



16 March 2018

**UBS AG, Australia Branch**

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

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

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

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

**South32 Limited Instalments – Replacement Announcement for Loan Amount Adjustments in respect of South32 Limited Special Dividend**

UBS AG Australia Branch ("UBS") is the issuer of the below series of instalment warrants (collectively known as "S32 Instalments" in this announcement) over fully paid ordinary shares of South32 Limited ("S32"). Each S32 Instalment has been offered under the corresponding Product Disclosure Statements ("PDS") listed in the table below.

<b>Series</b>	<b>Date of PDS / Master PDS</b>	<b>Date of SPDS / Term Sheet</b>
S32ISJ	17-Oct-14	26-May-15
S32ISK	17-Oct-14	31-May-16
S32SSE	16-Oct-15	31-May-16
S32SSJ	23-May-11	29-May-17

S32 announced on 15 February 2018 a Special Dividend (partially franked) of US 3 cents (81% franked) with an ex-date of 8 March 2018 and record date of 9 March 2018. Correspondingly, the S32 Instalments will commence trading on an ex-special distribution basis from 8 March 2018, and will have a record date of 9 March 2018.

S32 also announced a 100% franked interim Ordinary Dividend payment of US 4.3 cents per fully paid ordinary share with the same ex-dividend and record date as the Special Dividend outlined in this announcement. The implications of this US 4.3 cent 100% franked interim Ordinary Dividend on S32 Instalments will be in accordance with the relevant PDS and notified in a separate dividend announcement to the ASX which is expected to be released on 7 March 2018. As such, we note that the below Old Completion Payment and Loan Amounts are provided following the adjustment (if any and where applicable) for the US 4.3 cent interim Ordinary Dividend (converted to Australian dollars at the applicable rate).

Details of the Special Dividend are set out in the announcement by S32 dated 15 February 2018 (which can be found at [www.asx.com.au](http://www.asx.com.au)).

Pursuant to Clause 7.1 to 7.5 of the Instalment Trust Deed, UBS intends to adjust the terms of the S32 Instalments as follows:

- the value of the Special Dividend (in Australian dollars) will be applied to reduce the Loan Amount of the Instalments and an Interest Refund based on the reduction of the Loan Amount for the period until the earlier of the Maturity Date or the next Annual Interest Date (as applicable). The Capped Level will be adjusted accordingly (where applicable).

Subject to the separate Ordinary Dividend announcement made in relation to each corresponding S32 Instalment, UBS wishes to advise that the Loan Amount, Completion Payment and Capped Level (where applicable) of the S32 Instalments will be reduced as follows:

Warrant Code	Old Completion Payment and/or Loan Amount (as applicable)*	Special Dividend Value	Interest Refund	New Completion Payment and/or Loan Amount (as applicable) #	New Capped Level
S32ISJ	\$1.6583	\$0.0384	\$0.0003	\$1.6196	N/A
S32ISK	\$0.9315	\$0.0384	\$0.0003	\$0.8928	N/A
S32SSE	\$0.8598	\$0.0384	\$0.0003	\$0.8211	N/A
S32SSJ	\$2.5776	\$0.0384	\$0.0003	\$2.5389	\$3.1216

\* Old Completion Payment and Old Loan Amount following the adjustment (if any) for the US 4.3 cent interim Ordinary Dividend (converted to Australian dollars).

# New Completion Payment and New Loan Amount following the adjustment for the US 3 cent Special Dividend and the adjustment (if any) for the US 4.3 cent interim ordinary dividend (converted to Australian dollars).

The adjustment to the Loan Amounts will become effective from commencement of trading on the ex-dividend date (8 March 2018).

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

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

Yours sincerely,

**UBS AG, Australia Branch**



**UBS Investments Australia Pty Ltd**  
Andrew Lockhart  
Director



**UBS Investments Australia Pty Ltd**  
Scott Hanlon  
Executive Director