



Rating
Sell

Asia
China

Resources
Metals & Mining

Company
Chalco

Reuters 2600.HK	Bloomberg 2600 HK	Exchange HKG	Ticker 2600
ADR Ticker ACH	ISIN US0222761092		

Date
26 March 2015

Results

Price at 25 Mar 2015 (HKD)	3.63
Price target - 12mth (HKD)	2.90
52-week range (HKD)	4.15 - 2.57
HANG SENG INDEX	24,528

FY14 results in line with DBE on operation level; Sell on rich valuation

FY14 results in line with our est. on operation level; Sell on rich valuation

Chalco released its FY14 results after market close on 25 March 2015 with net losses of RMB16.2bn. The company had announced its preliminary result in February. According to the release, the significant net losses were mainly due to asset impairment (RMB7.5bn), restructuring cost (RMB1.5bn) in addition to the operational losses of RMB7.2bn compared to our net losses est. of RMB6.8bn in 2014. With challenges for delivering adequate returns in 2015 and its demanding valuation at 1.5x 2015E BVPS after factoring in the losses, we maintain our Sell.

Deteriorated profitability on weaker price in 4Q14

In terms of quarterly trajectory, Chalco's gross profit was only RMB103m in 4Q14 (down 90%/91% QoQ/YoY) despite the higher sales volume. This is mainly due to lower aluminium price in 4Q14 (down 4% QoQ). In addition, Chalco's SG&A expense in 4Q14 jumped 168% QoQ to c.RMB3.0bn. If we strip out the restructuring cost of RMB1.5bn, SG&A in 4Q14 increased by 30% QoQ, still much stronger than what we expected. There might be some one-off items in 4Q14, but we remain cautious on the sustainability of cost reduction.

Positive on the company's reform initiatives, yet hard to turn around

We are positive on the company's recent initiatives including stripping out non-profit businesses, restructuring, and its endeavor to access lower cost electricity. We think it is hard, however, for Chalco to turn around in FY15 amid a mild aluminium price recovery and heavy debt burn. Its net debt reached c.RMB102bn by the end of 2014 with net gearing of 257%. In addition, as a marginal cost producer of aluminium, Chalco's lower unit cost will in turn pressure the market price. Moreover, according to our discussion with management, the company's self-generated and direct-purchased power already reached ~30% and ~45% by the end of 3Q14, which means limited room for further electricity cost reduction.

Reiterating Sell on demanding valuation and mild metal price recovery

The current share price implies a PBx at ~1.5x 2015E BVPS. We reiterate Sell on its demanding valuation and potential negative ROE in 2015E. Our blue-sky scenario analysis only indicates a ~7% ROE even if all the positives play out (including capital raise of RMB50bn, alumina/aluminium price 20%/10% higher YoY, self-generated/direct-purchased power reaching 35%/50% of total, material cost cut in SG&A and 50bps interest cut in FY15). For details, please check **2015 outlook - a repeat of 2014? Downgrading Chalco to Sell** published on 30 January 2015. Our target price is based on FY15E PBx and two-year average forward. Risks: strong aluminium price.

James Kan

Research Analyst
(+852) 2203 6146
james.kan@db.com

Sharon Ding

Research Associate
(+86) 21 2080 1666
sharon.ding@db.com

Price/price relative



Performance (%)	1m	3m	12m
Absolute	0.0	2.5	40.2
HANG SENG INDEX	-1.0	5.0	12.9

Source: Deutsche Bank

Forecasts And Ratios

Year End Dec 31	2012A	2013A	2014E	2015E	2016E
Sales (CNYm)	143,437.0	169,431.2	132,642.1	140,157.6	144,416.7
EBIT(CNYm)	-4,060	5,456	-1,800	2,753	4,927
Reported NPAT (CNYm)	-8,233.6	975.2	-6,744.7	-2,252.6	199.6

Source: Deutsche Bank estimates, company data

Deutsche Bank AG/Hong Kong

Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1. MCI (P) 148/04/2014.



Model updated: 04 March 2015

Running the numbers

Asia

China

Metals & Mining

Chalco

Reuters: 2600.HK

Bloomberg: 2600 HK

Sell

Price (25 Mar 15) HKD 3.63

Target Price HKD 2.90

52 Week range HKD 2.57 - 4.15

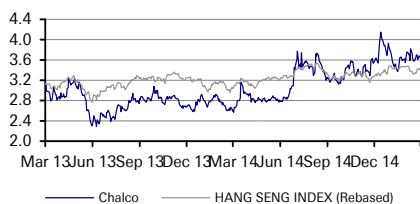
Market Cap (m) HKDm 49,094

USDm 6,331

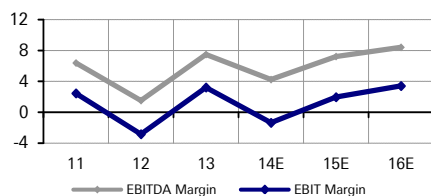
Company Profile

Aluminum Corporation of China Limited is a producer of alumina and primary aluminum in China. The Company refines bauxite into alumina and smelts alumina to produce primary aluminum.

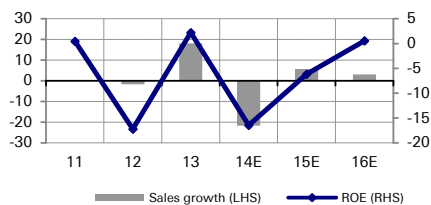
Price Performance



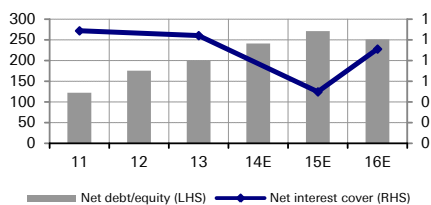
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2011	2012	2013	2014E	2015E	2016E
DB EPS (CNY)	0.02	-0.61	0.07	-0.50	-0.17	0.01
Reported EPS (CNY)	0.02	-0.61	0.07	-0.50	-0.17	0.01
DPS (CNY)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (CNY)	3.8	3.2	3.3	2.8	2.6	2.6
Weighted average shares (m)	13,524	13,524	13,524	13,524	13,524	13,524
Average market cap (CNYm)	66,188	38,257	31,680	39,344	39,344	39,344
Enterprise value (CNYm)	138,408	121,789	127,795	140,419	147,528	138,349

Valuation Metrics

P/E (DB) (x)	278.1	nm	32.5	nm	nm	197.2
P/E (Reported) (x)	278.1	nm	32.5	nm	nm	197.2
P/BV (x)	0.73	0.89	0.65	1.05	1.11	1.11
FCF Yield (%)	nm	nm	nm	nm	nm	35.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	0.9	0.8	0.8	1.1	1.1	1.0
EV/EBITDA (x)	14.8	56.0	10.1	25.0	14.6	11.4
EV/EBIT (x)	38.6	nm	23.4	nm	53.6	28.1

Income Statement (CNYm)

Sales revenue	145,874	143,437	169,431	132,642	140,158	144,417
Gross profit	13,498	6,246	9,986	9,318	13,493	15,635
EBITDA	9,321	2,175	12,690	5,618	10,128	12,159
Depreciation	5,657	6,141	6,957	7,141	7,097	6,954
Amortisation	78	94	278	278	278	278
EBIT	3,587	-4,060	5,456	-1,800	2,753	4,927
Net interest income/(expense)	-3,294	-4,061	-5,233	-5,186	-5,526	-5,400
Associates/affiliates	525	293	661	661	661	661
Exceptionals/extraordinaries	0	0	0	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0	0
Profit before tax	818	-7,827	883	-6,325	-2,113	187
Income tax expense	127	-371	340	569	190	-17
Minorities	453	-410	-224	-150	-50	4
Other post-tax income/(expense)	0	-1,187	207	0	0	0
Net profit	238	-8,234	975	-6,745	-2,253	200
DB adjustments (including dilution)	0	0	0	0	0	0
DB Net profit	238	-8,234	975	-6,745	-2,253	200

Cash Flow (CNYm)

Cash flow from operations	2,490	1,122	8,251	7,416	2,706	18,923
Net Capex	-8,661	-9,019	-8,557	-8,000	-5,000	-5,000
Free cash flow	-6,171	-7,897	-305	-584	-2,294	13,923
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-154	0	0	0	0	0
Net inc/(dec) in borrowings	13,112	21,503	8,555	14,298	-2,853	-5,133
Other investing/financing cash flows	-5,100	-15,155	-7,166	-5,186	-5,526	-5,400
Net cash flow	1,687	-1,549	1,084	8,529	-10,673	3,389
Change in working capital	-6,559	-569	2,090	2,298	-7,299	6,682

Balance Sheet (CNYm)

Cash and other liquid assets	11,645	10,192	12,426	20,955	10,282	13,671
Tangible fixed assets	93,775	96,248	100,606	101,465	99,368	97,414
Goodwill/intangible assets	4,149	4,260	10,852	10,575	10,297	10,019
Associates/investments	5,170	20,791	20,446	21,107	21,767	22,428
Other assets	42,395	43,527	55,177	47,700	55,116	48,479
Total assets	157,134	175,017	199,507	201,801	196,829	192,010
Interest bearing debt	82,706	104,551	119,643	133,942	131,088	125,955
Other liabilities	16,273	16,695	26,162	21,052	21,236	21,346
Total liabilities	98,979	121,246	145,805	154,994	152,325	147,302
Shareholders' equity	51,826	43,808	44,358	37,613	35,360	35,560
Minorities	6,329	9,963	9,344	9,194	9,144	9,149
Total shareholders' equity	58,155	53,771	53,702	46,807	44,505	44,709
Net debt	71,062	94,359	107,217	112,987	120,807	112,284

Key Company Metrics

Sales growth (%)	nm	-1.7	18.1	-21.7	5.7	3.0
DB EPS growth (%)	na	na	na	na	66.6	na
EBITDA Margin (%)	6.4	1.5	7.5	4.2	7.2	8.4
EBIT Margin (%)	2.5	-2.8	3.2	-1.4	2.0	3.4
Payout ratio (%)	0.0	nm	0.0	nm	nm	0.0
ROE (%)	0.5	-17.2	2.2	-16.5	-6.2	0.6
Capex/sales (%)	6.0	6.4	5.3	6.0	3.6	3.5
Capex/depreciation (x)	1.5	1.5	1.3	1.1	0.7	0.7
Net debt/equity (%)	122.2	175.5	199.7	241.4	271.4	251.1
Net interest cover (x)	1.1	nm	1.0	nm	0.5	0.9

Source: Company data, Deutsche Bank estimates



Chalco's 2014 results

Figure 1: Chalco's 2014 results summary

RMB m	FY14	FY13	YoY	2H14	1H14	HoH	2H13	YoY	DBe	% of DBe	Cons	% of cons.
Revenue	141,772	169,431	-16%	71,680	70,092	2%	96,397	-26%	132,642	107%	149,100	95%
GP	633	2,751	-77%	59	575	-90%	1,407	-96%	1,899	33%	2,579	25%
SG&A	(6,585)	(4,806)	37%	(4,432)	(2,153)	106%	(2,701)	64%	(3,847)	171%	(6,256)	105%
OP	(10,744)	5,456	na	(9,567)	(1,177)	713%	4,029	na	(1,800)	597%	(3,677)	292%
NPAT IFRS	(16,217)	975	na	(12,093)	(4,123)	193%	1,572	na	(6,745)	240%	(6,640)	244%
NPAT excluding extraordinary items*	(7,221)	(7,807)	na	(3,098)	(4,582)	-32%	(4,625)	na	(6,745)	107%	na	na
CFO	13,773	8,251	67%	9,072	4,701	93%	6,589	38%	7,416	186%	na	na
GPM	0%	2%	na	0%	1%	na	1%	na	1%	na	2%	na
SG&A % of revenue	5%	3%	na	6%	3%	na	3%	na	3%	na	4%	na
Effective tax rate	-7%	38%	na	-5%	-12%	na	21%	na	9%	na	na	na
Gearing ratio	257%	200%	na	257%	200%	na	200%	na	241%	na	na	na
AR days	15	9	56%	15	17	-8%	12	27%	7	208%	na	na
AP days	36	21	71%	37	34	10%	25	50%	14	256%	na	na
Inventory days	59	53	11%	56	60	-5%	46	22%	57	103%	na	na

Source: Deutsche Bank estimates, Company data (under IFRS), * extraordinary items include asset impairments, restructuring cost, and asset disposal

Figure 2: Chalco's quarterly results summary

RMB m	4Q14	3Q14	QoQ	4Q13	YoY	DBe	% of DBe	Cons	% of cons.
Revenue	36,986	34,694	7%	50,975	-27%	132,642	28%	149,100	25%
COGS	(36,883)	(33,702)	9%	(49,765)	-26%	130,743	28%	146,565	25%
GP	103	992	-90%	1,211	-91%	1,899	5%	2,535	4%
SG&A	(2,961)	(1,103)	168%	(1,277)	132%	(3,847)	77%	(6,212)	48%
OP	(2,679)	188	na	253	na	(1,800)	149%	(3,677)	na
NPAT	(10,805)	(1,289)	na	2,794	na	(6,745)	160%	(6,640)	na
NPAT excluding extraordinary items*	(1,809)	(1,571)	na	(2,914)	-38%	(6,745)	27%	na	na
CFO	8,454	616	1271%	5,899	43%	1,832	461%	na	na
Changjiang Aluminium price (VAT excl.)	11,544	12,025	-4%	12,264	-6%	na	na	na	na
GPM	0.3%	2.9%	na	2.4%	na	1.4%	na	1.7%	na
SG&A % of revenue	8.0%	3.2%	na	2.5%	na	2.9%	na	4.2%	na
Effective tax rate	5.5%	1.9%	na	-10.1%	na	9.0%	na	na	na
Gearing ratio	254%	203%	na	200%	na	241%	na	na	na
AR days	14	17	na	14	na	7	204%	na	na
AP days	35	36	na	23	na	14	251%	na	na
Inventory days	54	59	na	42	na	57	95%	na	na

Source: Deutsche Bank estimates, Company data (under PRC), * extraordinary items include asset impairments, restructuring cost, and asset disposal



Figure 3: Chalco's operational data

	2014	2013	YoY	1H13	2H13	1H14	2H14
Revenue breakdown (RMB m)							
Alumina	29,398	32,285	-9%	15,084	17,201	14,371	15,027
Aluminium	38,104	49,289	-23%	25,776	23,513	18,760	19,344
Energy	5,161	4,896	5%	1,948	2,949	2,560	2,602
Trading	109,939	136,962	-20%	57,971	78,990	55,303	54,637
Cost breakdown (RMB m)							
Alumina	28,065	31,392	-11%	14,743	16,649	13,663	14,402
Aluminium	40,071	49,455	-19%	25,877	23,578	20,201	19,870
Energy	3,803	3,671	4%	1,438	2,233	1,874	1,929
Trading	108,781	135,417	-20%	57,242	78,176	54,830	53,951
Production volume (mt)							
Primary Aluminium	3.38	3.84	-12%	2.03	1.81	1.63	1.75
Alumina	12.02	12.14	-1%	6.08	6.06	6.00	6.02
Alumina Chemicals	1.82	1.72	6%	0.76	0.96	0.91	0.91
ASP (RMB/t)							
Primary Aluminium	11,273	12,836	-12%	12,697	12,991	11,509	11,054
Alumina	2,446	2,659	-8%	2,481	2,838	2,395	2,496
Cost (RMB/t)							
Primary Aluminium	11,855	12,879	-8%	12,747	13,027	12,393	11,354
Alumina	2,335	2,586	-10%	2,425	2,747	2,277	2,392

Source: Deutsche Bank estimates, company data, The numbers follow the PRC GAAP



Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Chalco	2600.HK	3.63 (HKD) 25 Mar 15	NA

*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/Disclosure.egsr?ricCode=2600.HK>

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s) about the subject issuer and the securities of the issuer. In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. James Kan

Historical recommendations and target price: Chalco (2600.HK)

(as of 3/25/2015)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9,2002

1. 09/04/2013:	Upgrade to Hold, Target Price Change HKD2.71	5. 06/04/2014:	Hold, Target Price Change HKD2.60
2. 26/06/2013:	Hold, Target Price Change HKD2.43	6. 29/05/2014:	Hold, Target Price Change HKD2.90
3. 25/09/2013:	Hold, Target Price Change HKD2.63	7. 29/01/2015:	Downgrade to Sell, HKD2.90
4. 15/01/2014:	Hold, Target Price Change HKD2.80		



Equity rating key

Buy: Based on a current 12-month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Notes:

1. Newly issued research recommendations and target prices always supersede previously published research.

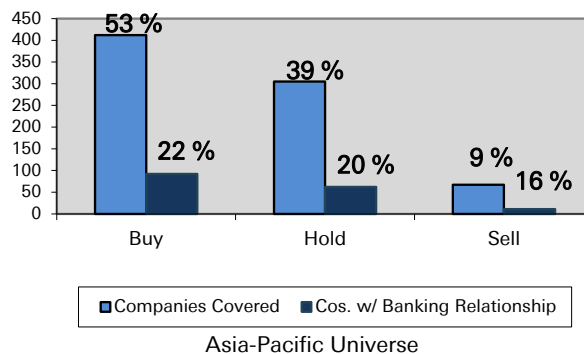
2. Ratings definitions prior to 27 January, 2007 were:

Buy: Expected total return (including dividends) of 10% or more over a 12-month period

Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period

Sell: Expected total return (including dividends) of -10% or worse over a 12-month period

Equity rating dispersion and banking relationships





Regulatory Disclosures

1. Important Additional Conflict Disclosures

Aside from within this report, important conflict disclosures can also be found at <https://gm.db.com/equities> under the "Disclosures Lookup" and "Legal" tabs. Investors are strongly encouraged to review this information before investing.

2. Short-Term Trade Ideas

Deutsche Bank equity research analysts sometimes have shorter-term trade ideas (known as SOLAR ideas) that are consistent or inconsistent with Deutsche Bank's existing longer term ratings. These trade ideas can be found at the SOLAR link at <http://gm.db.com>.

3. Country-Specific Disclosures

Australia and New Zealand: This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act and New Zealand Financial Advisors Act respectively.

Brazil: The views expressed above accurately reflect personal views of the authors about the subject company(ies) and its(their) securities, including in relation to Deutsche Bank. The compensation of the equity research analyst(s) is indirectly affected by revenues deriving from the business and financial transactions of Deutsche Bank. In cases where at least one Brazil based analyst (identified by a phone number starting with +55 country code) has taken part in the preparation of this research report, the Brazil based analyst whose name appears first assumes primary responsibility for its content from a Brazilian regulatory perspective and for its compliance with CVM Instruction # 483.

EU countries: Disclosures relating to our obligations under MiFiD can be found at <http://www.globalmarkets.db.com/riskdisclosures>.

Japan: Disclosures under the Financial Instruments and Exchange Law: Company name - Deutsche Securities Inc. Registration number - Registered as a financial instruments dealer by the Head of the Kanto Local Finance Bureau (Kinsho) No. 117. Member of associations: JSDA, Type II Financial Instruments Firms Association, The Financial Futures Association of Japan, Japan Investment Advisers Association. Commissions and risks involved in stock transactions - for stock transactions, we charge stock commissions and consumption tax by multiplying the transaction amount by the commission rate agreed with each customer. Stock transactions can lead to losses as a result of share price fluctuations and other factors. Transactions in foreign stocks can lead to additional losses stemming from foreign exchange fluctuations. "Moody's", "Standard & Poor's", and "Fitch" mentioned in this report are not registered credit rating agencies in Japan unless Japan or "Nippon" is specifically designated in the name of the entity. Reports on Japanese listed companies not written by analysts of Deutsche Securities Inc. (DSI) are written by Deutsche Bank Group's analysts with the coverage companies specified by DSI.

Malaysia: Deutsche Bank AG and/or its affiliate(s) may maintain positions in the securities referred to herein and may from time to time offer those securities for purchase or may have an interest to purchase such securities. Deutsche Bank may engage in transactions in a manner inconsistent with the views discussed herein.

Qatar: Deutsche Bank AG in the Qatar Financial Centre (registered no. 00032) is regulated by the Qatar Financial Centre Regulatory Authority. Deutsche Bank AG - QFC Branch may only undertake the financial services activities that fall within the scope of its existing QFCRA license. Principal place of business in the QFC: Qatar Financial Centre, Tower, West Bay, Level 5, PO Box 14928, Doha, Qatar. This information has been distributed by Deutsche Bank AG. Related financial products or services are only available to Business Customers, as defined by the Qatar Financial Centre Regulatory Authority.

Russia: This information, interpretation and opinions submitted herein are not in the context of, and do not constitute, any appraisal or evaluation activity requiring a license in the Russian Federation.

Kingdom of Saudi Arabia: Deutsche Securities Saudi Arabia LLC Company, (registered no. 07073-37) is regulated by the Capital Market Authority. Deutsche Securities Saudi Arabia may only undertake the financial services activities that fall within the scope of its existing CMA license. Principal place of business in Saudi Arabia: King Fahad Road, Al Olaya District, P.O. Box 301809, Faisaliah Tower - 17th Floor, 11372 Riyadh, Saudi Arabia.

United Arab Emirates: Deutsche Bank AG in the Dubai International Financial Centre (registered no. 00045) is regulated by the Dubai Financial Services Authority. Deutsche Bank AG - DIFC Branch may only undertake the financial services activities that fall within the scope of its existing DFSA license. Principal place of business in the DIFC: Dubai International Financial Centre, The Gate Village, Building 5, PO Box 504902, Dubai, U.A.E. This information has been distributed by Deutsche Bank AG. Related financial products or services are only available to Professional Clients, as defined by the Dubai Financial Services Authority.



David Folkerts-Landau
Group Chief Economist
Member of the Group Executive Committee

Raj Hindocha
Global Chief Operating Officer
Research

Marcel Cassard
Global Head
FICC Research & Global Macro Economics

Richard Smith and Steve Pollard
Co-Global Heads
Equity Research

Michael Spencer
Regional Head
Asia Pacific Research

Ralf Hoffmann
Regional Head
Deutsche Bank Research, Germany

Andreas Neubauer
Regional Head
Equity Research, Germany

Steve Pollard
Regional Head
Americas Research

International locations

Deutsche Bank AG

Deutsche Bank Place
Level 16
Corner of Hunter & Phillip Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG

Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank AG

Filiale Hongkong
International Commerce Centre,
1 Austin Road West, Kowloon,
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.

2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Japan
Tel: (81) 3 5156 6770

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ
United Kingdom
Tel: (44) 20 7545 8000

Deutsche Bank Securities Inc.

60 Wall Street
New York, NY 10005
United States of America
Tel: (1) 212 250 2500

Global Disclaimer

The information and opinions in this report were prepared by Deutsche Bank AG or one of its affiliates (collectively "Deutsche Bank"). The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Deutsche Bank makes no representation as to the accuracy or completeness of such information.

Deutsche Bank may engage in securities transactions, on a proprietary basis or otherwise, in a manner inconsistent with the view taken in this research report. In addition, others within Deutsche Bank, including strategists and sales staff, may take a view that is inconsistent with that taken in this research report.

Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this report. They do not necessarily reflect the opinions of Deutsche Bank and are subject to change without notice. Deutsche Bank has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice. This report is provided for informational purposes only. It is not an offer or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Target prices are inherently imprecise and a product of the analyst judgement.

In August 2009, Deutsche Bank instituted a new policy whereby analysts may choose not to set or maintain a target price of certain issuers under coverage with a Hold rating. In particular, this will typically occur for "Hold" rated stocks having a market cap smaller than most other companies in its sector or region. We believe that such policy will allow us to make best use of our resources. Please visit our website at <http://gm.db.com> to determine the target price of any stock.

The financial instruments discussed in this report may not be suitable for all investors and investors must make their own informed investment decisions. Stock transactions can lead to losses as a result of price fluctuations and other factors. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the investment. Past performance is not necessarily indicative of future results. Deutsche Bank may with respect to securities covered by this report, sell to or buy from customers on a principal basis, and consider this report in deciding to trade on a proprietary basis. Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

Unless governing law provides otherwise, all transactions should be executed through the Deutsche Bank entity in the investor's home jurisdiction. In the U.S. this report is approved and/or distributed by Deutsche Bank Securities Inc., a member of the NYSE, the NASD, NFA and SIPC. In Germany, this report is approved and/or communicated by Deutsche Bank AG, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany with its principal office in Frankfurt am Main. Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank) and is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority. In the United Kingdom, this report is approved and/or communicated by Deutsche Bank AG acting through its London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG in the United Kingdom is authorised by the Prudential Regulation Authority and is subject to limited regulation by the Prudential Regulation Authority and Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request. This report is distributed in Hong Kong by Deutsche Bank AG, Hong Kong Branch, in Korea by Deutsche Securities Korea Co. This report is distributed in Singapore by Deutsche Bank AG, Singapore Branch or Deutsche Securities Asia Limited, Singapore Branch (One Raffles Quay #18-00 South Tower Singapore 048583, +65 6423 8001), and recipients in Singapore of this report are to contact Deutsche Bank AG, Singapore Branch or Deutsche Securities Asia Limited, Singapore Branch in respect of any matters arising from, or in connection with, this report. Where this report is issued or promulgated in Singapore to a person who is not an accredited investor, expert investor or institutional investor (as defined in the applicable Singapore laws and regulations), Deutsche Bank AG, Singapore Branch or Deutsche Securities Asia Limited, Singapore Branch accepts legal responsibility to such person for the contents of this report. In Japan this report is approved and/or distributed by Deutsche Securities Inc. The information contained in this report does not constitute the provision of investment advice. In Australia, retail clients should obtain a copy of a Product Disclosure Statement (PDS) relating to any financial product referred to in this report and consider the PDS before making any decision about whether to acquire the product. Deutsche Bank AG Johannesburg is incorporated in the Federal Republic of Germany (Branch Register Number in South Africa: 1998/003298/10). Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Deutsche Bank's prior written consent. Please cite source when quoting.

Copyright © 2015 Deutsche Bank AG