

**UBS AG, Australia Branch**

ABN 47 088 129 613
AFSL No: 231087
GPO Box 4151
Sydney NSW 2001
Australia
Tel. 612-9324 2000

22 November 2016

Equity Operations
Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000
Tel. 61 2-9324 2000
Fax 61 2-9324 2669

FOR IMMEDIATE RELEASE TO THE MARKET

www.ubs.com/instalments

The Warrant Administration Manager
ASX Structured Products
Level 6, 20 Bridge Street
Sydney NSW 2000

Participating organisation of the
Australian Stock Exchange

Boral Limited Instalments – Loan Amount Adjustments in respect of Boral Limited Pro Rata Accelerated Renounceable Entitlement Offer

UBS AG Australia Branch ("UBS") is the issuer of the BLDISE series of instalment warrants ("BLDISE Instalments") over fully paid ordinary shares of Boral Limited ("BLD"). BLDISE Instalments have been offered under the UBS Capped Instalments Product Disclosure Statement dated 16 February 2011 and a Supplementary Product Disclosure Statement dated 23 June 2016 (together, the "PDS").

This announcement concerns adjustments which UBS intends to make to the Loan Amount and Capped Level of the BLDISE Instalments as a result of the 1 for 2.2 fully underwritten pro rata accelerated renounceable entitlement offer ("BLD Entitlement Offer") of new BLD shares at an issue price of \$4.80 per share. Full details of the BLD Entitlement Offer are set out in the announcement by BLD dated 21 November 2016 (which can be found at www.asx.com.au).

Key details of the BLD Entitlement Offer

The key details of the BLD Entitlement Offer are as follows:

- 1 for 2.2 fully underwritten pro rata accelerated renounceable entitlement offer;
- entitlement offer price of \$4.80- per new BLD share;
- the new shares will rank equally with existing shares on issue; and
- BLD ordinary shares are expected to resume trading on an ex-entitlement basis on 24 November 2016.

Adjustment to BLDISE Instalments

Pursuant to clause 18 of the Instalment Deed, UBS intends to adjust the terms of the BLDISE Instalments as follows:

- (a) new BLD ordinary shares issued pursuant to the BLD Entitlement Offer will not form part of the Underlying Parcel for the BLDISE Instalments, and will be dealt with by UBS in its absolute discretion; and
- (b) the Loan Amount for the BLDISE Instalments will be reduced by an amount which reflects the value of the entitlement (i.e. the "Rights Value" as defined in the Instalment Deed for the BLD Instalments) and an Interest Refund based on the reduction of the Loan Amount for the period until the Final Maturity Date of 15 March 2017; and

(c) the Capped Level will be reduced accordingly.

The Underlying Parcel for the BLDISE Instalments will not change (i.e. it will continue to be one BLD ordinary share).

UBS expects the Rights Value per BLD ordinary share to be the value of the right calculated by the ASX where the ASX is making an adjustment to Options Market Contracts (as defined in ASX Operating Rule 7100) over BLD ordinary shares. That is, $1/2.2$ multiplied by the excess (if any) of the volume weighted average price per ex-entitlement BLD ordinary share on the first day of ex-entitlement trading on the ASX (being Thursday 24 November 2016) over the Entitlement Offer price of \$4.80.

Rights Value = $1/2.2 \times (\text{VWAP of ex-entitlement BLD shares} - \text{Entitlement Offer Price})$

If the entitlement value per BLD share is zero or negative, there will be no adjustment to the Loan Amount and Capped Level.

All amounts are expressed in Australian dollars.

Timing of Adjustment, Suspension and Announcement

Trading in BLDISE Instalments is currently suspended but will recommence on Friday 25 November 2016 with the new Loan Amount and Capped Level. To effect the BLDISE Instalments adjustment, UBS will make an announcement after the close of market on the first day BLD ordinary shares recommence trading on an ex-entitlement basis (being Thursday 24 November 2016) detailing the value of the reduction of the Loan Amount and Capped Level.

Alternative adjustments

UBS reserves the right to implement adjustments to the BLDISE Instalments on a basis other than those described above. If UBS decides to make other adjustments it will make an announcement to the ASX before the first ex-entitlement trading day for BLD shares.

Unless otherwise stated, all terms used in this letter have the same meaning as in the PDS.

If you have any questions regarding the BLD Entitlement Offer, please contact your financial adviser or BLD. If you have any questions regarding this announcement please contact your financial adviser or call the UBS Warrant Sales Desk on 1800 633 100.

Yours sincerely,

UBS AG, Australia Branch



UBS AG, Australia Branch
Anand Kannan
Associate Director



UBS AG, Australia Branch
Grant Schwulst
Manager - Equities Settlement