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16 October 2015

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FOR IMMEDIATE RELEASE TO THE MARKET

www.ubs.com/instalments

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Participating Organisation of the
Australian Stock Exchange

Westpac Banking Corporation Instalments – Loan Amount Adjustments in respect of Westpac Banking Corporation Entitlement Offer

UBS AG Australia Branch ("UBS") is the issuer of the below series of instalment warrants (collectively known as "WBC Instalments" in this announcement) over fully paid ordinary shares of Westpac Banking Corporation ("WBC"). Each WBC 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
WBCISN	19-May-11	22-May-13
WBCISQ	19-May-11	04-Jun-14
WBCISA	16-Feb-11	15-Jun-15
WBCISI	17-Oct-14	17-Oct-14
WBCISY	16-Feb-11	05-May-15
WBCISZ	16-Feb-11	10-Apr-15
WBCSSA	25-Sep-14	17-Oct-14
WBCSSM	23-May-11	05-Jun-15
WBCSSN	23-May-11	04-Jun-15
WBCSSO	23-May-11	29-May-15
WBCSSP	23-May-11	29-Apr-15
WBCSSQ	23-May-11	13-Mar-15
WBCSSS	02-Feb-09	09-Nov-09
WBCSST	02-Feb-09	16-May-11
WBCSSW	25-Sep-14	11-Jun-15

This announcement concerns adjustments which UBS intends to make to the terms of the WBC Instalments as a result of the announcement by WBC of a 1 for 23 fully underwritten pro-rata accelerated renounceable entitlement offer ("WBC Entitlement Offer") of new ordinary shares at an issue price of \$25.50 per new ordinary share. Full details of the WBC Entitlement Offer are set out in the announcement by WBC dated 14 October 2015 (which can be found at www.asx.com.au).

Key details of the WBC Entitlement Offer

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

- 1 for 23 fully underwritten pro-rata accelerated renounceable entitlement offer;
- Entitlement offer price of \$25.50 per new ordinary share;
- The new shares will not be entitled to the dividend for the period ended 30 September 2015 of \$0.94 per share (which has a corresponding ex-date of 11 November 2015 and a record date of 13 November 2015);
- WBC ordinary shares will resume trading on an ex-entitlement basis on 19 October 2015;
- New ordinary shares will rank equally with existing ordinary shares on issue, except that the New ordinary shares will not be entitled to the dividend for the half year period ended 30 September 2015.

Adjustment to WBC Instalments

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

- (a) New WBC ordinary shares issued pursuant to the WBC Entitlement Offer will not form part of the Underlying Parcel for the WBC Instalments, and will be dealt with by UBS in its absolute discretion; and
- (b) The Loan Amount for the WBC 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 WBC 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); and
- (c) The Capped Level (where applicable) will be adjusted accordingly.

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

UBS expects the Rights Value per WBC 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 WBC ordinary shares. That is, 1/23 multiplied by the value calculated by the ASX as the Volume Weighted Average Price (VWAP) ex-entitlement of existing WBC ordinary shares on the first day of trading ex-entitlement on the ASX (Monday 19 October 2015) less the final dividend to which the new shares will not be entitled (\$0.94 per share) less the Entitlement Offer price (\$25.50).

$$\text{Rights Value} = 1/23 \times (\text{VWAP of ordinary shares} - \text{Dividend} - \text{Entitlement Offer Price})$$

Dividend = \$0.94

Entitlement Offer Price = \$25.50

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

All amounts are expressed in Australian dollars.

Timing of Adjustment, Suspension and Announcement

Trading in WBC Instalments is currently suspended but will recommence on Tuesday 20 October 2015 with the new Loan Amounts. To effect the WBC Instalments adjustment, an announcement will be made by UBS after the close of market on the first day WBC retail

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entitlements commence trading (being Monday 19 October 2015) detailing the value of the reduction of the Loan Amounts. Please also note that following the above WBC Entitlement Offer adjustments, the Loan Amount for some of these WBC Instalments will also be reduced by the ordinary dividend amount of \$0.94 per share. This ordinary dividend adjustment will occur on 11 November 2015 (please refer to corresponding ordinary dividend announcement for each series expected to be dated 10 November 2015).

Alternative adjustments

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

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

If you have any questions regarding the WBC Entitlement Offer, please contact your financial adviser or WBC. 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