Call Date payable on the corresponding Call Settlement Date. The Call Return reflects an annualized (non-compounded) return of 13.30%. The expected Call Settlement Date, Call Return and Redemption Amount applicable to each Call Date are set forth in the table below.

Call Date†	Expected Call Settlement Date	Call Return	Redemption Amount (per $1,000 Face Amount of securities)
November 2, 2015	November 5, 2015	113.30%	$1,133.00
October 31, 2016	November 3, 2016	126.60%	$1,266.00
October 30, 2017 (Final Valuation Date)	November 2, 2017 (Maturity Date)	139.90%	$1,399.00

Payment at Maturity:	If the securities are not automatically called, the payment at maturity on the securities will depend on whether a Knock-Out Event occurs, as follows: • If a Knock-Out Event does not occur, you will be entitled to receive a cash payment at maturity of $1,000.00 per $1,000 Face Amount of securities. • If a Knock-Out Event occurs, you will be entitled to receive a cash payment at maturity per $1,000 Face Amount of securities calculated as follows: $1,000 + ($1,000 x Underlying Return of Laggard Underlying) If the securities are not automatically called and a Knock-Out Event occurs, you will be fully exposed to the negative Underlying Return of the Laggard Underlying and you will lose a significant portion or all of your investment in the securities. Any payment on the securities is subject to the credit of the Issuer.
Knock-Out Event:	A Knock-Out Event occurs if the Final Level of the Laggard Underlying is less than its Knock-Out Level.
Knock-Out Level:	For each Underlying, 70.00% of its Initial Level, as set forth below: EURO STOXX 50® Index: 2,125.31 iShares® MSCI EAFE ETF: $43.97
Underlying Return:	For each Underlying, the Underlying Return will be calculated as follows: $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Initial Level:	For each Underlying, the Closing Level of such Underlying on the Trade Date, as set forth below: EURO STOXX 50® Index: 3,036.15 iShares® MSCI EAFE ETF: $62.82

Final Level:	For each Underlying, the Closing Level of such Underlying on the Final Valuation Date
Closing Level:	For the Fund, the closing price of one share of the Fund on the relevant date of calculation multiplied by the then-current Share Adjustment Factor, as determined by the calculation agent. For the Index, the closing level of the Index on the relevant date of calculation.
Share Adjustment Factor:	Initially 1.0, subject to adjustment for certain actions affecting the Fund. See "Description of Securities — Anti-Dilution Adjustments for Funds" in the accompanying product supplement.
Trade Date:	October 28, 2014
Issue Date:	October 31, 2014
Final Valuation Date†:	October 30, 2017
Maturity Date††:	November 2, 2017
Listing:	The securities will not be listed on any securities exchange.
CUSIP:	25152RRG0
ISIN:	US25152RRG01

†The Call Dates and the Final Valuation Date for each Underlying will be separately adjusted in accordance with the provisions set forth under "Description of Securities — Adjustments to Valuation Dates and Payment Dates" in the accompanying product supplement.

††If, due to a market disruption event occurring with respect to an Underlying or otherwise, a Call Date or the Final Valuation Date for the Underlying is postponed, the Call Settlement Date or Maturity Date, as applicable, will be the third business day following the last Call Date or Final Valuation Date, as postponed, to occur for the Underlyings. In addition, the Maturity Date is subject to postponement as described under "Description of Securities — Adjustments to Valuation Dates and Payment Dates" in the accompanying product supplement.

Investing in the securities involves a number of risks. See "Risk Factors" beginning on page 8 of the accompanying product supplement and "Selected Risk Considerations" beginning on page PS-6 of this pricing supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying underlying supplement, product supplement, prospectus supplement or prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Total Discounts, Commissions and Fees(1)	Proceeds to Us
Per Security	$1,000.00	$22.50	$977.50
Total	$2,775,000.00	$62,437.50	$2,712,562.50

(1) For more detailed information about discounts and commissions, please see "Supplemental Underwriting Information (Conflicts of Interest)" in this pricing supplement. The agent for this offering is our affiliate. For more information see "Supplemental Underwriting Information (Conflicts of Interest)" in this pricing supplement.

The securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee
Notes	$2,775,000.00	$322.46

October 28, 2014

Issuer's Estimated Value of the Securities

The Issuer's estimated value of the securities is equal to the sum of our valuations of the following two components of the securities: (i) a bond and (ii) an embedded derivative(s). The value of the bond component of the securities is calculated based on the present value of the stream of cash payments associated with a conventional bond with a principal amount equal to the Face Amount of securities, discounted at an internal funding rate, which is determined primarily based on our market-based yield curve, adjusted to account for our funding needs and objectives for the period matching the term of the securities. The internal funding rate is typically lower than the rate we would pay when we issue conventional debt securities on equivalent terms. This difference in funding rate, as well as the agent's commissions, if any, and the estimated cost of hedging our obligations under the securities, reduces the economic terms of the securities to you and is expected to adversely affect the price at which you may be able to sell the securities in any secondary market. The value of the embedded derivative(s) is calculated based on our internal pricing models using relevant parameter inputs such as expected interest and dividend rates and mid-market levels of price and volatility of the assets underlying the securities or any futures, options or swaps related to such underlying assets. Our internal pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect.

The Issuer's estimated value of the securities on the Trade Date (as disclosed on the cover of this pricing supplement) is less than the Issue Price of the securities. The difference between the Issue Price and the Issuer's estimated value of the securities on the Trade Date is due to the inclusion in the Issue Price of the agent's commissions, if any, and the cost of hedging our obligations under the securities through one or more of our affiliates. Such hedging cost includes our or our affiliates' expected cost of providing such hedge, as well as the profit we or our affiliates expect to realize in consideration for assuming the risks inherent in providing such hedge.

The Issuer's estimated value of the securities on the Trade Date does not represent the price at which we or any of our affiliates would be willing to purchase your securities in the secondary market at any time. Assuming no changes in market conditions or our creditworthiness and other relevant factors, the price, if any, at which we or our affiliates would be willing to purchase the securities from you in secondary market transactions, if at all, would generally be lower than both the Issue Price and the Issuer's estimated value of the securities on the Trade Date. Our purchase price, if any, in secondary market transactions will be based on the estimated value of the securities determined by reference to (i) the then-prevailing internal funding rate (adjusted by a spread) or another appropriate measure of our cost of funds and (ii) our pricing models at that time, less a bid spread determined after taking into account the size of the repurchase, the nature of the assets underlying the securities and then-prevailing market conditions. The price we report to financial reporting services and to distributors of our securities for use on customer account statements would generally be determined on the same basis. However, during the period of approximately four months beginning from the Trade Date, we or our affiliates may, in our sole discretion, increase the purchase price determined as described above by an amount equal to the declining differential between the Issue Price and the Issuer's estimated value of the securities on the Trade Date, prorated over such period on a straight-line basis, for transactions that are individually and in the aggregate of the expected size for ordinary secondary market repurchases.

Additional Terms Specific to the Securities

You should read this pricing supplement together with underlying supplement No. 1 dated October 1, 2012, product supplement BG dated October 9, 2012, the prospectus supplement dated September 28, 2012 relating to our Series A global notes of which these securities are a part and the prospectus dated September 28, 2012. You may access these documents on the website of the Securities and Exchange Commission (the “SEC”) at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Underlying supplement No. 1 dated October 1, 2012:
http://www.sec.gov/Archives/edgar/data/1159508/000095010312005120/crt_dp33209-424b2.pdf

- Product supplement BG dated October 9, 2012:
http://www.sec.gov/Archives/edgar/data/1159508/000095010312005360/crt_dp33475-424b2.pdf

- Prospectus supplement dated September 28, 2012:
http://www.sec.gov/Archives/edgar/data/1159508/000119312512409437/d414995d424b21.pdf

- Prospectus dated September 28, 2012:
http://www.sec.gov/Archives/edgar/data/1159508/000119312512409372/d413728d424b21.pdf

Our Central Index Key, or CIK, on the SEC website is 0001159508. As used in this pricing supplement, “we,” “us” or “our” refers to Deutsche Bank AG, including, as the context requires, acting through one of its branches.

The trustee has appointed Deutsche Bank Trust Company Americas as its authenticating agent with respect to our Series A global notes.

This pricing supplement, together with the documents listed above, contains the terms of the securities and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in this pricing supplement and in “Risk Factors” in the accompanying product supplement, as the securities involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before deciding to invest in the securities.

Deutsche Bank AG has filed a registration statement (including a prospectus) with the Securities and Exchange Commission for the offering to which this pricing supplement relates. Before you invest, you should read the prospectus in that registration statement and the other documents relating to this offering that Deutsche Bank AG has filed with the SEC for more complete information about Deutsche Bank AG and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, Deutsche Bank AG, any agent or any dealer participating in this offering will arrange to send you the underlying supplement, product supplement, prospectus supplement, prospectus and this pricing supplement if you so request by calling toll-free 1-800-311-4409.

You may revoke your offer to purchase the securities at any time prior to the time at which we accept such offer by notifying the applicable agent. We reserve the right to change the terms of, or reject any offer to purchase, the securities prior to their issuance. We will notify you in the event of any changes to the terms of the securities, and you will be asked to accept such changes in connection with your purchase of any securities. You may also choose to reject such changes, in which case we may reject your offer to purchase the securities.

Hypothetical Examples of Amounts Payable on the Securities

The tables and hypothetical examples set forth below are for illustrative purposes only. The actual returns applicable to a purchaser of the securities will be determined on the Call Dates or on the Final Valuation Date, as applicable. The following results are based solely on the hypothetical examples cited below. You should consider carefully whether the securities are suitable to your investment goals. The numbers appearing in the tables and examples below may have been rounded for ease of analysis.

If the securities are called:

The following table illustrates the hypothetical payments on the securities upon an Automatic Call on each of the Call Dates (including the Final Valuation Date). The Call Returns below reflect the annualized (non-compounded) return of 13.30%.

Call Date	Expected Call Settlement Date	Call Return	Redemption Amount (per $1,000 Face Amount of securities)
November 2, 2015	November 5, 2015	113.30%	$1,133.00
October 31, 2016	November 3, 2016	126.60%	$1,266.00
October 30, 2017 (Final Valuation Date)	November 2, 2017 (Maturity Date)	139.90%	$1,399.00

If the securities are not called:

The following table illustrates how the hypothetical Payments at Maturity per $1,000 Face Amount of securities for a hypothetical range of performances of the Laggard Underlying are calculated if the securities have not been automatically called on any of the Call Dates (including the Final Valuation Date), and reflects the Knock-Out Level for the Laggard Underlying (70.00% of its Initial Level). The actual Initial Level and Knock-Out Level for each Underlying are set forth on the cover of this pricing supplement.

We make no representation or warranty as to which of the Underlyings will be the Laggard Underlying for the purposes of calculating the payment on the Maturity Date.

Hypothetical Underlying Return of the Laggard Underlying	Hypothetical Payment at Maturity	Hypothetical Return on the Securities
60.00%	N/A	N/A
40.00%	N/A	N/A
20.00%	N/A	N/A
0.00%	N/A	N/A
-5.00%	$1,000.00	0.00%
-10.00%	$1,000.00	0.00%
-15.00%	$1,000.00	0.00%
-20.00%	$1,000.00	0.00%
-25.00%	$1,000.00	0.00%
-30.00%	$1,000.00	0.00%
-40.00%	$600.00	-40.00%

-60.00%	$400.00	-60.00%
-75.00%	$250.00	-75.00%
-100.00%	$0.00	-100.00%

N/A: Not applicable because the securities will be automatically called if the closing levels of both Underlyings are greater than or equal to their respective Initial Levels on the last Call Date (the Final Valuation Date).

The following hypothetical examples illustrate how the Payment at Maturity or Redemption Amount set forth in the two tables above are calculated.

Example 1: The closing levels of both Underlyings are greater than their respective Initial Levels on the first Call Date. Because the closing levels of both Underlyings on the first Call Date are greater than or equal to their respective Initial Levels, the securities are automatically called on the first Call Date, and the investor will be entitled to receive a cash payment of $1,133.00 per $1,000 Face Amount of securities on the corresponding Call Settlement Date, calculated as follows:

$1,000 x 113.30% = $1,133.00

Example 2: The securities have not been automatically called prior to the Final Valuation Date and the Final Levels of both Underlyings are greater than their respective Initial Levels. Because the last Call Date is scheduled to be the Final Valuation Date and the Final Levels of both Underlyings are greater than or equal to their respective Initial Levels, the securities are automatically called on the Final Valuation Date, and the investor will be entitled to receive a cash payment of $1,399.00 per $1,000 Face Amount of securities on the corresponding Call Settlement Date (the Maturity Date), calculated as follows:

$1,000 x 139.90% = $1,399.00

Example 3: The securities have not been automatically called prior to the Final Valuation Date and the Final Level of the Laggard Underlying is 90.00% of its Initial Level. Because the Final Level of the Laggard Underlying is less than its Initial Level, the securities are not automatically called on the Final Valuation Date. Because the Final Level of the Laggard Underlying is greater than its Knock-Out Level (70.00% of its Initial Level), a Knock-Out Event does not occur, and the investor will be entitled to receive a Payment at Maturity of $1,000.00 per $1,000 Face Amount of securities.

Example 4: The securities have not been automatically called prior to the Final Valuation Date, and the Final Level of the Laggard Underlying is 60.00% of its Initial Level while the Final Level of the other Underlying is above its Initial Level. Because the Final Level of the Laggard Underlying is less than its Initial Level, the securities are not automatically called on the Final Valuation Date. Because the Final Level of the Laggard Underlying is less than its Knock-Out Level (70.00% of its Initial Level), a Knock-Out Event occurs and the investor will be entitled to receive a Payment at Maturity of $600.00 per $1,000 Face Amount of securities, calculated as follows:

$1,000 + ($1,000 x -40.00%) = $600.00

In this example, even though the Final Level of the other Underlying is greater than its Initial Level, because a Knock-Out Event has occurred as a result of the decline in the level of the Laggard Underlying, for each $1,000 Face Amount of securities, the investor will still lose 1.00% of the Face Amount for every 1.00% by which the Final Level of the Laggard Underlying is less than its Initial Level.

Example 5: The securities have not been automatically called prior to the Final Valuation Date, the Final Levels of both Underlyings are less than their respective Knock-Out Levels and the Final Level of the Laggard Underlying is 40.00% of its Initial Level. Because the Final Level of the Laggard Underlying is less than its Initial Level, the securities are not automatically called on the Final Valuation Date. Because the Final Level of the Laggard Underlying is less than its Knock-Out Level (70.00% of its Initial Level), a Knock-Out Event occurs and the investor will be entitled to receive a Payment at Maturity of $400.00 per $1,000 Face Amount of securities, calculated as follows:

$1,000 + ($1,000 x -60.00%) = $400.00

In this example, even though the Final Levels of both Underlyings are less than their respective Knock-Out Levels, the investor’s Payment at Maturity will be calculated solely by reference to the Underlying Return of the Laggard Underlying and, for each $1,000 Face Amount of securities, the investor will lose 1.00% of the Face Amount for every 1.00% by which the Final Level of the Laggard Underlying is less than its Initial Level.

Selected Purchase Considerations

- FIXED APPRECIATION POTENTIAL IF THE SECURITIES ARE AUTOMATICALLY CALLED, AND LIMITED PROTECTION AGAINST LOSS — The securities are designed for investors who believe that the Closing Level of neither Underlying will decrease more than 30.00% from its respective Initial Level over the term of the securities, and who are willing to risk losing up to 100% of their initial investment if the securities are not automatically called and the Closing Level of either Underlying declines by more than 30.00% from its Initial Level to its Final Level. If the securities are automatically called, you will receive a positive return reflecting the applicable Call Return for the Call Date. If the securities are not automatically called and the Underlying Return of

the Laggard Underlying is equal to or greater than -30.00%, you will receive the Face Amount of securities at maturity. If the Underlying Return of the Laggard Underlying is less than -30.00%, you are exposed to any decline in the Closing Level of the Laggard Underlying from its Initial Level to its Final Level and, for each $1,000 Face Amount of securities, you will lose 1.00% of the Face Amount for every 1.00% by which the Final Level of the Laggard Underlying is less than its Initial Level. You will lose a significant portion or all of your investment if the securities are not automatically called and the Final Level of the Laggard Underlying is less than its Initial Level by an amount greater than 30.00%. Because the securities are our senior unsecured obligations, any payment on the securities is subject to our ability to satisfy our obligations as they become due.

- POTENTIAL EARLY EXIT WITH APPRECIATION AS A RESULT OF AUTOMATIC CALL FEATURE — While the original term of the securities is approximately three years, the securities will be called if the Closing Levels of both Underlyings are greater than or equal to their respective Initial Levels on any Call Date (including the Final Valuation Date), and you will be entitled to a return on the securities on the applicable Call Settlement Date of 13.30% per annum.

- RETURN LINKED TO THE LESSER PERFORMING OF TWO UNDERLYINGS — The return on the securities is linked to the lesser performing of the EURO STOXX 50® Index and the iShares® MSCI EAFE ETF as described herein, and if the securities are not automatically called, any payment you receive at maturity will be determined solely by reference to the Laggard Underlying.

EURO STOXX 50® Index

The EURO STOXX 50® Index is composed of the stocks of 50 major companies in the Eurozone. These companies include market sector leaders from within the 19 EURO STOXX® Supersector indices, which represent the Eurozone portion of the STOXX Europe 600® Supersector indices. The STOXX Europe 600® Supersector indices contain the 600 largest stocks traded on the major exchanges of 18 European countries. This is only a summary of the EURO STOXX 50® Index. For more information on the EURO STOXX 50® Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled "The EURO STOXX 50® Index" in the accompanying underlying supplement No. 1 dated October 1, 2012.

iShares® MSCI EAFE ETF

The iShares® MSCI EAFE ETF is an exchange-traded fund managed by iShares® Trust, a registered investment company. The iShares® Trust consists of numerous separate investment portfolios, including the iShares® MSCI EAFE ETF. The iShares® MSCI EAFE ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the European, Australasian and Far Eastern markets, as measured by the MSCI EAFE® Index (the "Tracked Index"). The iShares® MSCI EAFE ETF trades on NYSE Arca under the ticker symbol "EFA." It is possible that the iShares® MSCI EAFE ETF may not fully replicate or may in certain circumstances diverge significantly from the performance of the Tracked Index due to the temporary unavailability of certain securities in the secondary markets, the performance of any derivative instruments contained in the iShares® MSCI EAFE ETF, the fees and expenses of the iShares® MSCI EAFE ETF or due to other circumstances. This section is only a summary of the iShares® MSCI EAFE ETF. For more information on the iShares® MSCI EAFE ETF, including information concerning calculation methodology and adjustment policy, please see the section entitled "Exchange Traded Funds – iShares® MSCI EAFE ETF" in the accompanying underlying supplement No. 1 dated October 1, 2012. For more information on the MSCI EAFE® Index, please see the section entitled "The MSCI Indices – The MSCI EAFE® Index" in the accompanying underlying supplement No. 1 dated October 1, 2012. On July 1, 2013, the iShares® MSCI EAFE Index Fund was renamed the iShares® MSCI EAFE ETF. All references to the iShares® MSCI EAFE Index Fund in the accompanying underlying supplement No. 1 dated October 1, 2012 are deemed to refer to the iShares® MSCI EAFE ETF.

- TAX CONSEQUENCES — In the opinion of our special tax counsel, Davis Polk & Wardwell LLP, which is based on prevailing market conditions, it is more likely than not that the securities will be treated for U.S. federal income tax purposes as prepaid financial contracts that are not debt. Generally, if this treatment is respected, (i) you should not recognize taxable income or loss prior to the taxable disposition of your securities (including at maturity or pursuant to a call) and (ii) the gain or loss on your securities should be capital gain or loss and should be long-term capital gain or loss if you have held the securities for more than one year. The Internal Revenue Service (the "IRS") or a court might not agree with this treatment, however, in which case the timing and character of income or loss on your securities could be materially and adversely affected.

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. The notice focuses in particular on whether beneficial owners of these instruments should be required to accrue income over

the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. persons should be subject to withholding tax; and whether these instruments are or should be subject to the "constructive ownership" regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect.

You should review carefully the section of the accompanying product supplement entitled "U.S. Federal Income Tax Consequences." The preceding discussion, when read in combination with that section, constitutes the full opinion of our special tax counsel regarding the material U.S. federal income tax consequences of owning and disposing of the securities.

Under current law, the United Kingdom will not impose withholding tax on payments made with respect to the securities.

For a discussion of certain German tax considerations relating to the securities, you should refer to the section in the accompanying prospectus supplement entitled "Taxation by Germany of Non-Resident Holders."

You should consult your tax adviser regarding the U.S. federal tax consequences of an investment in the securities (including possible alternative treatments and the issues presented by the 2007 notice), as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Selected Risk Considerations

An investment in the securities involves significant risks. Investing in the securities is not equivalent to investing directly in either or both of the Underlyings or in any of the stocks composing the Underlyings. In addition to these selected risk considerations, you should review the "Risk Factors" section of the accompanying product supplement.

- YOUR INVESTMENT IN THE SECURITIES MAY RESULT IN A LOSS — The securities do not pay any coupons or dividends and do not guarantee any return of your investment. If the securities are not automatically called, the Payment at Maturity will depend on whether the Final Level of the Laggard Underlying is less than its Knock-Out Level, in which case a Knock-Out Event will occur. If a Knock-Out Event occurs, for each $1,000 Face Amount of securities, you will lose 1.00% of the Face Amount for every 1.00% by which the Final Level of the Laggard Underlying is less than its Initial Level. In this circumstance, you will lose a significant portion or all of your investment in the securities. Any payment on the securities is subject to our ability to satisfy our obligations as they become due.

- YOUR APPRECIATION POTENTIAL IS LIMITED TO THE CALL RETURN — The appreciation potential of the securities is limited to the pre-specified Call Return on the relevant Call Date, regardless of the performance of the Underlyings. If the securities are not automatically called, you will realize no positive return on the securities, and you may lose up to 100% of your initial investment if a Knock-Out Event occurs.

- IF THE SECURITIES ARE NOT AUTOMATICALLY CALLED, ANY PAYMENT AT MATURITY WILL BE DETERMINED SOLELY BY THE PERFORMANCE OF THE LAGGARD UNDERLYING — If your securities are not automatically called, any payment at maturity will be determined solely by reference to the performance of the Laggard Underlying.

- REINVESTMENT RISK — If your securities are called early, the term of the securities may be reduced to as short as one year. There is no guarantee that you would be able to reinvest the proceeds from an investment in the securities at a comparable return for a similar level of risk in the event the securities are automatically called prior to the Maturity Date.

- THE SECURITIES DO NOT PAY ANY COUPONS — Unlike ordinary debt securities, the securities do not pay coupons and do not guarantee any return of the initial investment at maturity.

- THE SECURITIES ARE SUBJECT TO OUR CREDITWORTHINESS — The securities are senior unsecured obligations of the Issuer, Deutsche Bank AG, and are not, either directly or indirectly, an obligation of any third party. Any payment(s) to be made on the securities depends on the ability of Deutsche Bank AG to satisfy its obligations as they come due. An actual or anticipated downgrade in Deutsche Bank AG's credit rating or increase in the credit spreads charged by the market for taking our credit risk will likely have an adverse effect on the value of the securities. As a result, the actual and perceived creditworthiness of Deutsche Bank AG will affect the value of the securities and in the event Deutsche Bank AG were to default on its obligations, you might not receive any amount(s) owed to you under the terms of the securities and you could lose your entire investment.

- THE ISSUER'S ESTIMATED VALUE OF THE SECURITIES ON THE TRADE DATE WILL BE LESS THAN THE ISSUE PRICE OF THE SECURITIES — The Issuer's estimated value of the securities on the Trade Date (as disclosed on the cover of this pricing supplement) is less than the Issue Price of the securities. The difference between the Issue Price and the Issuer's estimated value of the securities on the Trade Date is due to the inclusion in the Issue Price of the agent's commissions, if any, and the cost of hedging our obligations under the securities through one or more of our affiliates. Such hedging cost includes our or our affiliates' expected cost of providing such hedge, as well as the profit we or our affiliates expect to realize in consideration for assuming the risks inherent in providing such hedge. The Issuer's estimated value of the securities is determined by reference to an internal funding rate and our pricing models. The internal funding rate is typically lower than the rate we would pay when we issue conventional debt securities on equivalent terms. This difference in funding rate, as well as the agent's commissions, if any, and the estimated cost of hedging our obligations under the securities, reduces the economic terms of the securities to you and is expected to adversely affect the price at which you may be able to sell the securities in any secondary market. In addition, our internal pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. If at any time a third party dealer were to quote a price to purchase your securities or otherwise value your securities, that price or value may differ materially from the estimated value of the securities determined by reference to our internal funding rate and pricing models. This difference is due to, among other things, any difference in funding rates, pricing models or assumptions used by any dealer who may purchase the securities in the secondary market.

- INVESTING IN THE SECURITIES IS NOT THE SAME AS INVESTING IN THE UNDERLYINGS OR THE SECURITIES COMPOSING THE UNDERLYINGS — The return on your securities may not reflect the return you would have realized if you had directly invested in the Underlyings or the securities composing the Underlyings. For instance, you will not participate in any potential increase in the price or level, as applicable, of any Underlying, which could be significant, even though at maturity you may be exposed to the negative performance of the Laggard Underlying.

- IF THE PRICES OR LEVELS, AS APPLICABLE, OF THE UNDERLYINGS CHANGE, THE VALUE OF YOUR SECURITIES MAY NOT CHANGE IN THE SAME MANNER — Your securities may trade quite differently from the prices or levels, as applicable, of the Underlyings. Changes in the prices or levels, as applicable, of the Underlyings may not result in a comparable change in the value of your securities.

- NO DIVIDEND PAYMENTS OR VOTING RIGHTS — As a holder of the securities, you will not have any voting rights or rights to receive cash dividends or other distributions or other rights that holders of shares of the Fund or holders of securities composing the Underlyings would have.

- YOUR INVESTMENT IS EXPOSED TO A DECLINE IN THE PRICE OR LEVEL, AS APPLICABLE, OF EACH UNDERLYING — Your return on the securities and any payment on the securities are not linked to a basket consisting of the Underlyings. Rather, any payment on the securities will be determined by reference to the performance of each individual Underlying. Unlike an instrument with a return linked to a basket, in which risk is mitigated and diversified among all of the basket components, you will be exposed equally to the risks related to each of the Underlyings. Poor performance by either of the Underlyings over the term of the securities may negatively affect your return on the securities and will not be offset or mitigated by a positive performance by the other Underlying.

- THE ANTI-DILUTION PROTECTION IS LIMITED, AND THE CALCULATION AGENT MAY MAKE ADJUSTMENTS IN ADDITION TO, OR THAT DIFFER FROM, THOSE SET FORTH IN THE ACCOMPANYING PRODUCT SUPPLEMENT — The calculation agent will make adjustments to the Share Adjustment Factor, which will initially be set at 1.0, for certain events affecting the shares of the Fund. The calculation agent is not required, however, to make such adjustments in response to all events that could affect the shares of the Fund. If an event occurs that does not require the calculation agent to make an adjustment, the value of

the securities may be materially and adversely affected. In addition, you should be aware that the calculation agent may, at its sole discretion, make adjustments to the Share Adjustment Factor or any other terms of the securities that are in addition to, or that differ from, those described in the accompanying product supplement to reflect changes occurring in relation to the Fund in circumstances where the calculation agent determines that it is appropriate to reflect those changes to ensure an equitable result. Any alterations to the specified anti-dilution adjustments described in the accompanying product supplement may be materially adverse to investors in the securities. You should read "Description of Securities — Anti-Dilution Adjustments for Funds" in the accompanying product supplement in order to understand the adjustments that may be made to the securities.

- FLUCTUATION OF NAV — The net asset value (the "NAV") of an exchange traded fund may fluctuate with changes in the market value of such exchange traded fund's portfolio holdings. The price of the shares of the Fund may fluctuate in accordance with changes in its NAV and supply and demand on the applicable stock exchanges. In addition, the price of the shares of the Fund may differ from its NAV per share. The Fund may trade at, above or below its NAV per share.

- ADJUSTMENTS TO THE FUND OR TO THE TRACKED INDEX COULD ADVERSELY AFFECT THE VALUE OF THE SECURITIES — Blackrock Fund Advisors ("BFA") is the investment advisor to the Fund, which seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Tracked Index. The stocks included in the Tracked Index are selected by MSCI Inc. ("MSCI"). The Tracked Index is calculated and published by MSCI. MSCI can add, delete or substitute the stocks composing the Tracked Index, which could change the value of the Tracked Index. Pursuant to its investment strategy or otherwise, BFA may add, delete or substitute the component securities held by the Fund. Any of these actions could cause or contribute to large movements in the prices of the component securities held by the Fund, which could cause the price of the shares of the Fund to decline.

- THE FUND AND THE TRACKED INDEX ARE DIFFERENT — The performance of the Fund may not exactly replicate the performance of the Tracked Index because the Fund will reflect transaction costs and fees that are not included in the calculation of the Tracked Index. It is also possible that the Fund may not fully replicate or may in certain circumstances diverge significantly from the performance of the Tracked Index due to the temporary unavailability of certain securities in the secondary market, the performance of any derivative instruments contained in the Fund or due to other circumstances. BFA may invest up to 10% of the Fund's assets in futures contracts, options on futures contracts, other types of options, and swaps related to the Tracked Index as well as cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. Finally, because the shares of the Fund are traded on NYSE Arca and are subject to market supply and investor demand, the market value of one share of the Fund may differ from the net asset value per share of the Fund. For all of the foregoing reasons, the performance of the Fund may not correlate with the performance of the Tracked Index.

- THERE IS NO AFFILIATION BETWEEN THE FUND AND US, AND WE ARE NOT RESPONSIBLE FOR ANY DISCLOSURE BY THE FUND — We are not affiliated with the Fund or the issuers of the component securities held by the Fund or underlying the Tracked Index (such stocks, "Underlying Stocks"; the issuers of Underlying Stocks, "Underlying Stock Issuers"). However, we and our affiliates may currently or from time to time in the future engage in business with many of the Underlying Stock Issuers. Nevertheless, neither we nor our affiliates assume any responsibility for the accuracy or the completeness of any information about the Underlying Stocks or any of the Underlying Stock Issuers. You, as an investor in the securities, should make your own investigation into the Underlying Stocks and the Underlying Stock Issuers. Neither the Fund nor any of the Underlying Stock Issuers is involved in this offering in any way and none of them has any obligation of any sort with respect to your securities. Neither the Fund nor any of the Underlying Stock Issuers has any obligation to take your interests into consideration for any reason, including when taking any corporate actions that might affect the value of your securities.

- THE SECURITIES ARE SUBJECT TO CURRENCY EXCHANGE RATE RISK — Because the Fund invests in stocks denominated in foreign currencies but its shares are denominated in U.S. dollars, changes in currency exchange rates may negatively impact the Fund's return. Of particular importance to currency exchange rate risk are:

  - existing and expected rates of inflation;
  - existing and expected interest rate levels;
  - political, civil or military unrest;

- the balance of payments between countries represented in the Fund and the United States; and
- the extent of governmental surpluses or deficits in the countries represented in the Fund and the United States.

All of these factors are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of the countries represented in the Fund, the United States and other countries important to international trade and finance. An investor’s net exposure to currency exchange rate risk will depend on the extent to which the currencies represented in the Fund strengthen or weaken against the U.S. dollar and the relative weight of each currency represented in the overall Fund. If, taking into account such weighting, the U.S. dollar strengthens against the component currencies as a whole, the price of the Fund will be adversely affected and the value of the securities may be reduced. Additionally, the volatility and/or the correlation (including the direction and the extent of such correlation) of the exchange rates between the U.S. dollar and the currencies represented in the Fund could adversely affect the value of the securities.

- THERE ARE RISKS ASSOCIATED WITH INVESTMENTS IN SECURITIES LINKED TO THE VALUES OF EQUITY SECURITIES ISSUED BY NON-U.S. COMPANIES — The Underlyings include component stocks that are issued by companies incorporated outside of the U.S. Because the component stocks also trade outside the U.S., the securities are subject to the risks associated with non-U.S. securities markets. Generally, non-U.S. securities markets may be more volatile than U.S. securities markets, and market developments may affect non-U.S. securities markets differently than U.S. securities markets, which may adversely affect the value of the Underlyings and the value of your securities. Furthermore, there are risks associated with investments in securities linked to the values of equity securities issued by non-U.S. companies. There is generally less publicly available information about non-U.S. companies than about those U.S. companies that are subject to the reporting requirements of the SEC, and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies. In addition, the prices of equity securities issued by non-U.S. companies may be adversely affected by political, economic, financial and social factors that may be unique to the particular countries in which the non-U.S. companies are incorporated. These factors include the possibility of recent or future changes in a non-U.S. government's economic and fiscal policies (including any direct or indirect intervention to stabilize the economy and/or securities market of the country of such non-U.S. government), the presence, and extent, of cross shareholdings in non-U.S. companies, the possible imposition of, or changes in, currency exchange laws or other non-U.S. laws or restrictions applicable to non-U.S. companies or investments in non-U.S. securities and the possibility of fluctuations in the rate of exchange between currencies. Moreover, certain aspects of a particular non-U.S. economy may differ favorably or unfavorably from the U.S. economy in important respects, such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency. Specifically, the stocks included in the Index are issued by companies located in countries within the Eurozone, some of which are and have been experiencing economic stress.

- THE UNDERLYING RETURN OF THE INDEX WILL NOT BE ADJUSTED FOR CHANGES IN THE EURO RELATIVE TO THE U.S. DOLLAR — The Index is composed of stocks denominated in Euros. Because the level of the Index is also calculated in Euros (and not in U.S. dollars), the performance of the Index will not be adjusted for exchange rate fluctuations between the U.S. dollar and the Euro. Therefore, if the Euro appreciates or depreciates relative to the U.S. dollar over the term of the securities, you will not receive any additional payment or incur any reduction in your return, if any, at maturity.

- WE ARE ONE OF THE COMPANIES THAT MAKE UP THE INDEX — We are one of the companies that make up the Index. To our knowledge, we are not currently affiliated with any of the other companies the equity securities of which are represented in the Index. As a result, we will have no ability to control the actions of such other companies, including actions that could affect the value of the equity securities composing the Index, or your securities. None of the other companies represented in the Index will be involved in the offering of the securities in any way. Neither they nor we will have any obligation to consider your interests as a holder of the securities in taking any corporate actions that might affect the value of your securities.

- THE INDEX REFLECTS THE PRICE RETURN OF THE STOCKS COMPOSING THE INDEX, NOT A TOTAL RETURN — The Index reflects the changes in the market prices of the stocks composing the Index. The Index is not, however, a "total return" index, which, in addition to reflecting the price return of its component stocks, would also reflect all dividends and other distributions paid on such component stocks.

- PAST PERFORMANCE OF THE UNDERLYINGS IS NO GUIDE TO FUTURE PERFORMANCE — The actual performance of the Underlyings over the term of the securities, as well as any amount payable on the securities, may bear little relation to the historical closing levels or prices, as applicable of the Underlyings and may bear little relation to the hypothetical return examples set forth elsewhere in this pricing supplement. We cannot predict the future performance of the Underlyings or whether the performance of the Underlyings will result in the return of any of your investment.

- ASSUMING NO CHANGES IN MARKET CONDITIONS AND OTHER RELEVANT FACTORS, THE PRICE YOU MAY RECEIVE FOR YOUR SECURITIES IN SECONDARY MARKET TRANSACTIONS WOULD GENERALLY BE LOWER THAN BOTH THE ISSUE PRICE AND THE ISSUER'S ESTIMATED VALUE OF THE SECURITIES ON THE TRADE DATE — While the payment(s) on the securities described in this pricing supplement is based on the full Face Amount of your securities, the Issuer's estimated value of the securities on the Trade Date (as disclosed on the cover of this pricing supplement) is less than the Issue Price of the securities. The Issuer's estimated value of the securities on the Trade Date does not represent the price at which we or any of our affiliates would be willing to purchase your securities in the

secondary market at any time. Assuming no changes in market conditions or our creditworthiness and other relevant factors, the price, if any, at which we or our affiliates would be willing to purchase the securities from you in secondary market transactions, if at all, would generally be lower than both the Issue Price and the Issuer's estimated value of the securities on the Trade Date. Our purchase price, if any, in secondary market transactions would be based on the estimated value of the securities determined by reference to (i) the then-prevailing internal funding rate (adjusted by a spread) or another appropriate measure of our cost of funds and (ii) our pricing models at that time, less a bid spread determined after taking into account the size of the repurchase, the nature of the assets underlying the securities and then-prevailing market conditions. The price we report to financial reporting services and to distributors of our securities for use on customer account statements would generally be determined on the same basis. However, during the period of approximately four months beginning from the Trade Date, we or our affiliates may, in our sole discretion, increase the purchase price determined as described above by an amount equal to the declining differential between the Issue Price and the Issuer's estimated value of the securities on the Trade Date, prorated over such period on a straight-line basis, for transactions that are individually and in the aggregate of the expected size for ordinary secondary market repurchases.

In addition to the factors discussed above, the value of the securities and our purchase price in secondary market transactions after the Trade Date, if any, will vary based on many economic and market factors, including our creditworthiness, and cannot be predicted with accuracy. These changes may adversely affect the value of your securities, including the price you may receive in any secondary market transactions. Any sale prior to the Maturity Date could result in a substantial loss to you. The securities are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your securities to maturity.

- THE SECURITIES WILL NOT BE LISTED AND THERE WILL LIKELY BE LIMITED LIQUIDITY — The securities will not be listed on any securities exchange. There may be little or no secondary market for the securities. We or our affiliates intend to act as market makers for the securities but are not required to do so and may cease such market making activities at any time. Even if there is a secondary market, it may not provide enough liquidity to allow you to sell the securities when you wish to do so or at a price advantageous to you. Because we do not expect other dealers to make a secondary market for the securities, the price at which you may be able to sell your securities is likely to depend on the price, if any, at which we or our affiliates are willing to buy the securities. If, at any time, we or our affiliates do not act as market makers, it is likely that there would be little or no secondary market in the securities. If you have to sell your securities prior to maturity, you may not be able to do so or you may have to sell them at a substantial loss, even in cases where the level or price, as applicable, of either of the Underlyings has increased since the Trade Date.

- MANY ECONOMIC AND MARKET FACTORS WILL AFFECT THE VALUE OF THE SECURITIES — While we expect that, generally, the levels and prices, as applicable, of the Underlyings will affect the value of the securities more than any other single factor, the value of the securities will also be affected by a number of other factors that may either offset or magnify each other, including:

  - the expected volatility of the Underlyings;
  - the composition of the Underlyings;
  - the time remaining to maturity of the securities;
  - the market prices and dividend rates of the shares of the Fund and the securities composing the Index;
  - the occurrence of certain events affecting the Fund that may or may not require an anti-dilution adjustment;

- the exchange rates between the U.S. dollar and the non-U.S. currencies that the stocks held by the Fund are traded in;
- interest rates and yields in the market generally and in the markets of the shares of the Fund and the securities composing the Index;
- geopolitical conditions and a variety of economic, financial, political, regulatory or judicial events that affect the Underlyings, the Tracked Index or markets generally;
- supply and demand for the securities; and
- our creditworthiness, including actual or anticipated downgrades in our credit ratings.

- TRADING AND OTHER TRANSACTIONS BY US OR OUR AFFILIATES IN THE EQUITY AND EQUITY DERIVATIVE MARKETS MAY IMPAIR THE VALUE OF THE SECURITIES — We or one or more of our affiliates expect to hedge our exposure from the securities by entering into equity and equity derivative transactions, such as over-the-counter options or exchange-traded instruments. Such trading and hedging activities may affect the Underlyings and make it less likely that you will receive a positive return on your investment in the securities. It is possible that we or our affiliates could receive substantial returns from these hedging activities while the value of the securities declines. We or our affiliates may also engage in trading in instruments linked or related to the Underlyings on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. We or our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to the Underlyings. By introducing competing products into the marketplace in this manner, we or our affiliates could adversely affect the value of the securities. Any of the foregoing activities described in this paragraph may reflect trading strategies that differ from, or are in direct opposition to, investors' trading and investment strategies related to the securities.

- WE, OUR AFFILIATES OR OUR AGENTS MAY PUBLISH RESEARCH, EXPRESS OPINIONS OR PROVIDE RECOMMENDATIONS THAT ARE INCONSISTENT WITH INVESTING IN OR HOLDING THE SECURITIES. ANY SUCH RESEARCH, OPINIONS OR RECOMMENDATIONS COULD ADVERSELY AFFECT THE PRICES OR LEVELS, AS APPLICABLE, OF THE UNDERLYINGS TO WHICH THE SECURITIES ARE LINKED OR THE VALUE OF THE SECURITIES — We, our affiliates or our agents may publish research from time to time on financial markets and other matters that could adversely affect the value of the securities, or express opinions or provide recommendations that are inconsistent with purchasing or holding the securities. Any research, opinions or recommendations expressed by us, our affiliates or our agents may not be consistent with each other and may be modified from time to time without notice. You should make your own independent investigation of the merits of investing in the securities and the Underlyings to which the securities are linked.

- POTENTIAL CONFLICTS OF INTEREST — We and our affiliates play a variety of roles in connection with the issuance of the securities, including acting as calculation agent, hedging our obligations under the securities and determining the Issuer's estimated value of the securities on the Trade Date and the price, if any, at which we or our affiliates would be willing to purchase the securities from you in secondary market transactions. In performing these roles, our economic interests and those of our affiliates are potentially adverse to your interests as an investor in the securities. The calculation agent will determine, among other things, all values, prices and levels required to be determined for the purposes of the securities on any relevant date or time. The calculation agent also has some discretion about certain adjustments to the Share Adjustment Factor and will be responsible for determining whether a Knock-Out Event and/or a market disruption event has occurred. Any determination by the calculation agent could adversely affect the return on the securities.

- THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE SECURITIES ARE UNCERTAIN — There is no direct legal authority regarding the proper U.S. federal income tax treatment of the securities, and we do not plan to request a ruling from the IRS. Consequently, significant aspects of the tax treatment of the securities are uncertain, and the IRS or a court might not agree with the treatment of the securities as prepaid financial contracts that are not debt. If the IRS were successful in asserting an alternative treatment for the securities, the tax consequences of ownership and disposition of the securities could be materially and adversely affected. In addition, as described above under "Tax Consequences," in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. You should review carefully the section of the accompanying product supplement entitled

"U.S. Federal Income Tax Consequences," and consult your tax adviser regarding the U.S. federal tax consequences of an investment in the securities (including possible alternative treatments and the issues presented by the 2007 notice), as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Historical Information

The following graphs set forth the historical performances of the EURO STOXX 50® Index and the iShares® MSCI EAFE ETF based on their historical closing levels or prices, as applicable, from October 28, 2009 through October 28, 2014. The closing level of the EURO STOXX 50® Index on October 28, 2014 was 3,036.15. The closing price of the iShares® MSCI EAFE ETF on October 28, 2014 was $62.82. The graphs below show the Knock-Out Levels of (i) with respect to the EURO STOXX 50® Index, 2,125.31, equal to 70.00% of 3,036.15, which was the closing level of the EURO STOXX 50® Index on October 28, 2014 and (ii) with respect to the iShares® MSCI EAFE ETF, $43.97, equal to 70.00% of $62.82, which was the closing price of the iShares® MSCI EAFE ETF on October 28, 2014. We obtained the historical closing levels and prices below from Bloomberg L.P., and we have not participated in the preparation of, or verified, such information. The historical closing levels and prices of the Underlyings should not be taken as an indication of future performance, and no assurance can be given as to the Closing Levels of the Underlyings on any of the Call Dates, including the Final Valuation Date. We cannot give you assurance that the performance of the Underlyings will result in the return of any of your initial investment.

Supplemental Underwriting Information (Conflicts of Interest)

Deutsche Bank Securities Inc. (“DBSI”), acting as agent for Deutsche Bank AG, will receive or allow as a concession or reallowance to other dealers discounts and commissions of 2.25% or $22.50 per $1,000 Face Amount of securities. DBSI may sell all or a part of the securities that it purchases from us to its affiliates or certain dealers at the price to the public indicated on the cover of this pricing supplement, minus a concession not to exceed the discounts and commissions indicated on the cover. DBSI, the agent for this offering, is our affiliate. Because DBSI is both our affiliate and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), the underwriting arrangements for this offering must comply with the requirements of FINRA Rule 5121 regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. In accordance with FINRA Rule 5121, DBSI may not make sales in offerings of the securities to any of its discretionary accounts without the prior written approval of the customer. See “Underwriting (Conflicts of Interest)” in the accompanying product supplement.

Settlement

We expect to deliver the securities against payment for the securities on the Issue Date indicated above, which will be the third business day following the Trade Date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, if the Issue Date is more than three business days after the Trade Date, purchasers who wish to transact in the securities more than three business days prior to the Issue Date will be required to specify alternative settlement arrangements to prevent a failed settlement.

Validity of the Securities

In the opinion of Davis Polk & Wardwell LLP, as special United States products counsel to the Issuer, when the securities offered by this pricing supplement have been executed and issued by the Issuer and authenticated by the authenticating agent, acting on behalf of the trustee, pursuant to the senior indenture, and delivered against payment as contemplated herein, such securities will be valid and binding obligations of the Issuer, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors’ rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York. Insofar as this opinion involves matters governed by German law, Davis Polk & Wardwell LLP has relied, without independent investigation, on the opinion of Group Legal Services of Deutsche Bank AG, dated as of September 28, 2012, filed as an exhibit to the letter of Davis Polk & Wardwell LLP, and this opinion is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in such opinion of Group Legal Services of Deutsche Bank AG. In addition, this opinion is subject to customary assumptions about the trustee’s authorization, execution and delivery of the senior indenture and the authentication of the securities by the authenticating agent and the validity, binding nature and enforceability of the senior indenture with respect to the trustee, all as stated in the letter of Davis Polk & Wardwell LLP dated September 28, 2012, which has been filed as an exhibit to the registration statement referred to above.

" style="BORDER-BOTTOM: black 1pt solid">(352,042)
Cash provided by (used in) operating activities

$(1,181,661) $4,244,231

Cash flows from Investing Activities:		
Capital expenditures	$(1,313,797)	$(1,078,375)
Software costs	(90,415)	(52,836)
Cash used in investing activities	$(1,404,212)	$(1,131,211)
Cash flows from Financing Activities:		
Proceeds from issuance of common stock, net of offering costs	$35,075,677	$-
Proceeds from note payable - bank	16,665,000	7,425,000
Repayments of note payable – bank	(37,955,000)	(9,450,000)
Common member contributions	-	100
Distributions to preferred members	(11,400,438)	(1,003,820)
Cash provided by (used in) financing activities	$2,385,239	$(3,028,720)
Net increase (decrease) in cash and cash equivalents	(200,634)	84,300
Cash and cash equivalents, beginning of period	479,364	271,308
Cash and cash equivalents, end of period	$278,730	$355,608
Supplemental disclosure of cash flow information:		
Cash paid for interest	$415,807	$371,868
Payables for construction in process	19,308	-
Payables for offering costs	958,667	-

The accompanying notes are an integral part of these unaudited consolidated financial statements.

HERITAGE-CRYSTAL CLEAN, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 22, 2008
(Unaudited)

(1) ORGANIZATION AND NATURE OF OPERATIONS

Heritage-Crystal Clean, Inc. and its subsidiaries (the "Company"), a Delaware corporation, provides parts cleaning, hazardous and non-hazardous waste services to small and mid-sized customers in both the manufacturing and automotive service sectors. Our service programs include parts cleaning, containerized waste management, used oil collection, and vacuum truck services.

On March 12, 2008, Heritage-Crystal Clean, Inc. raised net proceeds of $33.2 million in an initial public offering and a direct placement (the "offerings"). Concurrently, the Company paid preferred members a distribution of $10.9 million as part of a reorganization, in which, prior to the consummation of the offerings, the members of Heritage-Crystal Clean, LLC and the former stockholders of BRS-HCC Investment Co., Inc. became stockholders of Heritage-Crystal Clean, Inc. (the "reorganization"). Under Section 362 of the Internal Revenue Code of 1986, as amended, this distribution and reorganization resulted in an increase in the tax basis of the Company's assets. In accordance with Emerging Issues Task Force (EITF) 94-10, Accounting by a Company for the Income Tax Effects of Transactions Among or with Shareholders under FASB Statement No. 109, the tax benefit associated with this reorganization was recorded as an equity transaction. There was no change in the book basis of assets and liabilities associated with this reorganization. Further details regarding these transactions can be found below under the heading "Shareholders' Equity."

Prior to the completion of the reorganization, the Company filed an amendment to its certificate of incorporation with the Delaware Secretary of State, increasing its authorized capital to 15,000,000 shares of common stock at a par value of $0.01 per share and 500,000 shares of undesignated preferred stock.

As of March 22, 2008, the Company had 10,675,390 common shares outstanding following the reorganization, initial public offering and direct placement.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation and basis of presentation

The Company conducts its primary business operations through Heritage-Crystal Clean, LLC., its wholly owned subsidiary and all intercompany balances have been eliminated in consolidation.

The unaudited interim financial statements included herein have been prepared by the Company in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and in accordance with Rule 10-01 of Regulation S-X of the Securities Exchange Act of 1934, as amended. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Operating results for interim periods are not necessarily indicative of results that may be expected for the year as a whole. In the opinion of the Company's management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. These financial statements and notes thereto should be read in conjunction with the Company's audited financial statements for the fiscal year ended December 29, 2007 filed with the Unites States Securities and Exchange Commission on a Registration Statement on Form S-1, as amended (SEC Reg. No. 333-143864).

The 2007 year-end consolidated balance sheet data included in this Form 10-Q was derived from the audited financial statements referenced above, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

GAAP requires the use of certain estimates by management in determining the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Significant items subject to such estimates and assumptions are the allowance for doubtful accounts receivable and valuation of inventory at lower of cost or market. Actual results could differ from those estimates.

The Company’s fiscal year ends on the Saturday closest to December 31. The most recent fiscal year ended on December 29, 2007. Our convention with respect to reporting periodic financial data is such that each of our first three fiscal quarters consist of twelve weeks while our last fiscal quarter consists of sixteen or seventeen weeks. Interim results are presented for the twelve week periods ended March 22, 2008 and March 24, 2007 each referred to as “fiscal quarters ended” or “first quarter ended” or “first fiscal quarters ended.”

(b) Income Taxes

In connection with the Company's reorganization and initial public offering, the Company became a ‘C’ corporation subject to federal and state income taxes. The Company accounts for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes ("SFAS No. 109"), under which deferred assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences

between financial statement carrying values of assets and liabilities and their respective tax bases. A valuation allowance is established to reduce the carrying value of deferred tax assets if it is considered more likely than not that such assets will not be realized. Any change in the valuation allowance would be charged to income in the period such determination was made.

Prior to converting to a ‘C’ corporation on March 11, 2008, the Company operated as a limited liability company and was taxed as a partnership. As such, the Company's income or losses were passed through to its owners who are liable for any related income taxes.

(c) Stock-Based Compensation

Effective January 1, 2006, the Company adopted FASB Statement No. 123(R), Share-Based Payment (Statement 123(R)). This statement replaces FASB Statement No. 123, Accounting for Stock-Based Compensation (Statement 123) and supersedes APB No. 25. Statement 123(R) and requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. This statement was adopted using the prospective method of application, which requires the Company to recognize compensation cost on a prospective basis. For share-based awards granted after January 1, 2006, the Company recognized compensation expense based on estimated grant date fair value.

The Company estimates the fair value of stock options granted using the Black-Scholes-Merton option-pricing model and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. The following assumptions are used in the Black-Scholes-Merton option pricing model:

Expected Term —The Company’s expected term represents the period that the Company’s stock-based awards are expected to be outstanding;

Expected Volatility —Due to the Company’s limited trading history, the average volatility estimate used was determined by using a composite group of peer companies;

Expected Dividend —The Black-Scholes-Merton valuation model calls for a single expected dividend yield as an input. The Company currently pays no dividends and does not expect to pay dividends in the foreseeable future;

Risk-Free Interest Rate —The Company bases the risk-free interest rate on the implied yield currently available on United States Treasury zero-coupon issues with an equivalent remaining term.

(d) Recent Accounting Pronouncements

In December 2007, the FASB issued FASB Statement No. 141R, Business Combinations (Statement 141R) and FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements — an amendment to ARB No. 51 (Statement 160). Statements 141R and 160 require most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at “full fair value” and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. Both Statements are effective for periods beginning on or after December 15, 2008, and earlier adoption is prohibited. Statement 141R will be applied to business combinations occurring after the effective date. Statement 160 will be applied prospectively to all noncontrolling interests, including any that arose before the effective date. The Company is currently evaluating the impact of adopting Statement 141R and Statement 160 on its results of operations and financial position and will be evaluated as such if an acquisition is considered.

(e) New Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement applies to previous accounting pronouncements that require or permit fair value measurements. Accordingly, this Statement does not require any new fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. Delayed application is permitted for nonfinancial assets and nonfinancial liabilities except for items that are recognized or disclosed at fair value in the Financial Statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. The Company has adopted SFAS 157 and the impact has been immaterial to the consolidated financial statements.

In February 2007, the FASB issued SFAS 159, The Fair Value Option for Financial Assets and Financial Liabilities — Including on amendment of FASB Statement No. 115 (SFAS 159). This standard amends SFAS 115, Accounting for Certain Investment in Debt and Equity Securities, with respect to accounting for a transfer to the trading category for all entities with available-for-sale and trading securities electing the fair value option. This standard allows companies to elect fair value accounting for many financial instruments and other items that currently are not required to be accounted as such, allows different applications for electing the option for a single item or groups of items, and requires disclosures to facilitate comparisons of similar assets and liabilities that are accounted for differently in relation to the fair value

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option. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company has adopted SFAS 159 and the impact has been immaterial to the consolidated financial statements.

(3) INVENTORY

The carrying value of inventory consisted of the following:

	March 22, 2008	December 29, 2007
Machines	$ 2,186,391	$ 2,227,933
Solvents	7,938,117	6,379,013
Drums	964,929	1,004,077
Accessories	916,607	836,350
Total inventory	$ 12,006,044	$ 10,447,373

(4) NOTE PAYABLE

The Company has a bank credit facility that provides for borrowings of up to $25 million. On March 3, 2008, the Company amended the credit facility to extend the maturity date of the credit facility to December 31, 2010. As of March 22, 2008 and December 29, 2007 $0.8 million and $22.0 million respectively, was outstanding under the credit facility. Under the terms of the credit facility, interest is payable monthly at the prime rate, unless the total leverage ratio is greater than or equal to 2.75 to 1. The weighted average effective interest rate for amounts outstanding was 6.95% and 8.34% at March 22, 2008 and December 29, 2007, respectively. Amounts borrowed under the credit facility are secured by a security interest in substantially all of the Company's tangible and intangible assets. As of March 22, 2008, the Company was in compliance with all covenants under its credit facility. As of March 22, 2008 and December 29, 2007 $24.2 million and $3.0 million respectively, were available under the credit facility.

(5) COMMITMENTS AND CONTINGENCIES

The Company is subject to contingencies as a result of environmental laws and regulations. The related future cost is not determinable due to such factors as the unknown timing and extent of corrective actions, if any, that may be required and also due to the application of joint and several liability. The Company believes, however, that any such costs will not have a material adverse effect on its financial position, future operations, or cash flows.

The Company leases office space, equipment, and vehicles under noncancelable operating lease agreements which expire through 2016. Rental expense under operating leases was approximately $1,842,507 and $1,517,265 for the first quarters of 2008 and 2007, respectively.

Future minimum lease payments under noncancelable operating leases as of March 22, 2008 are as follows:

Fiscal period:	
2008	$ 5,120,043
2009	6,386,258
2010	4,993,596
2011	3,656,147
2012	2,848,558
Thereafter	3,169,711
Total	$ 26,174,313

(6) INCOME TAXES

On March 11, 2008, in connection with the reorganization and the company converting from a limited liability company to a 'C' corporation, the Company established beginning balances in its deferred tax assets and liabilities in accordance with SFAS No. 109. Accordingly, the Company recorded a cumulative net deferred tax asset of $0.1 million. Of this amount, a tax benefit of $2.3 million was recorded directly to equity in accordance with EITF 94-10, related to the increase in the tax basis of the Company's assets due to the reorganization. This was partially offset by a $2.2 million tax liability related to the change in tax status which was recorded as a component of the income tax provision.

Components of the Company's income tax benefit and provision for the period following the Company's conversion to a ‘C’ corporation on December 30, 2007 through March 22, 2008, including the $2.2 million deferred tax charge discussed above, are as follows:

	December 30, 2007 through March 22, 2008
Current:	
Federal	$ 58,253
State	6,408
Total current	$ 64,661
Deferred:	
Change in tax status	$ 2,210,535
Federal	(1,121,494)
State	(173,534)
Total deferred	$ 915,507
Income tax provision	$ 980,168
Pro forma tax for period prior to conversion	497,246
Total pro forma tax provision	$1,477,414

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate for December 30, 2007 through March 22, 2008, is as follows:

	December 30, 2007 through March 22, 2008		
Tax benefit at statutory federal rate	$ (607,950)	(34.0)	%
State and local tax, net of federal benefit	(110,303)	(6.2)	%
Other	(14,868)	(0.8)	%
Change in tax status	2,210,535	123.6	%
Earnings for period prior to conversion	(497,246)	(27.8)	%
Total income tax provision	$ 980,168	54.8	%
Pro forma tax for period prior to conversion	497,246	27.8	%
Total pro forma tax provision	$ 1,477,414	82.6	%

Components of deferred tax assets (liabilities) are as follows:

		March 22, 2008
Deferred tax assets:		
Tax intangible assets	$	2,343,000
Allowances		719,382
Accrued other		279,834
Stock compensation		1,295,028
Total deferred tax asset	$	4,637,244
Deferred tax liabilities:		
Prepaids		(234,482)
Depreciation and amortization		(2,975,269)
Total deferred tax liability	$	(3,209,751)
Net deferred tax asset	$	1,427,493
Current deferred tax asset	$	764,734
Noncurrent deferred tax asset		662,759
Net deferred tax asset	$	1,427,493

The Company has not provided any valuation allowance as it believes the realization of its deferred tax assets is more likely than not.

(7) SHAREHOLDERS' EQUITY

On March 11, 2008 the Company completed a reorganization, initial public offering and direct placement. In connection with the reorganization, initial public offering and direct placement the Company:

- Became a 'C' corporation through the reorganization of Heritage-Crystal Clean, LLC and a merger of BRS-HCC Investment Co., Inc. with and into Heritage-Crystal Clean, Inc.;
- Issued an aggregate of 1,217,390 shares of common stock as part of the exchange of preferred units of Heritage-Crystal Clean, LLC into common stock of Heritage-Crystal Clean, Inc. in the reorganization;

- Issued an aggregate of 6,056,900 shares of common stock as part of the exchange of common units of Heritage-Crystal Clean, LLC into common stock of Heritage-Crystal Clean, Inc.
- Sold 2,201,100 shares of common stock in the initial public offering, at $11.50 per share, raising approximately $20.4 million after underwriting discounts and transaction costs;
- Sold 1,200,000 new shares at $11.50 per share in a direct placement, raising approximately $12.8 million after underwriting discounts and transaction costs;
- Repaid approximately $21.3 million of indebtedness with the proceeds raised in the initial public offering and direct placement;
- Paid distributions of $10.9 million to preferred unit holders of Heritage-Crystal Clean, LLC as part of the reorganization;
- Recorded a cumulative net deferred tax asset of $0.1 million with a corresponding credit to equity of $2.3 million and a charge of $2.2 million to our provision for income taxes upon becoming taxable as a ‘C’ corporation.

(8) SHARE-BASED COMPENSATION

On March 3, 2008, the Company adopted the 2008 Omnibus Incentive Plan (the "Plan") to promote the interests of the Company and its stockholders by providing employees of the Company and its subsidiaries and members of the Board who are not employees of the Company ("Non-Employee Directors) with additional incentives to increase their efforts on the Company's behalf and to remain in the employ or service of the Company and with the opportunity, through stock ownership, to increase their proprietary interest in the Company and their personal interest in its continued success and progress. The aggregate number of shares of common stock which may be issued under the Plan is 1,902,077 plus any common stock that becomes available for issuance pursuant to the reusage provision of the Plan.

These options may vest over various periods up to four years and expire no more than ten years from the date of grant. A summary of activity under this Plan is as follows:

	Options Available For Grant	Number of Options	Weighted Average Fair Value Per Option	Weighted Average Exercise Price Per Option
Balance at December 29, 2007	—	—	—	—
Shares reserved	1,902,077	—	—	—
Options granted	(732,045)	732,045	$ 3.90	$ 11.50
Balance at March 22, 2008	1,170,032	732,045	$ 3.90	$ 11.50

At March 22, 2008 732,045 options were outstanding and had a weighted-average remaining contractual life of 9.99 years and an exercise price of $11.50. All of these options are fully vested and the Company incurred $2.9 million ($1.7 million net of tax) of non-cash share-based compensation expense. The Company also incurred $0.3 million ($0.2 million net of tax) of non-cash share-based compensation expense that related to Key Employee Membership Interest Trust "KEMIT" units that converted to shares of common stock upon the completion of our initial public offering.

The fair values of employee stock options granted were estimated to be $3.90 per share on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

- Volatility of 33.23%;
- Risk-free interest rate of 2.76%;
- Expected term of 5 years;
- No dividend yield; and
- Market value per share of stock on measurement date of $11.50

In addition to the stock options listed above, in February 2007, the Company granted to certain key employees in our oil and vacuum business 120 common units that subsequently converted to 60,000 restricted shares in connection with our initial public offering in March 2008. These shares are subject to forfeiture if certain performance goals are not achieved by fiscal year end 2011. As of March 22, 2008, the Company believes that the performance criteria will be met and has recorded compensation expense of $33,000 during the first quarter 2008. At March 22, 2008, there was $0.5 million of unrecognized compensation expense related to these awards which will be recorded through 2011.

12

(9) PRO FORMA NET INCOME PER COMMON SHARE

Basic net income per common share is computed by dividing net income available for common shareholders by the weighted average number of common shares outstanding for the period in accordance with FASB Statement No. 128, Earnings per Share. Diluted net income per common share is computed by dividing the sum of net income available for common shareholders by the sum of the weighted average number of common shares outstanding and any dilutive potential common equivalents for the period.

The following table reconciles the components of basic and diluted net income per common share:

	Quarters Ended	
	March 22, 2008	March 24, 2007
Pro-forma net income (loss) available to common stockholders	$ (3,637,990)	$ 942,173
Basic earnings (loss) per share:		
Weighted-average number of common shares outstanding	7,619,719	7,202,290
Basic pro-forma earnings (loss) per share	$ (0.48)	$ 0.13
Diluted earnings (loss) per share:		
Weighted-average number of common shares outstanding — diluted	7,619,719	7,202,290
Diluted earnings (loss) per share	$ (0.48)	$ 0.13

The Company has included the redeemable common capital units outstanding prior to the reorganization in the calculation of basic and diluted earnings per share as the effect of excluding them would be anti-dilutive. In accordance with SFAS 150, shares of common stock that are mandatorily redeemable are excluded from the calculation of basic and diluted earnings per share. The Company has deducted earnings attributable to mandatorily redeemable units from income available to common unit holders.

As of March 22, 2008, the Company has excluded the effects of the stock options granted as their inclusion would have had an anti-dilutive effect on loss per share.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All references to the "Company," "we," "our," and "us" refer to Heritage-Crystal Clean, Inc., and its subsidiaries.

This report contains forward-looking statements that are based upon current management expectations. Generally, the words "aim," "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," "will be," "will continue," "will likely result," "would" and similar expressions identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other important factors include, among others: our ability to comply with the extensive environmental, health and safety and employment laws and regulations that our Company is subject to; changes in environmental laws that affect our business model; competition; claims relating to our handling of hazardous substances; the limited demand for our used solvent; our dependency on key employees; our ability to effectively manage our extended network of branch locations; warranty expense and liability claims; personal injury litigation; dependency of suppliers; economic conditions and downturns in the business cycles of automotive repair shops, industrial manufacturing business and small businesses in general; increased solvent, fuel and energy costs; the control of The Heritage Group over our Company; and the risks identified in our filings with the Securities and Exchange Commission, including our Registration Statement on Form S-1. Given these uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. We assume no obligation to update or revise them or provide reasons why actual results may differ. The information in this report should be read in light of such risks and in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this report.

Overview

Heritage-Crystal Clean, Inc. provides parts cleaning, hazardous and non-hazardous waste services to small and mid-sized customers in both the manufacturing and automotive service sectors. Our service programs include parts cleaning, containerized waste management, used oil collection, and vacuum truck services. These services help our customers manage their used chemicals and liquid and solid wastes, while also helping to minimize their regulatory burdens. Our customers include businesses involved in vehicle maintenance operations, such as car dealerships, automotive repair shops, and trucking firms, as well as small manufacturers, such as metal product fabricators and printers. Heritage-Crystal Clean, Inc. is headquartered in Elgin, Illinois, and operates through more than 50 branches serving over 36,000 customer locations.

On March 11, 2008 we completed a reorganization, initial public offering, and direct placement. In connection with our reorganization, initial public offering, and direct placement we:

- Became a 'C' corporation through the reorganization of Heritage-Crystal Clean, LLC and a merger of BRS-HCC Investment Co., Inc. with and into Heritage-Crystal Clean, Inc.;
- Issued an aggregate of 1,217,390 shares of common stock as part of the exchange of preferred units of Heritage-Crystal Clean, LLC into common stock of Heritage-Crystal Clean, Inc. in the reorganization;
- Issued an aggregate of 6,056,900 shares of common stock as part of the exchange of common units of Heritage-Crystal Clean, LLC into common stock of Heritage-Crystal Clean, Inc.
- Sold 2,201,100 shares of common stock in the initial public offering, at $11.50 per share, raising approximately $20.4 million after underwriting discounts and transaction costs;
- Sold 1,200,000 new shares at $11.50 per share in a direct placement, raising approximately $12.8 million after underwriting discounts and transaction costs;
- Repaid approximately $21.3 million of indebtedness with the proceeds raised in the initial public offering and direct placement;

- Paid distributions of $10.9 million to preferred unit holders of Heritage-Crystal Clean, LLC as part of the reorganization;
- Recorded a cumulative net deferred tax asset of $0.1 million with a corresponding credit to equity of $2.3 million and a charge of $2.2 million to our provision for income taxes upon becoming taxable as a 'C' corporation.

Critical Accounting Policies

Critical accounting policies are those that both are important to the accurate portrayal of a company's financial condition and results, and require subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

In order to prepare financial statements that conform to accounting principles generally accepted in the United States, commonly referred to as GAAP, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Certain

14

estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may be significantly different from our expectations.

Management believes that there have been no significant changes during the first fiscal quarter ended March 22, 2008 to the items that we disclosed as our critical accounting policies and estimates in the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations in our Registration Statement on Form S-1 filed with the United States Securities and Exchange Commission on March 11, 2008 (as amended) for the fiscal year ended December 29, 2007

Recent Accounting Pronouncements

In December 2007, the FASB issued FASB Statement No. 141R, Business Combinations (Statement 141R) and FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements — an amendment to ARB No. 51 (Statement 160). Statements 141R and 160 require most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at "full fair value" and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. Both Statements are effective for periods beginning on or after December 15, 2008, and earlier adoption is prohibited. Statement 141R will be applied to business combinations occurring after the effective date. Statement 160 will be applied prospectively to all noncontrolling interests, including any that arose before the effective date. The Company is currently evaluating the impact of adopting Statement 141R and Statement 160 on its results of operations and financial position and will be evaluated as such if an acquisition is considered.

RESULTS OF OPERATIONS

Quarter ended March 22, 2008 compared to quarter ended March 24, 2007

Sales, Cost of sales, and Gross profit

	Quarter Ended (Dollars in thousands)		
	March 22, 2008	March 24, 2007	Change
Sales	$ 22,997	$ 19,188	$ 3,809
Cost of sales	6,286	5,004	1,282
Cost of sales - inventory impairment	-	2,182	(2,182)
Gross profit	$ 16,711	$ 12,002	$ 4,709
Gross profit as % of sales	73%	63%	

For the quarter ended March 22, 2008, sales increased $3.8 million, or 20%, to $23.0 million from $19.2 million for the quarter ended March 24, 2007. At the end of the first fiscal quarter of 2008, we were operating 54 branch locations compared with 48 at the end of fiscal first quarter 2007. There were 46 branches that were in operation during both the first fiscal quarters of 2008 and 2007, which experienced same-branch sales growth of $3.2 million, or 17%. Excluding the 5 branches in this group that gave up customers to new branch openings, the remaining 41 branches experienced same-branch sales growth of 18%.

For the quarter ended March 22, 2008, total cost of sales decreased $0.9 million, or 13%, to $6.3 million from $7.2 million for the quarter ended March 24, 2007. In the first fiscal quarter of 2007, we received $3.0 million from the termination of a contract for our used solvent with a customer who had failed to meet their volume purchase obligations. We recorded cost of sales of $2.2 million to reduce solvent inventories to net realizable value in connection with this settlement. Within cost of sales, increased solvent costs related to higher energy costs were

largely mitigated by improved margins on the reuse solvent, as we sold solvent that had been carried in inventory at historically lower values.

15

Operating costs

	Quarter Ended (Dollars in thousands)		
	March 22, 2008	March 24, 2007	Change
Operating costs	$ 11,516	$ 9,281	$ 2,235
As a % of sales	50%	48%	

For the quarter ended March 22, 2008, operating costs increased $2.2 million, or 24%, to $11.5 million from $9.3 million in the quarter ended March 24, 2007. Operating costs, including branch labor and collection truck costs, increased primarily due to volume increases. Overall, operating costs increased as a percentage of sales due to higher costs for fuel and transportation related to commodity prices.

Selling, general & administrative

	Quarter Ended (Dollars in thousands)		
	March 22, 2008	March 24, 2007	Change
Selling, general & administrative	$ 6,631	$ 3,101	$ 3,530
As a % of sales	29%	16%	

For the quarter ended March 22, 2008, selling, general and administrative expense increased $3.5 million, or 114%, to $6.6 million from $3.1 million in the quarter ended March 24, 2007. The selling, general and administrative expense included employee share-based compensation charges of $3.2 million ($1.9 million net of tax) related to employee stock options granted at the time of our initial public offering which vested immediately and also related to the vesting of certain Key Employee Membership Interest Trust “KEMIT” units.

Proceeds from contract termination

	Quarter Ended (Dollars in thousands)		
	March 22, 2008	March 24, 2007	Change
Proceeds from contract termination	$ -	$ 3,000	$ (3,000)
As a % of sales		16%	

In the first fiscal quarter of 2007, we received $3.0 million from the termination of a contract for our used solvent with a customer who had failed to meet their volume purchase obligations. We recorded cost of sales of $2.2 million to reduce solvent inventories to net realizable value in connection with this settlement. Please refer to the above section referenced “Cost of sales – inventory impairment.”

Interest expense

Quarter Ended

	(Dollars in thousands)		
	March 22, 2008	March 24, 2007	Change
Interest expense	$ 353	$ 340	$ 13
As a % of sales	2%	2%	

For the quarter ended March 22, 2008, interest expense increased slightly, or 4%, to $0.4 million from $0.3 million in the first quarter of 2007. While interest rates declined, average total debt outstanding increased due to the investment in our solvent distillation system and greater working capital requirements.

Provision for income taxes

	Quarter Ended (Dollars in thousands)		
	March 22, 2008	March 24, 2007	Change
Provision for income taxes	$ 980	$ -	$ 980
As a % of sales	4%		

Income tax expense for the first quarter 2008 was approximately $1.0 million. In connection with our initial public offering, we changed our parent company legal structure from a limited liability company to a 'C' corporation. As a limited liability company, we were not subject to Federal or state corporate income taxes and as such have not incurred any historical taxes. For comparison purposes, we have presented pro forma net income, which reflects income taxes assuming we had been a corporation since the time of our formation and assuming tax rates equal to the rates that would have been in effect had we been required to report tax expense in such years. A one-time charge to earnings of $2.2 million was recorded in the first quarter of 2008 reflecting the net deferred tax assets and deferred tax liabilities at the time of the reorganization of the LLC to a 'C' corporation. This was offset by the tax benefit recorded as a result of the net loss generated during the period the Company was a 'C' corporation.

FINANCIAL CONDITION

Liquidity and Capital Resources

	Quarter Ended (Dollars in thousands)	
Net cash provided by (used in):	March 22, 2008	March 24, 2007
Operating activities	$ (1,182)	$ 4,244
Investing activities	(1,404)	(1,131)
Financing activities	2,385	(3,029)
Net increase (decrease) in cash and cash equivalents	$ (201)	$ 84

We had $0.3 million of cash and cash equivalents at March 22, 2008 and $0.5 million at December 29, 2007. We have historically financed our operations primarily through the private placement of preferred equity securities, borrowings from banks and investors and through funds from operations. During the first quarter of 2007, we received $3.0 million from the termination of a contract with a customer for used solvent who had failed to meet their volume purchase obligations. In March 2008, we received net proceeds of $35.1 million from an initial public offering and concurrent direct placement. These net proceeds exclude offering costs of $0.9 million paid prior to fiscal year end 2007 and $1.0 million accrued but not yet paid as of March 22, 2008. The proceeds were used to reduce borrowings under our credit facility which included $10.9 million borrowed in March 2008 used to pay preferred members a distribution as part of the reorganization described above under "Overview."

Our secured bank credit facility provides for borrowings of up to $25 million. On March 3, 2008, the Company amended the facility to extend the maturity date to December 31, 2010. As of March 22, 2008 and December 29, 2007 $0.8 million and $22.0 million respectively, was outstanding under the credit facility. Under the credit facility, interest is payable monthly at the prime rate, unless the total leverage ratio is greater than or equal to 2.75 to 1. The weighted average effective interest rate for amounts outstanding was 6.95% and 8.34% at March 22, 2008 and December 29, 2007, respectively. Amounts borrowed under the credit facility are secured by a security interest in substantially all of the Company's tangible and intangible assets. As of March 22, 2008, the Company was in compliance with all covenants under the credit facility. As of March 22, 2008, and December 29, 2007 $24.2 million and $3.0 million

respectively, were available under the credit facility.

At March 22, 2008, our working capital was $18.1 million compared to $14.6 million at December 29, 2007. The increase was primarily due to the $1.6 million increase in inventory, a $0.8 million deferred tax asset and a $0.7 million increase in accounts receivable. This increase in inventory was due to rising solvent prices and the seasonality of our reuse product shipments. The increase in our deferred tax asset was due to our conversion from a limited liability company to a 'C' corporation and the establishment of beginning balances for our net current deferred tax assets and liabilities. The increase in accounts receivable was due to our increase in sales.

Net cash provided by (used in) operations was $(1.2) million and $4.2 million in the first fiscal quarters of 2008 and 2007, respectively. The decrease primarily reflects the receipt of $3.0 million in the first quarter of 2007 from the termination of a contract with a customer coupled with an increase in inventory of $1.6 million in the first quarter of 2008.

Net cash used in investing activities was $1.4 million and $1.1 million in the first fiscal quarters of 2008 and 2007 respectively. Approximately $0.7 million of the capital expenditures made in the first fiscal quarter of 2008 was for purchases of parts cleaning machines, and $0.7 million was for other items including office equipment, leasehold improvements and software. As we grow and secure more parts cleaning business, this leads to a requirement for additional capital investment for parts cleaning machines.

Net cash provided by (used in) financing activities was $2.4 million and $(3.0) million in the first fiscal quarters 2008 and 2007, respectively. The increase is primarily due to the net proceeds from the issuance of common stock net of offering costs. The net proceeds were primarily used to repay bank debt and to make a distribution to preferred members of the Company prior to the reorganization.

We believe that our existing cash, cash equivalents and available borrowings will be sufficient to meet our anticipated cash needs for working capital and capital expenditures in the next twelve months. We cannot assure you that this will be the case or that our assumptions regarding sales and expense underlying this belief will be accurate. We may seek additional funding through public or private financings or other arrangements. Adequate funds may not be available when needed or may not be available on terms favorable to us. If additional funds are raised by issuing equity securities, dilution to existing stockholders may result. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility, and would also require us to fund additional interest expense. If funding is insufficient at any time in the future, we may be unable to develop or enhance our products or services, take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to interest rate risks primarily through borrowings under our bank credit facility. Interest on these borrowings is based upon variable interest rates. Our weighted average borrowings under our bank credit facility during the first fiscal quarter of 2008 was $22.0 million and the annual effective interest rate for the first fiscal quarter of 2008 was 6.9%. We currently do not hedge against interest rate risk. Based on the foregoing, a hypothetical 1% increase or decrease in interest rates would have resulted in a $0.1 million change to our interest expense in the first fiscal quarter of 2008.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding financial disclosures. There was no change in the Company's internal control over financial reporting that occurred during the quarter ended March 22, 2008 that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes in the legal proceedings of the Company previously disclosed in "Business--Legal Proceedings" in our Registration Statement on Form S-1, as amended (SEC No. 333-143864), which disclosure is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes in the risk factors previously disclosed in “Risk Factors” in our Registration Statement on Form S-1, as amended (Reg. No. 333-143864). These risk factors are incorporated herein by reference.

ITEM 2. UNREGISTERED SALES OF EQUITY SERVICES AND USE OF PROCEEDS

On March 17, 2008, the Company received approximately $39.1 million (or $35.1 million after deducting the underwriting discounts of $2.7 million and estimated offering expense of $1.3 million paid in the first quarter of 2008) from the sale of 3,401,100 shares of common stock for $11.50 per share. The Registration Statement on Form S-1 relating to the sales of shares (SEC Reg. No. 333-143864) was declared effective by the Securities and Exchange Commission on March 11, 2008 and the offering commenced shortly thereafter. William Blair & Company, L.L.C. and Piper Jaffray & Co. acted as underwriters with respect to 2,201,100 shares of common stock sold under this Registration Statement in the Company’s initial public offering.

Of the net proceeds received, the Company used approximately $32.2 million to repay indebtedness under its credit facility (including $10.9 million borrowed to redeem preferred units in connection with the reorganization of the Company that occurred in connection with the Company’s initial public offering). None of the underwriting discounts and commissions or offering expense were incurred or paid to the Company’s directors or officers or their associates or to persons owning 10 percent or more of common stock or to any of the Company’s affiliates. As disclosed in the Registration Statement referenced above under “Relationships and Transactions with Related Persons – Reorganization” certain directors, officers and their associates and persons owning 10 percent or more of common stock of the Company received amounts in the reorganization from the Company. This disclosure in the Registration Statement is incorporated herein by reference.

Exchange of Common stock

On March 17, 2008, in connection with the completion of the initial public offering, we exchanged 220,000 shares of common stock for the outstanding common units issued under our Key Employee Membership Interest Trust Agreement of 2002.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Prior to the completion of the Company’s initial public offering, the stockholder of the Company, acting by written consent, dated as of March 10, 2008, approved the following actions and/or documents (as applicable):

- The exchange of units of Heritage Crystal Clean, LLC for common stock of the Company;

- The election of directors;
- The merger of BRS-HCC Investment Co., Inc. with and into the Company;
- The 2008 Omnibus Incentive Plan;
- The Performance-Based Annual Incentive Plan;
- The Non-Qualified Deferred Compensation Plan; and
- The Heritage-Crystal Clean, Inc. Employee Stock Purchase Plan of 2008.

ITEM 5. OTHER INFORMATION

None.

20

ITEM 6. EXHIBITS

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HERITAGE-CRYSTAL CLEAN, INC.

Date: May 12, 2008

By: /s/ Gregory Ray
Gregory Ray
Chief Financial Officer, Vice President, Business Management and Secretary

22