

**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

20 November 2018

FOR IMMEDIATE RELEASE TO THE MARKETwww.ubs.com/instalmentsParticipating Organisation of the
Australian Stock ExchangeThe Warrant Administration Manager
ASX Structured Products
Level 6, 20 Bridge Street
Sydney NSW 2000**Wesfarmers Limited Instalments – Adjustments in respect of Wesfarmers Limited Demerger**

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

Series	Date of PDS or Master PDS	Date of SPDS or Term Sheet
WESISH	16-Feb-11	27-Mar-18
WESISK	17-Oct-14	31-May-16
WESISV	17-Oct-14	27-Mar-18
WESISW	17-Oct-14	16-May-18
WESISX	17-Oct-14	8-Jun-18
WESSSA	25-Sep-14	17-Oct-14
WESSSE	16-Oct-15	31-May-16
WESSSK	23-May-11	29-May-18
WESSSL	16-Oct-15	16-Oct-15
WESSSZ	16-Oct-15	11-Apr-16

This announcement concerns adjustments which UBS intends to make to the terms of the WES Instalments as a result of the announcement by WES of a demerger of Coles Group Limited ("Coles") from WES ("WES Demerger") by a scheme of arrangement and a capital reduction. This demerger involves an in-specie distribution of 1 Coles ordinary share for every 1 existing WES share held on 22 November 2018. Shareholders approved the proposed demerger at a shareholder meeting on Thursday, 15 November 2018 and Court approval was granted on 19 November 2018. Full details of the WES Demerger are set out in the announcement by WES dated 5 October 2018 (which can be found at www.asx.com.au).

Key details of the WES Demerger

The key details of the WES Demerger are as follows:

- in-specie distribution of one Coles ordinary share for every one existing WES ordinary share;
- WES ordinary shares will commence trading on an ex-demerger basis on 21 November 2018;
- Coles will commence trading on a deferred settlement basis on 21 November 2018.

Adjustment to WES Instalments

Pursuant to clauses 15, 19 and 20 of the relevant Instalments Deed (dated either 2 October 2007 or 23 September 2014), and subject to satisfaction of the conditions for the proposed demerger, UBS intends to adjust the terms of the WES Instalments as follows:

- (a) New Coles ordinary shares issued pursuant to the WES Demerger will not form part of the Underlying Parcel for the WES Instalments, and will be dealt with by UBS in its absolute discretion; and
- (b) The Loan Amount for the WES Instalments will be reduced by an amount which reflects the value of the new Coles ordinary shares per WES ordinary share on the first day of deferred settlement trading 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); and
- (c) The Capped Level (if applicable) will be adjusted accordingly.

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

The value of Coles shares per WES ordinary share under paragraph (b) will be calculated by reference to the Volume Weighted Average Price (VWAP) of Coles ordinary shares traded on the ASX on Wednesday 21 November 2018, being the first day Coles ordinary shares commence trading on the ASX.

$$\text{Value} = 1/1 \times (\text{VWAP of new Coles ordinary shares})$$

All amounts are expressed in Australian dollars.

Timing of Adjustment, Suspension and Announcement

Trading in WES Instalments will be suspended from commencement of trading on Wednesday 21 November 2018 and recommence on Thursday 22 November 2018 with the new Loan Amounts and Capped Levels (if applicable). An announcement will be made by UBS after market close on the first day Coles ordinary shares commence trading on the ASX (being Wednesday 21 November 2018) detailing the calculation of the reduction of the Loan Amounts and Capped Levels (if applicable).

Alternative adjustments

UBS reserves the right to implement adjustments to the WES Instalments on a basis other than those described above. If UBS decides to make other adjustments it will make an announcement to the ASX.

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

If you have any questions regarding the WES Demerger, please contact your financial adviser or WES. 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
Andrew Lockhart
Director



UBS AG Australia Branch
Scott Hanlon
Executive Director

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