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[www.ubs.com/instalments](http://www.ubs.com/instalments)

## **FOR IMMEDIATE RELEASE TO THE MARKET**

The Warrant Administration Manager  
ASX Structured Products  
Level 6, 20 Bridge Street  
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### **AGL Energy Limited**

#### **Loan Amount Adjustments in respect of Accelerated Renounceable Entitlement Offer**

UBS AG Australia Branch ("**UBS**") is the issuer of the below series of instalment warrants (collectively referred to as "AGK Instalments" in this announcement) over fully paid ordinary shares of AGL Energy Limited ("AGK"). Each AGK Instalment has been offered under the corresponding Product Disclosure Statement ("PDS") listed in the table below.

<b>Series</b>	<b>Date of PDS</b>	<b>Date of SPDS</b>
AGKISD	31-Oct-12	07-Jun-13
AGKISE	16-Feb-11	16-Jun-14
AGKISF	16-Feb-11	16-Jun-14
AGKSS1	23-May-11	18-Jun-14
AGKSS3	23-May-11	23-May-14
AGKSSR	02-Feb-09	02-Feb-09

This announcement concerns adjustments which UBS intends to make to the terms of the AGK Instalments as a result of the announcement by AGK of a 1 for 5 underwritten accelerated renounceable pro-rata entitlement offer of new ordinary shares at an issue price of \$11.00 per new ordinary share.

The details of the AGK offer are set out in the announcement by AGK dated 20 August 2014 (which can be found at [www.asx.com.au](http://www.asx.com.au)).

### **Key Details**

The key details of the entitlement offer are as follows:

- 1 for 5 underwritten accelerated renounceable pro-rata entitlement offer;
- Consideration at \$11.00 per new ordinary share;
- The new shares will not be eligible for the 2014 final dividend of \$0.33 per share (which has a corresponding ex-date of 2 September 2014 and a record date of 4 September 2014);
- Rights trading for the retail entitlement offer (expected ASX code: AGKRA) only is expected to commence on Monday 25 August 2014 on a deferred settlement basis and end on Monday 8 September 2014;
- AGK shares will resume trading on an ex-entitlement basis on Monday 25 August 2014;
- New ordinary shares will rank equally with existing ordinary shares on issue from the date of issue.

## Adjustment to AGK Instalments

Pursuant to clause 18 of the Instalment Deed, and with the consent of the ASX, UBS intends to adjust the terms of the AGK Instalments as follows:

- a) new AGK ordinary shares issued pursuant to the entitlement offer will not form part of the Underlying Parcel for the AGK Instalments, and will be dealt with by UBS in its absolute discretion; and
- b) the Loan Amount for the AGK 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 AGK Instalments) and an interest refund based on the reduction to the Loan Amount for the period until the earlier of the maturity date, or the next annual interest date (as applicable).

The Underlying Parcel for the AGK Instalments will not change: it will continue to be one AGK ordinary share.

UBS expects the Rights Value per AGK ordinary share to be calculated by reference to the Volume Weighted Average Price (VWAP) of the retail entitlements which commence trading on the ASX on Monday 25 August 2014 on a deferred settlement basis:

$$\text{Rights Value} = \frac{1}{5} \times \text{VWAP of retail entitlement}$$

If the Rights Value is zero or negative, there will be no adjustment to the Loan Amount.

All amounts are expressed in AUD.

## Timing of Adjustment, Suspension and Announcement

Trading in AGK Instalments is currently suspended but will recommence on Tuesday 26 August 2014 with the new Loan Amounts. To effect the AGK Instalments adjustment, an announcement will be made by UBS after the close of market on the first day AGK retail entitlements commence trading (being Monday 25 August 2014) detailing the value of the reduction of the Loan Amounts.

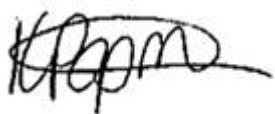
## Alternative Adjustments

UBS reserves its right to implement adjustments to the AGK 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 AGK.

Unless otherwise indicated, capitalised terms have the meaning given to them in the PDS. If you have any questions regarding the AGK offer, please contact your financial adviser or AGK. If you have any questions concerning this announcement please contact your financial adviser or call the UBS Warrant desk on 1800 633 100.

Yours sincerely,

### UBS AG, Australia Branch



**UBS AG, Australia Branch**  
Karen Papanikolaou  
Associate Director



**UBS AG, Australia Branch**  
Grant Schwulst  
Manager - Equities Settlements

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