



UBS EUROPEAN LOW EXERCISE PRICE CALL WARRANTS

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

dated 29 February 2012 ("SPDS")

UBS AG, AUSTRALIA BRANCH

ABN 47 088 129 613
AFSL No. 231087
Issuer

UBS SECURITIES AUSTRALIA LTD

ABN 62 008 586 481
AFSL No. 231098
Broker

This document is a supplementary product disclosure statement (**Supplementary PDS**) which amends the product disclosure statement for UBS European Low Exercise Price Call Warrants over BHP Billiton plc and Rio Tinto plc dated 5 March 2007 (**PDS**). This Supplementary PDS should be read together with the PDS and set out the terms for the:

- ZRIWSC & ZBHWSC series of UBS European Low Exercise Price Call Warrants issued by the Issuer.

With effect from the end of 29 February 2012, the following changes are made to the PDS:

1. Change of Expiry Date

- The Expiry Date on page 1 is amended from "2 March 2012" to "4 March 2022" for each Warrant; and
- Each other reference to "2 March 2012" in the PDS is amended to read "4 March 2022".

2. ASX Rules and Entity Updates

- The definition of "ASTC" in Part 7 of the PDS is deleted and replaced with: "**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532) or any clearing house or other entity which is substituted for it". Each reference to "ASTC" in the PDS is deleted and replaced with "ASX Settlement".
- The definition of "ASTC Settlement Rules" in Part 7 of the PDS is deleted and replaced with: "**ASX Settlement Operating Rules** means the operating rules of the clearing and settlement facility operated by ASX Settlement as amended from time to time". Each reference to "ASTC Settlement Rules" in the PDS is deleted and replaced with "ASX Settlement Operating Rules".
- The definition of "ASX Market Rules" in Part 7 of the PDS is deleted and replaced with: "**ASX Operating Rules** means the operating rules of the ASX as amended from time to time.". Each reference to "ASX Market Rules" in the PDS is deleted and replaced with "ASX Operating Rules".
- The reference to Australian Clearing House Pty Ltd in Part 4.3 of the PDS is deleted and replaced with "ASX Clear Pty Limited".

3. Contact Details Update

- Each reference to "Level 25, Governor Phillip Tower, 1 Farrer Place, Sydney NSW, 2000" in the PDS is deleted and replaced with "Level 16, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000".
- Replace para (c) in Part 6.11 with:

"(c) If you still do not get a satisfactory outcome, depending on the nature of your complaint, you may have the right to complain to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Telephone: 13000 78 08 08
Email: info@fos.org.au

4. Taxation of Financial Arrangements (“TOFA”) rules

The Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 (the “TOFA Act”) has been enacted. The TOFA rules represent a separate regime for the taxation of gains and losses from financial arrangements. The TOFA Act states that generally the TOFA rules are to apply to financial arrangements entered into from the first tax year beginning on or after 1 July 2010. However, under the TOFA Act, a taxpayer may elect for the TOFA rules to apply to all financial arrangements that the taxpayer starts to have in the income years commencing on or after 1 July 2009. Under the TOFA Act, a taxpayer may also elect for the TOFA rules to apply to all financial arrangements existing at the start date.

For the purposes of the TOFA provisions, each Warrant may constitute a “financial arrangement”.

The TOFA rules set out a number of exceptions to the application of the rules. Relevantly, these include financial arrangements that are not “qualifying securities”, and which are held by:

- individuals;
- superannuation funds or managed investment schemes whose total assets are less than \$100 million; or
- other types of (non-financial) entities whose annual turnover is less than \$100 million, whose financial assets are less than \$100 million and whose total assets are less than \$300 million.

Prospective investors and Holders should seek their own tax advice in relation to the potential applicability of the rules contained in the TOFA Act in light of their own particular circumstances.

5. Description of UBS

The description of UBS in Part 5 of the PDS is deleted and replaced with:

“UBS AG was formed on 29 June 1998 from the merger of Swiss Bank Corporation and Union Bank of Switzerland. UBS AG, with its subsidiaries, is a client-focused financial services firm that offers a combination of wealth management, asset management and investment banking services on a global and regional basis. By delivering a full range of advice, products and services to its private, corporate and institutional clients, UBS AG aims to generate sustainable earnings, create value for its shareholders and become economically profitable in every segment, market and business in which it operates. Securities in UBS AG are listed on the New York Stock Exchange and the SIX Swiss Exchange.

UBS AG will provide a copy, free of charge, of any of the following documents to any person who requests such copies during the life of this PDS, by contacting the Warrants Operations team on Issuer on 1800 633 100:

- *the latest available annual financial report of UBS AG; and*
- *the latest available quarterly financial report of UBS AG.*

UBS AG's latest available annual and quarterly financial reports can also be downloaded from <http://www.ubs.com/1/e/investors.html>.”

6. Consequential Amendments relating to Unfair Terms Legislation (ASIC Act)

As a result of the introduction of Unfair Terms Legislation, the following terms are amended with the consent of ASX:

- Insert at the end of Clause 7.4.7 of the PDS the following “provided such alteration is not unfair (as defined in Section 12BG of the ASIC Act)”.
- Insert at the end of Clause 7.7.1 of the PDS the following “Any determination made by UBS using any discretion mentioned in (b), (d) or (e) above will be made in its sole discretion, acting in good faith and in a commercially reasonable manner.”
- Insert at the end of Clause 7.7.6 of the PDS the following “Any determination made by UBS using any discretion mentioned herein will be made in its sole discretion, acting in good faith and in a commercially reasonable manner.”
- Insert the following definition of “ASIC Act” in Part 7 of the PDS: “**ASIC Act** means the Australian Securities and Investments Commission Act 2001 (Cth).”

Insert on Part 4.11 of the PDS a new paragraph, immediately after paragraph (e), the following:

“Any determination made by UBS using any discretion mentioned in (b), (d) or (e) above will be made in its sole discretion, acting in good faith and in a commercially reasonable manner.”

7. Financial Services Guide Update

- The UBS Securities Limited and UBS Nominees Pty Limited Financial Services Guide (“FSG”) starting on page 38 of the PDS is deleted and replaced with the corresponding FSG below.
- The UBS AG FSG starting on page 42 of the PDS is deleted and replaced with the corresponding FSG below.



UBS Securities Australia Limited and UBS Nominees Pty Limited

Financial Services Guide

WHAT IS THE PURPOSE AND CONTENT OF THIS FSG

This Financial Services Guide ("FSG") dated 28 October 2011 is an important document. You should read it carefully and make sure you understand it. This FSG provides generic information about UBS Securities Australia Limited (ABN 62 008 586 481) ("UBS Securities Australia") and UBS Nominees Pty Limited (ABN 32 001 450 522) ("UBS Nominees") (together, "us", "we", "our") and the services we offer.

This FSG also provides specific information about how you pay for our services. UBS Securities Australia and UBS Nominees are providing this FSG to give you key information about the types of financial services we offer. The FSG is for UBS structured products and services clients and is intended to assist you in deciding whether to use any of the services offered.

THE FSG CONTAINS, AMONG OTHER THINGS:

- a summary of the financial services which we are authorised to provide and the kinds of financial products to which those services relate;
- information about the capacity in which we act when providing services to you;
- information about your rights as an investor;
- details on how you can instruct us in relation to your investment;
- information about the Statement of Advice and Product Disclosure Statement(s) ("PDS") which you may receive from us;
- information about remuneration that may be paid to us and other relevant persons in relation to the services provided;
- information about how complaints against us are dealt with; and
- information which you can request when you are provided with further market-related advice.

In addition to this FSG, you may, from time to time, receive from UBS Securities Australia a

PDS, a Statement of Advice ("SOA"), a Record of Advice or our Best Execution arrangements.

It is not UBS Securities Australia's policy to provide personal financial product advice. If however, you do receive personal financial product advice from UBS Securities Australia, you will be provided with an SOA. The SOA will include a statement of UBS Securities Australia's advice, the basis for that advice, as well as information about remuneration and fees that UBS Securities Australia may receive in connection with giving you the advice and interests, relationships or associations that may influence the advice.

If UBS Securities Australia makes a recommendation to acquire a particular financial product (other than securities) or offers to issue, or arrange the issue of a financial product to you, it will also provide you with a PDS. There are a number of circumstances in which UBS Securities Australia may not be required to provide a PDS including: where you already have a current PDS; where you hold a financial product of the same kind and you have access to current information about that kind of financial product; or where the offer is made under a distribution reinvestment plan or switching facility.

The PDS contains details about the particular product and any significant risks associated with holding the product, any amounts that you must pay, and in the case of products which will or may generate a return, information about any commission or other similar payments that will or may impact on the amount of the returns payable to you.

Our Best Execution arrangements contain important information about how your orders are executed by UBS Securities Australia through a Relevant Exchange (such as ASX or Chi-X) or otherwise. You should read the document summarising these arrangements carefully before deciding whether you wish to use the services that we offer.

IMPORTANT INFORMATION IS PROVIDED BELOW IN ANSWER TO COMMONLY ASKED QUESTIONS

WHO WILL BE RESPONSIBLE FOR THE FINANCIAL SERVICES GIVEN TO YOU?

UBS Securities Australia

The financial services listed below (other than the custodial service) will be provided by UBS Securities Australia. UBS Securities Australia is an



Australian Financial Services Licensee under the Corporations Act (AFSL No. 231098). It is a participant of ASX, Chi-X, ASX Clear Pty Limited (the clearing facility for transactions executed on or reported to ASX or Chi-X) and CHESS (the settlement facility operated by ASX Settlement Pty Limited).

UBS Securities Australia is a wholly owned subsidiary of UBS AG, and is a related company of UBS Nominees Pty Ltd (ABN 32 001 450 522) and Warbont Nominees Pty Ltd (ABN 19 003 943 799).

UBS Securities Australia uses the nominee services provided by Warbont Nominees Pty Ltd ("Warbont Nominees"), during the transitional T+3 settlement period, in accordance with the Market Integrity Rules on behalf of clients of UBS Securities Australia. The Market Integrity Rules require that all financial products being held for a client during this period may only be registered under a nominee company. Warbont Nominees is the company that has been established to hold these financial products on your behalf in accordance with the Market Integrity Rules. These services are conducted under the Australian Financial Services Licence of UBS Securities Australia and UBS Securities Australia is responsible for the conduct of Warbont Nominees in respect of those services. Warbont Nominees is a wholly owned subsidiary of UBS Securities Australia.

UBS Nominees

UBS Nominees will provide custodial services in respect of certain financial products issued by UBS AG, Australia Branch (ABN 47 088 129 613), such as instalment warrants, the Protected Equity Product and the Protected Geared Investment. UBS Nominees is an Australian Financial Services Licensee under the Corporations Act (AFSL No. 231088). UBS Nominees is a wholly owned subsidiary of UBS Securities Australia.

WHAT FINANCIAL SERVICES ARE WE AUTHORISED TO PROVIDE?

UBS Securities Australia is authorised under its Australian Financial Services Licence to provide the following financial services to retail and wholesale clients:

1. Advising in the following classes of financial products (including financial products traded on a Relevant Exchange):

- securities;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- derivatives;
- warrants which may be managed investment products;
- interests in managed investment schemes (excluding investor directed portfolio services); and
- deposit and payment products;

2. Dealing in the following classes of financial products (including financial products traded on a Relevant Exchange):

- securities;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- derivatives;
- warrants which may be managed investment products;
- interests in managed investment schemes (excluding investor directed portfolio services); and
- deposit and payment products;

3. Underwriting interests in managed investment schemes and issues of securities;

4. Making markets for all financial products excluding foreign exchange contracts; and

5. Operating custodial or depository services other than investor directed portfolio services.

When providing these services, and in accordance with UBS Securities Australia's Best Execution arrangements, your orders may pass through the components of the UBS Crossing System, and may be systematically matched with other orders in the UBS Crossing System to achieve enhanced liquidity and possible price improvement (from that which is available on a Relevant Exchange).

For orders that match within the UBS Crossing System, they may match with other UBS Securities Australia client orders (agency orders) or with UBS Securities Australia as principal, and will then be reported to a Relevant Exchange. Where your orders match with UBS Securities Australia as principal, UBS Securities Australia will receive the same benefits and risks that any buyer or seller (as the case may be) of securities receives, in particular in relation to price fluctuations. The UBS Crossing System and any decision by UBS Securities Australia to buy or sell securities as principal are in accordance with internal risk



management and conflict procedures to ensure compliance with applicable laws and regulations and best practice.

For orders that do not match within the UBS Crossing System, they will be routed to the Relevant Exchange for execution.

If you would like more information in relation to the UBS Crossing System, please notify your Intermediary. If you do not wish your orders to pass through the UBS Crossing System, please discuss this with your Intermediary.

UBS Nominees is authorised to operate custodial or depository services to both retail and wholesale clients.

HOW WILL YOU PAY FOR THE SERVICES AND HOW ARE ANY COMMISSIONS, FEES OR OTHER BENEFITS CALCULATED?

UBS Securities Australia will not charge you any brokerage or fees unless such amounts are disclosed to you in the relevant product or services documentation or as otherwise disclosed to you.

UBS Securities Australia may receive commissions and other benefits from the issuers of the financial products that it recommends or issues to you or deals with you if you choose to invest in them. More detailed information about the remuneration (including commissions) or other benefits that UBS Securities Australia and other relevant persons are to receive in respect of the provision of any of the services to you is disclosed in the section titled "Fees & Charges".

You will not pay UBS Nominees any fees in respect of the services it provides.

WILL ANYONE BE PAID FOR REFERRING ME TO YOU?

UBS Securities Australia has arrangements with a number of financial advisers or other financial intermediaries ("Intermediaries") in relation to the provision by it to clients of those Intermediaries, of execution services and financial products. In these circumstances, a referral fee is paid to the Intermediary.

This referral fee is usually based on the value of the transaction or financial product that has been provided to you, and will range from 0% to 3% of the value of that transaction or product. In certain circumstances, these fees will be paid by a related body corporate of UBS Securities

Australia, for example UBS AG, Australia Branch (ABN 47 088 129 613). In addition, UBS Securities Australia or its related bodies corporate may pay referral fees to its employees where those employees refer clients to UBS Securities Australia. UBS Nominees does not pay any referral fees.

IN WHAT CAPACITY DO WE ACT?

When providing the above financial services to you we act in a principal capacity and not as a representative of any other person. When we execute a transaction (or arrange for a transaction to be executed) for you, UBS Securities Australia and/or UBS Nominees act as your agent.

DO WE HAVE ANY RELATIONSHIPS OR ASSOCIATIONS WITH FINANCIAL PRODUCT PROVIDERS?

UBS Securities Australia may from time to time provide financial services in connection with financial products issued by its related companies. For example, UBS Securities Australia offers execution services and acts as market maker in respect of warrants issued by UBS AG, Australia Branch. UBS Securities Australia may also receive commissions and benefits from issuers of financial products where it is involved in the distribution of their financial products, for example financial products issued by UBS AG, Australia Branch. You should review any disclosures made in a PDS as to interests UBS Securities Australia may have in the relevant financial products.

You may request particulars of the remuneration or other benefits that UBS Securities Australia, your adviser and other relevant persons are to receive (if any) that may reasonably be expected to be capable of influencing the advice provided to you by your adviser, provided the request is made within a reasonable time after you receive this FSG and before we provide the services to you.

As mentioned above, UBS Nominees provides custodial services in connection with financial products issued by UBS AG, Australia Branch.

UBS Securities Australia and UBS Nominees are not authorised deposit-taking institutions under the *Banking Act 1959* (Cth). The obligations of UBS Securities Australia and UBS Nominees do not represent deposits or other liabilities of UBS AG, and UBS AG does not stand behind, support or guarantee these entities in any way.

WHAT KIND OF ADVICE WILL YOU RECEIVE?



It is UBS Securities Australia's policy not to provide personal financial product advice. To the extent any advice is given, it is general financial product advice and does not take account of your personal circumstances, needs or objectives. Thus any resulting investment may not be appropriate to your needs and objectives and you should carefully assess how appropriate the recommendations are in light of your particular investment objectives, financial situation and needs.

General financial product advice may also be given through research reports and in product disclosure statements. This advice is not personal advice as it does not consider your personal circumstances, needs or objectives. You should consider your personal objectives, financial situation and needs when reviewing this information before making any decision relating to a financial product, and seek professional independent advice if you think that is appropriate.

UBS Nominees does not provide financial product advice.

WHAT ARE YOUR RIGHTS AS AN INVESTOR?

Where you do receive personal financial product advice your adviser is obliged to have a reasonable basis for the advice given. This means that your adviser must give consideration to your investment objectives, financial situation and particular needs and conduct a reasonable investigation of the subject matter of the advice. If you do not wish to provide personal information, your adviser will be limited in his or her ability to make recommendations specific to your requirements.

HOW CAN YOU GIVE INSTRUCTIONS TO BUY OR SELL YOUR INVESTMENTS OR CHANGE YOUR SERVICE ARRANGEMENTS WITH US?

You must specify to the Intermediary or to UBS Securities Australia exactly what you want us to do. You may give us instructions by telephone, facsimile, in writing or any other means that we agree with you.

WHAT INFORMATION DO WE MAINTAIN IN YOUR FILE?

We maintain a record of items of personal information that you have provided to us, for

example, as recorded in your account opening forms, financial product application forms or transaction documents.

All personal information (as defined in the *Privacy Act 1988* (Cth)) collected from you will be used and stored by us in accordance with the Privacy Policy for UBS Securities Australia and UBS Nominees. A copy of the Privacy Policy can be made available to you on request.

WHAT CAN YOU DO IF YOU HAVE A COMPLAINT?

If you have a complaint about the service provided to you by UBS Securities Australia, UBS Nominees or any of our representatives, you should take the following steps.

1. Contact the UBS Securities Australia or UBS Nominees Representative with whom you have been dealing and tell that person about your complaint or contact the Complaints Officer at the following address:

The Complaints Officer
c/- Legal & Compliance Department
UBS
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Telephone: (612) 9324 2000
Facsimile: (612) 9324 2558

We will try to resolve your complaint quickly and fairly.

2. If you still do not get a satisfactory outcome, depending on the nature of your complaint, you may have the right to complain to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Telephone: 1300 78 08 08
Email: info@fos.org.au

The Australian Securities and Investment Commission ("ASIC") also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

UBS Securities Australia and UBS Nominees have Professional Indemnity ("PI") insurance in place which satisfies the requirements of section D of the



ASIC Regulatory Guide 126. These compensation arrangements satisfy the requirements of section 912B of the Corporations Act. The PI insurance will not cover work done for us by representatives after they cease to work for us.

If you would like a clarification of any of the matters discussed in this FSG, or require further information, please contact your adviser.

DEFINITIONS

In this FSG:

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by it (as the context requires);

Chi-X means Chi-X Australia Pty Ltd (ABN 47 129 584 667) or the market operated by it (as the context requires);

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time;

Market Integrity Rules means any market integrity rules made by ASIC in accordance with Part 7.2A of the Corporations Act, as amended from time to time, that apply to a Relevant Exchange;

Relevant Exchange means:

- (a) ASX or Chi-X, or the financial markets operated by them (as the context requires); and
- (b) any other financial market (whether or not licensed under Part 7.2 of the Corporations Act) to which orders for transactions in financial products may be transmitted for execution or to which transactions are reported, or which provides clearing or settlement services in respect of transactions on such a market (whether or not licensed under Part 7.3 of the Corporations Act).

UBS Crossing System means an automated service provided by UBS Securities Australia to clients which matches orders with orders of:

- (a) UBS Securities Australia; or
- (b) other clients of UBS Securities Australia,

otherwise than on an order book.

CONTACT DETAILS

If you have any queries, you can contact us on (612) 9324 2000.

THE FOLLOWING INFORMATION ON FEES AND CHARGES IS APPLICABLE AS AT THE DATE OF THIS FSG, HOWEVER IS SUBJECT TO CHANGE AND DOES NOT INCLUDE INFORMATION IN RELATION TO TAXES OR DUTIES THAT YOU MAY BE REQUIRED TO PAY IN RELATION TO AN INVESTMENT.

FEES AND CHARGES

No brokerage or fees will be payable to UBS Securities Australia or UBS Nominees by you in relation to services provided to you unless such fees are disclosed to you in the relevant product or services documentation or as otherwise disclosed to you.

To the extent that a PDS is required for a transaction involving a particular financial product, the PDS for the financial product will disclose details of commissions, fees or other benefits received by UBS Securities Australia or UBS Nominees (and any of their related companies) in respect of the transaction in respect of that financial product. Fees and commissions which may be payable for services UBS Securities Australia provides are listed below. These fees may be paid to either UBS Securities Australia or to any of its related companies. Amounts listed below are in Australian dollars.

- Brokerage for sale and purchase of financial products: up to 3% of the value of financial products purchased or sold;
- Fee for securities borrowing and lending arrangements: up to 3% per annum on the value of securities borrowed and/or upfront flat fee up to \$15,000 per parcel of securities borrowed;
- UBS Securities Australia may in certain circumstances receive selling fees from other parties: in most cases up to 3% of the value of the financial products purchased or sold, and in some exceptional circumstances up to 8% of the value of the financial products purchased or sold. Selling fees are not payable by you to UBS Securities Australia.



UBS AG

Financial Services Guide

WHAT IS THE PURPOSE AND CONTENT OF THIS FSG

This Financial Services Guide ("FSG") dated 28 October 2011 is an important document. You should read it carefully and make sure you understand it. This FSG provides generic information about UBS AG, Australia Branch (ABN 47 088 129 613) ("UBS AG", "us", "we", "our") and the services we offer.

This FSG also provides specific information about how you pay for our services. UBS AG is providing this FSG to give you key information about the types of financial services we offer. The FSG is intended to assist you in deciding whether to use any of the services offered.

THE FSG CONTAINS, AMONG OTHER THINGS:

- a summary of the financial services which we are authorised to provide and the kinds of financial products to which those services relate;
- information about the capacity in which we act when providing services to you;
- information about your rights as an investor;
- details on how you can instruct us in relation to your investment;
- information about the Product Disclosure Statement(s) ("PDS") and any Statement of Advice which you may receive from us;
- information about remuneration that may be paid to us and other relevant persons in relation to the services provided;
- information about how complaints against us are dealt with; and
- information which you can request when you are provided with further market-related advice.

In addition to this FSG, you may, from time to time, receive from UBS AG, a PDS, a Statement of Advice ("SOA"), or a Record of Advice.

It is not UBS AG's policy to provide personal financial product advice. If however, you do receive personal financial product advice from UBS AG, you will be provided with an SOA. The

SOA will include a statement of UBS AG's advice, the basis for that advice, as well as information about remuneration and fees that UBS AG may receive in connection with giving you the advice and interests, relationships or associations that may influence the advice.

If UBS AG makes a recommendation to acquire a particular financial product (other than securities) or offer to issue, or arrange the issue of a financial product to you, it will also provide you with a PDS. There are a number of circumstances in which UBS AG may not be required to provide a PDS including: where you already have a current PDS; where you hold a financial product of the same kind; where you have access to current information about that kind of financial product; or where the offer is made under a distribution reinvestment plan or switching facility.

The PDS contains details about the particular product and any significant risks associated with holding the product, any amounts that you must pay, and in the case of products which will or may generate a return, information about any commission or other similar payments that will or may impact on the amount of the returns payable to you.

IMPORTANT INFORMATION IS PROVIDED BELOW IN ANSWER TO COMMONLY ASKED QUESTIONS.

WHO WILL BE RESPONSIBLE FOR THE FINANCIAL SERVICES GIVEN TO YOU?

The financial services listed below will be provided by UBS AG. UBS AG is an Australian Financial Services Licensee under the *Corporations Act 2001* (Cth) (AFSL No. 231087). It is a foreign authorised deposit-taking institution under the *Banking Act 1959* (Cth) and is supervised by the Australian Prudential Regulation Authority. However, it is important for you to note that any deposit that we accept from you will not be covered by the depositor protection provisions set out in Division 2 of Part II of the *Banking Act 1959* (Cth), as these provisions do not apply to foreign authorised deposit-taking institutions. UBS AG is a participant of Australian Securities Exchange Limited (which operates the market known as ASX 24), ASX Clear (Futures) Pty Limited and Austraclear Limited.

WHAT FINANCIAL SERVICES ARE WE AUTHORISED TO PROVIDE?



UBS AG is authorised under its Australian Financial Services Licence to provide the following financial services to retail and wholesale clients:

1. Advising in the following classes of financial products:
 - deposit and payment products;
 - derivatives;
 - foreign exchange contracts;
 - debentures, stocks or bonds issued or proposed to be issued by a government;
 - interests in managed investment schemes (excluding investor directed portfolio services);
 - securities;
 - standard margin lending facilities; and
 - financial products limited to miscellaneous financial investment products;

2. Dealing in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - deposit and payment products;
 - derivatives;
 - foreign exchange contracts;
 - debentures, stocks or bonds issued or proposed to be issued by a government;
 - interests in managed investment schemes excluding investor directed portfolio services;
 - securities;
 - standard margin lending facilities; and
 - financial products limited to miscellaneous financial investment products;

3. Dealing in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of financial products:
 - deposit and payment products;
 - derivatives;
 - foreign exchange contracts;
 - debentures, stocks or bonds issued or proposed to be issued by a government;
 - interests in managed investment schemes (excluding investor directed portfolio services);
 - securities;
 - standard margin lending facilities; and
 - financial products limited to miscellaneous financial investment products;

4. Underwriting interests in managed investment schemes and issues of securities;

5. Making markets for the following financial products:
 - foreign exchange contracts;
 - derivatives;
 - debentures, stocks or bonds issued or proposed to be issued by a government and/or debentures issued by any other body; and
 - financial products other than those listed above in this paragraph 5; and

6. Operating custodial or depository services other than investor directed portfolio services.

HOW WILL YOU PAY FOR THE SERVICES AND HOW ARE ANY COMMISSIONS, FEES OR OTHER BENEFITS CALCULATED?

You may pay UBS AG a fee depending on the services and/or products you choose and the amount you invest.

In particular, UBS AG may receive fees and other benefits from the financial products that it issues to you. To the extent that a PDS is required for a transaction involving a particular financial product, the PDS for the financial product will disclose details of commissions, fees or other benefits received by UBS AG (and any of its related companies) in respect of the transaction involving that financial product. You should review any disclosures made in a PDS as to interests UBS AG may have in the relevant financial products.

Related entities of UBS AG may from time to time provide financial services in connection with financial products issued by UBS AG. For example, in respect of financial products issued by UBS AG, UBS Securities Australia Limited (ABN 62 008 586 481) offers execution services and acts as market maker. UBS Nominees Pty Limited (ABN 32 001 450 522) may also provide custodial services for financial products provided by UBS AG. These related entities of UBS AG are not authorised deposit-taking institutions under the *Banking Act 1959* (Cth). The obligations of these entities do not represent deposits or other liabilities of UBS AG, and UBS AG does not stand behind, support or guarantee these entities in any way.

WILL ANYONE BE PAID FOR REFERRING ME TO YOU?

UBS AG has arrangements with a number of financial adviser or other financial intermediaries



("Intermediaries") in relation to the provision of financial products by it to clients of those Intermediaries. In those circumstances, a referral fee may be paid to the Intermediary.

This referral fee is usually based on the value of the transaction or financial product that has been provided to you, and the total fee paid will range from 0% to 8% of the value of that transaction or product. The referral fee may be paid in the form of an upfront selling fee and/or periodic trail fees.

In addition, UBS AG or its related bodies corporate may pay referral fees to its employees where those employees refer clients to UBS AG.

IN WHAT CAPACITY DO WE ACT?

When providing the above financial services to you we act in a principal capacity and not as a representative of any other person.

WHAT KIND OF ADVICE WILL YOU RECEIVE?

It is UBS AG's policy not to provide personal financial product advice. To the extent any advice is given, it is general financial product advice and does not take account of your personal circumstances, needs or objectives. Thus any resulting investment may not be appropriate to your needs and objectives and you should carefully assess how appropriate the recommendations are in light of your particular investment objectives, financial situation and needs.

General financial product advice may also be given through research reports and in product disclosure statements. This advice is not personal advice as it does not consider your personal circumstances, needs or objectives. You should consider your personal objectives, financial situation and needs when reviewing this information before making any decision relating to a financial product, and seek professional independent advice if you think that is appropriate.

WHAT ARE YOUR RIGHTS AS AN INVESTOR?

Where you do receive personal financial product advice your adviser is obliged to have a reasonable basis for the advice given. This means that your adviser must give consideration to your investment objectives, financial situation and particular needs and conduct a reasonable investigation of the subject matter of the advice. If you do not wish to provide personal information, your adviser will be limited in his or

her ability to make recommendations specific to your requirements.

You have the right to be advised about any remuneration (including commissions) or other benefit that UBS AG, your adviser and other relevant persons are to receive that may reasonably be expected to be capable of influencing the advice provided to you by your adviser, provided the request is made within a reasonable time after you receive this FSG and before we provide the services to you.

HOW CAN YOU GIVE INSTRUCTIONS TO BUY OR SELL YOUR INVESTMENTS OR CHANGE YOUR SERVICE ARRANGEMENTS WITH US?

You must specify to the Intermediary or to UBS AG exactly what you want us to do. You may give us instructions by telephone, facsimile, in writing or any other means that we agree with you.

WHAT INFORMATION DO WE MAINTAIN IN YOUR FILE?

We maintain a record of items of personal information that you have provided to us, for example, as recorded in your account opening forms, financial product application forms or transaction documents.

All personal information (as defined in the *Privacy Act 1988* (Cth)) collected from you will be used and stored by us in accordance with the Privacy Policy for UBS AG. A copy of the Privacy Policy can be made available to you on request.

WHAT CAN YOU DO IF YOU HAVE A COMPLAINT?

If you have a complaint about the service provided to you by UBS AG or any of our representatives, you should take the following steps.

1. Contact the UBS AG Representative with whom you have been dealing and tell that person about your complaint or contact the Complaints Officer at the following address:

The Complaints Officer
c/- Legal & Compliance Department
UBS
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Telephone: (612) 9324 2000
Facsimile: (612) 9324 2558

We will try to resolve your complaint quickly and fairly.



2. If you still do not get a satisfactory outcome, depending on the nature of your complaint, you may have the right to complain to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Telephone: 1300 78 08 08
Email: info@fos.org.au

The Australian Securities and Investment Commission ("ASIC") also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

UBS AG, Australia Branch is exempt from the requirement to have in place a compensation arrangement which satisfies section 912B of the *Corporations Act 2001* (Cth) on the basis that it is an exempt licensee, being a foreign authorised deposit-taking institution regulated by APRA under the *Banking Act 1959* (Cth).

If you would like clarification of any of the matters discussed in this FSG, or require further information, please contact your adviser.

CONTACT DETAILS

If you have any queries, you can contact us on (612) 9324 2000.

This is a Supplementary PDS for the purposes of Part 7.9 of the Corporations Act. The Australian Securities and Investments Commission takes no responsibility for the content of this Supplementary PDS.

The issuer of this Supplementary PDS is UBS AG, Australia Branch (ABN 47 088 129 613)
Australian Financial Services Licence No. 231087

Level 16
Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Product Disclosure Statement

UBS European Low Exercise Price Call Warrants

UBS European low exercise price Call Warrants over Shares in:

BHP Billiton Plc
Rio Tinto Plc

PDS dated 5 March 2007

IMPORTANT NOTICE

This document is a Product Disclosure Statement ("PDS") dated 5 March 2007.

Your Decision to Invest

This is an important document which should be read before making a decision to acquire Warrants. A document of this kind cannot take into account your own investment objectives, financial situation or particular needs. Accordingly, nothing in this PDS is a recommendation by UBS or UBS Securities Australia Ltd (ABN 62 008 586 481) or by any other person concerning investment in the Warrants or in any Underlying Parcel. You should not only consider the information in this PDS but also obtain independent financial and taxation advice as to the suitability of an investment in the Warrants or in the Underlying Parcel for you (bearing in mind your investment objectives, financial situation and particular needs).

Applications

This PDS is available in paper form and in electronic form from UBS' website at www.ubs.com/instalments. If you wish to invest in Warrants, you must complete and return an Application Form attached to this PDS or print, complete and return a copy of the Application Form from UBS' website. Warrants will only be issued to you upon receipt of an Application Form which was attached to this PDS or which was downloaded together with the PDS from UBS' website.

For Application Forms and instructions on how to apply, refer to **Part 2: How to Apply**. Investors should contact their adviser, stockbroker or financial planner when making an application for Warrants.

Underlying Parcel

References in this PDS to Underlying Parcel are included solely for the purposes of identification of the underlying securities to which the Warrants relate. None of the issuers of Underlying Parcel have authorised, been involved in the preparation of, or caused the issue of this PDS. The issuers of Underlying Parcel do not take any responsibility for any part of this PDS.

Restrictions on Distribution of the Product Disclosure Statement

The offer to which this PDS relates is available to persons receiving this PDS in Australia. This PDS does not constitute an offer of the Warrants or the Underlying Parcel in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and any person who resides outside Australia into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. The Warrants are not a security and have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States or to, or for the account of or benefit of, US persons. Accordingly neither this PDS nor the Application Form may be sent to persons in the United States or otherwise distributed in the United States.

Update of information

This PDS is current as at 5 March 2007. Information in this PDS is subject to change from time to time, for example:

- the Underlying Parcel may be altered in some circumstances, for example in the case of corporate actions in respect of the underlying Shares (refer to Part 3 for details); and
- UBS may increase the issue size with the consent of the ASX.

To the extent that the change is not materially prejudicial to investors, UBS may update the information by making an announcement on the ASX's company announcements platform. UBS will provide to investors, free of charge, a paper copy of updated information upon request.

ASX Booklets

The ASX publishes a number of booklets in relation to warrants. These can be downloaded in pdf format from the ASX website at www.asx.com.au. The booklets published by the ASX in respect of warrants at the date of this PDS include:

- Understanding Trading and Investment Warrants;
- Warrants – A Simple Guide; and
- Differences between options and warrants.

Electronic PDS

Investors who receive this PDS in electronic form are entitled to obtain a paper copy of this PDS (including the Application Form) free of charge by contacting the UBS Warrants desk on 1800 633 100.

Interpretation

Expressions defined for the purposes of this PDS are set out in **Part 7**

The Issuer

UBS AG, Australia Branch is an authorised foreign Authorised Deposit-Taking Institution under the *Banking Act 1959* (Cth), and is supervised by the Australian Prudential Regulation Authority. However, it is important for you to note that your investment is not a deposit product and will not be covered by the depositor protection provisions set out in Division 2 of the *Banking Act 1959* (Cth). In addition, these provisions do not apply to foreign Authorised Deposit-Taking Institutions.

PRODUCT DISCLOSURE STATEMENT (PDS) dated 5 March 2007.

**The issuer of this PDS is UBS AG, Australia Branch
(ABN 47 088 129 613)**

Australian Financial Services Licence No. 231087

**Level 16
Chifley Tower
2 Chifley Square
SYDNEY NSW 2000
SYDNEY NSW 2000**

**Level 16
2 Exhibition Street
MELBOURNE VIC 3000**

Summary

SUMMARY TABLE OF EUROPEAN LOW EXERCISE PRICE CALL WARRANTS OFFERED:

Company	Type of Warrant	Issue Size	Exercise Price (AUD)	Expiry Date	ASX Code
BHP Billiton Plc	Call	30m	\$0.01	02 March 2012	ZBHWSC
Rio Tinto Plc	Call	30m	\$0.01	02 March 2012	ZRIWSC

Note: These Warrants are **European** style and cannot be exercised prior to the Expiry Date. They will be automatically exercised at 6:00pm (London time) on the Expiry Date.

The features of warrants can vary from issue to issue and between issuers. You should ensure that you are familiar with the features of these warrants before you invest in them, and should not assume that the features are the same as any other warrants, whether issued by UBS or by another issuer.

Timetable

Offer Opens	5 March 2007
Commencement of Trading on ASX	5 March 2007
Expiry Date	2 March 2012
Offer Closes	In respect of a Series, the last Business Day before the Expiry Date for that Series.

Summary

For a summary of the UBS Warrants offered pursuant to this PDS, refer to **Part 1: Key Features**.

Enquiries

FOR GENERAL ENQUIRIES PLEASE CONTACT UBS' WARRANT DESK ON 1800 633 100 OR EMAIL US ON SH-WARRANTS@UBS.COM.



IMPORTANT NOTICE¹

Amended privacy statement – dated 12 March 2014

In relation to the following products (“Products”) and Product Disclosure Statements (“PDSs”) issued by UBS AG Australia Branch ABN 47 088 129 613, AFSL 231087, the amended privacy statement below updates the privacy notice or privacy policy summary (however described) set out in each PDS:

Product name	PDS dated
UBS European Low Exercise Price Call Warrants	5 March 2007
UBS Self Funding Instalments	2 October 2007
UBS Structured Option and Loan Facility	28 February 2008
UBS Double Level Callable Range Accrual Units - Series 7 & 8	24 June 2008
UBS Outperformance Callable Range Accrual Units - Series 7 and 8	21 July 2008
UBS Rolling Self Funding Instalments	2 February 2009
UBS PERLES+ - Series 7	27 March 2009
UBS GOALS+ - Series 1, 2 & 3	14 May 2009
UBS PERLES+ - Series 10 & 11	14 May 2009
UBS Target Units - Series 1 Australia +Income and Series 2 International +Income	30 June 2009
UBS PIP - Series 16	6 October 2009
UBS Index Participation	23 March 2010
UBS Hindsight PIP (Protected Investment Product) - Series 2 - Australian Equities	23 June 2010
UBS Capped Instalments	16 February 2011
UBS Capped Self Funding Instalments	23 May 2011
Equity Insulator Instalments	19 May 2011
UBS Capped Income Instalments	31 October 2012
Protected Geared Investments	29 June 2012

While this amendment is not considered to be materially adverse to investors, it should be taken into account when making a decision to invest under any of the PDSs.

For prospective and new investors

If you apply for the financial products described in the PDS by lodging an Application Form² with your Approved Adviser, you acknowledge and agree that:

- (a) the Issuer and your Approved Adviser collect, hold, use and disclose your Personal Information³ for the purpose of: processing your Application, issuing the financial products, managing your investment, complying with relevant laws and offering you further services, which may include using your Personal Information for marketing purposes (in which case you will be given the opportunity to request that your Personal Information not be used for future direct marketing);

¹ This notice is provided pursuant to ASIC Class Order 03/237 *Updated information in product disclosure statements* and is not information that is materially adverse to Investors in the relevant products.

² Capitalised terms in this notice have the meaning given to them in the relevant PDS unless otherwise defined in this notice

³ “Personal Information” has the meaning given in the *Privacy Act 1998* (Cth).



- (b) in addition to paragraph (a), the Issuer collects, holds, uses and discloses your Personal Information for the purpose of:
- (i) assessing whether to accept your Application;
 - (ii) preparing any documentation relevant to, and to maintain, your investment in the financial products;
 - (iii) effecting investments in the financial products in your name(s);
 - (iv) communicating with you in relation to the financial products;
 - (v) complying with legislative or regulatory requirements;
 - (vi) performing the Issuer's administrative operations;
- (c) the Issuer may disclose all or some of your Personal Information to:
- (i) related bodies corporate that might not be governed by Australian laws for the purpose of account maintenance and administration, including related bodies corporate in China, Hong Kong, India, Poland, New Zealand, Singapore, Switzerland, United Kingdom, and United States of America. Such Personal Information will be processed in accordance with applicable data protection law in such jurisdictions;
 - (ii) share registries, custodians, external contracts and service providers and certain software providers (in each case both onshore and offshore including China, Hong Kong, India, Poland, New Zealand, Singapore, Switzerland, United Kingdom, and United States of America) related to the operational management and settlement of the Units;
 - (iii) regulatory authorities such as the ASX;
 - (iv) other third parties for the purpose of account maintenance and administration or marketing research;
- (d) the Issuer may:
- (i) give your Personal Information to:
 - (A) the Issuer's agents, contractors and external advisers;
 - (B) regulatory bodies, government agencies, law enforcement bodies and courts; and
 - (C) the entities in which investments are made and/or to any agents or contractors, for the purpose of administering my/our investment or administering or enforcing the Guarantee (if applicable);
 - (ii) collecting your Personal Information from, and giving it to, your executor, administrator, trustee, guardian or attorney and your agents and representatives (including my finance broker, legal and financial adviser); and
 - (iii) provide your ABN to the Issuer and its related entities,

even if the disclosure of your Personal Information is to an entity overseas, including any jurisdiction set out in (c)(i) or (ii) above, regardless of whether or not such entity is subject to privacy obligations equivalent to those which apply to the Issuer.



If you do not provide the Personal Information the Issuer or your Approved Adviser requires, your Application may not be processed.

All Personal Information collected from you will be collected, used and stored by the Issuer in accordance with the Issuer's privacy policy, a copy of which can be made available to you on request. To obtain a copy, please contact the Issuer on 1800 633 100 or refer to the Issuer's website.

All Personal Information collected from you will be collected, used and stored by your Approved Adviser. Please contact your Approved Adviser for a copy of its privacy policy. The Issuer or your Approved Adviser and/or its associates may wish to communicate with you in the future about other investment opportunities which may be of interest to you. If you do not wish to be contacted for these purposes, please indicate so on the Application Form or contact the Issuer or your Approved Adviser (as appropriate).

You may have rights to access and correct your Personal Information, and in some circumstances make complaints regarding the use, holding or disclosure of your Personal information by the Issuer or your Approved Adviser. The privacy policy of the Issuer contains information regarding the exercise of such rights in relation to access, correction and complaints.

For product holders

The Issuer has updated its privacy policy to encompass recent reforms to the *Privacy Act 1998* (Cth). The Issuer will treat all Personal Information it has collected from you in accordance with its privacy policy dated 12 March 2014 (and as amended from time to time).

A copy of the policy can be made available to you on request. To obtain a copy, please contact the Issuer on 1800 633 100 or refer to the Issuer's website www.ubs.com/equitysolutions.

Table of Contents

Summary of the Offer

PART 1:	KEY FEATURES	4
PART 2:	HOW TO APPLY - APPLICATION FORM	9 10
PART 3:	DESCRIPTION OF UBS WARRANTS	13
PART 4:	RISK FACTORS	17
PART 5:	DESCRIPTION OF UBS	19
PART 6:	GENERAL INFORMATION	20
PART 7:	DEFINITIONS AND TERMS OF ISSUE	23
PART 8:	TAXATION SUMMARY	30
SCHEDULE 1	TERM OF ISSUE 7.3.1 – THE REGISTER	33
SCHEDULE 2	TERM OF ISSUE 7.3.3 – TRANSFER OF WARRANTS	34
SCHEDULE 3	VARIATIONS	35
SCHEDULE 4	TERM OF ISSUE 7.7.1 RESOLUTION OF HOLDERS	36
	FINANCIAL SERVICES GUIDE – UBS SECURITIES AUSTRALIA LIMITED	38
	FINANCIAL SERVICES GUIDE – UBS AG, AUSTRALIA BRANCH	42

Part 1: Key Features

Part 1 is intended to be an outline of the main features of the UBS Warrants. Investors should read the entire Product Disclosure Statement before making an investment decision.

A. Warrants at a glance

Feature	Summary	Cross Reference
Who is the issuer of this PDS and the Warrants?	This Product Disclosure Statement or PDS is issued by UBS AG, Australia Branch. The issuer of the Warrants is UBS AG, Australia Branch. UBS AG, Australia Branch's AFSL number is 231087.	Part 5
What are the benefits in investing in the Warrants?	<p>In the absence of an Extraordinary Event, Holders of each UBS Warrant will receive the Cash Settlement Amount from UBS on the Settlement Date.</p> <p>The Cash Settlement Amount is the Average Price of the Underlying Parcel less the Exercise Price, where the Average Price is calculated by reference to the volume weighted average price of the Shares traded on the London Stock Exchange during the Averaging Period, less any applicable Costs and Taxes, and converted into Australian dollars at the Exchange Rate determined by the Calculation Agent.</p> <p>Holders of each UBS Warrant on a Record Date will also receive a Distribution Amount equal to the cash dividend amount or cash return of capital amount paid on the Shares, less any applicable Costs and Taxes, converted into Australian dollars at the Exchange Rate determined by the Calculation Agent.</p> <ul style="list-style-type: none"> In case of an Extraordinary Event, Holders will receive the Termination Amount per Warrant, as determined by the Calculation Agent. 	
What stock exchange are the Companies listed on and where can I obtain information relating to the Companies?	<p>The Companies which the Warrants are over are listed on the London Stock Exchange. Information about the Companies may be obtained from:</p> <ul style="list-style-type: none"> filings lodged with ASIC and the UK Financial Services Authority on the websites of ASX (www.asx.com.au) and London Stock Exchange (www.londonstockexchange.com) through information services such as Reuters and Bloomberg; and the websites of the Companies (www.bhpbilliton.com; www.brambles.com; www.riotinto.com). 	
What are the key Terms of Issue of the Warrants?	The key Terms of Issue of the Warrants are summarised in Section B of this Part 1 and are more fully described in Part 3 of this PDS. The Terms of Issues are contained in Part 7.	Section B, Part 1 Part 3

Feature	Summary	Cross Reference
What are the risks in investing in the Warrants?	The Warrants are speculative and involve a degree of risk, including the risk of expiring worthless if the price of a Share included in the Underlying Parcel falls below the Exercise Price and the risk that UBS may be unable to fulfil its obligation to pay the Cash Settlement Amount, any Distribution Amount, Rights Amount or Termination Amount. The price of the Warrant is expected to fluctuate with changes in the AUD value of the underlying Share price, so investors will generally suffer a loss if the Share price falls or if the GBP depreciates against the AUD. There is also the risk of the Warrants being terminated early should an Extraordinary Event occur or Shares comprising the Underlying Parcel become the subject of compulsory acquisition under the law of any applicable jurisdiction.	Part 3.7 Part 3.10 Part 4
What are the fees and expenses?	Investors must pay a variable Premium to UBS on Application. The Premium for each Warrant is not specified in this PDS. The Premium on any day will reflect the Australian dollar cost to UBS of entering into hedge arrangements to acquire exposure to the Shares comprising the Underlying Parcel. This amount is determined by UBS and can be obtained by contacting the Warrant Desk on 1800 633 100.	
What commissions are payable?	UBS may pay fees to ASX Market Participants, licensed securities dealers and approved financial planners whose stamp appears on Application Forms for which UBS Warrants are subsequently issued. Investors executing trades in the secondary market will pay brokerage to their executing broker.	
What if I have a complaint?	UBS has established a complaints handling and disputes resolution process for investors.	Part 6.11
What are the taxation consequences of the Warrants?	Acquiring or dealing in Warrants may have tax implications for Investors. Investors should obtain their own advice on this matter.	Part 8
How can I obtain further information?	For general enquiries please contact UBS' Warrant Desk on 1800 633 100 or email us on sh-warrants@ubs.com.	
Are Warrants able to be traded on the ASX?	The Warrants have been admitted to trading status by the ASX and are therefore able to be traded on the ASX.	
Is there a cooling off period?	There is no cooling off period for investors in Warrants.	
Are labour standards, or environmental, social or ethical considerations taken into account when selecting the Underlying Parcels?	UBS does not take into account any of these issues in selecting the Underlying Parcels.	

B. Key Terms of Issue

Broker:	UBS Securities Australia Ltd
Registrar:	Computershare Investor Services Pty Limited
Issue:	Series of low exercise price Call Warrants over Shares in the Companies set out in the Summary Section of this PDS.
Issue Size:	Subject to Part 4.13, UBS may issue up to the number of Warrants for each Series set out in the Summary Section of this PDS. There is no minimum number of Warrants to be issued.
Minimum Application:	1,000 Warrants of a Series and thereafter in multiples of 1.
Underlying Parcel:	The Underlying Parcel for each Series is one Share, subject to adjustment in accordance with the Terms of Issue (see Term of Issue 7.4).
Cash Settlement Amount:	In the absence of an Extraordinary Event, UBS will pay to the Holder the Cash Settlement Amount per Warrant on the Settlement Date.
Rights and Dividends:	The Warrants do not confer on the Holder any entitlement to any dividends, voting or any other rights in respect of any Shares. However, UBS will pay to the Holder as at a Record Date, any applicable Distribution Amount or Rights Amount in respect of the Warrant.
Exercise of Warrants:	In the absence of an Extraordinary Event, the Warrants will be automatically be exercised at Expiry. There is no need for the Holder to give any notice for exercise of the Warrant. The Warrants are European style and may not be exercised prior to the Expiry Date.
Exercise Price:	The Exercise Price per Underlying Parcel in each Series is set out in the Summary Section of this PDS. This will be deducted from the Average Price before the Cash Settlement Amount is paid to the entitled Holder. The Exercise Prices are subject to adjustment in certain situations as set out in the Terms of Issue.
Expiry Date:	The Warrants will expire at 6 pm (London time) on the date set out in the Summary Section of this PDS.
No Certificates:	The Warrants will be held in uncertificated form pursuant to CHESS and no certificates will be issued.
Form:	The Warrants will be noted in the register of Holders maintained by the Registrar.
Transfer of Warrants:	On-market. Off-Market transfers may be arranged by agreement between the relevant parties.
Buy Back, Cancellation and Resale:	UBS may, but is not obliged to, buy back Warrants. Warrants bought back may be resold or cancelled.
Extraordinary Event:	An event causing the Warrants to lapse automatically (see Terms of Issue 7.1.5 and 7.2.3). UBS will nominate an Early Termination Date on occurrence of an Extraordinary Event affecting a Series and the Holder will receive the Termination Amount per Warrant as determined by the Calculation Agent.
Payment of Cash Settlement Amount	A Holder will receive the Cash Settlement Amount on exercise of the Warrant. The Holder is not entitled to physical delivery of the Underlying Parcel under the Terms of Issue.

Shareholding Disclosure Requirements/Takeovers:	<p>The Warrants do not confer a right to acquire the Underlying Parcel. Nonetheless, each Investor should obtain their own independent legal advice as to any implications that the acquisition or exercise of a Warrant could have for them under the Corporations Act 2001, the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Financial Services and Markets Act 2000 (UK), the Companies Act 1985 (UK) (as amended), the City Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares of the Panel on Takeovers and Mergers (UK) or the Handbook of Rules and Guidance of the Financial Services Authority (UK) or other legislation, rules and regulations, or under the constitution of a Company (see Part 3.8 and Part 3.11) to disclose an interest in any of the Companies arising from the Investor's interest in a Warrant and in respect of any applicable takeover laws.</p>
Superannuation Funds and DIY Super	<p>Superannuation entities are subject to restrictions on the type of investments that can be made.</p> <p>Furthermore, UBS Warrants are derivatives and the investor should ensure that they have sufficient liquidity to make any required payments should they wish to exercise their rights in respect of the UBS Warrants.</p> <p>Superannuation entities should obtain independent advice on the suitability of warrants as part of their overall investment strategy, and should take into account the exposure to the Underlying Parcel acquired through a warrant. No determination by the Regulators has been sought in respect of the UBS Warrants offered under this PDS.</p>
Offer Period:	<p>The offer of Warrants under this PDS is open from the date of this PDS and will close in respect of each Series at the earlier of:</p> <ul style="list-style-type: none"> (a) the issue of all the Warrants in that Series; or (b) 5:00pm Sydney time on the Business Day before the Expiry Date for that Series, <p>subject to the rights of UBS to withhold offering any or all Warrants at any time and for any period of time and to close the offer with respect to any or all Warrants on an earlier date without prior notice.</p> <p>No Warrants in a Series will be issued on the basis of this PDS later than the last Business Day before the Expiry Date for that Series.</p>
Application Form:	<p>Investors wishing to apply for Warrants must complete the Application Form attached to this PDS in accordance with the instructions on the back of that Application Form and send it together with the Premium to UBS Securities Australia Ltd.</p>
Directory:	<p>The last page of this PDS contains a full directory including names and addresses of UBS, the Registrar and UBS' auditor.</p>

Example of Warrants

An investor is considering purchasing a ZRIWSC call warrant. The warrant has an exercise price of A\$0.01 and covers one RIO share. The warrant expires on 02 March 2012.

In Feb 2007, the investor purchases 10,000 warrants on market for A\$70.00 each, paying a total cost of \$700,000 (excluding brokerage). At the time RIO Plc is trading at GBP 28.00, and the GBP/AUD exchange rate is 0.4000.

The market price of the warrant is determined by reference to the price at which UBS is able to acquire as its hedge, an exposure to RIO Plc shares, and the GBP/AUD exchange rate as determined by the Calculation Agent.

Two months later, RIO Plc has risen to GBP 30.00, the GBP/AUD exchange rate is unchanged and the warrant is trading at A\$75.00. The investor's parcel of ZRIWSC is now worth 750,000, which is an unrealised return of 7.1% on the purchase cost (from a 7.1% rise in the AUD value of RIO Plc share price).

Over the next 5 months, RIO Plc trades back down to GBP 28.00 but the GBP strengthens against the AUD and the GBP/AUD exchange rate is 0.395. The warrant is now trading at A\$70.89 and the investor's parcel is worth \$708,900. Despite the RIO Plc share price being unchanged from the original warrant purchase date, the change in the GBP/AUD exchange rate has created an unrealised profit for the holder. Conversely, if the GBP/AUD exchange rate had risen, for example to 0.42, then the holder would have suffered a loss because the warrant would likely trade at approximately A\$66.67, which is less than the original purchase price.

At expiry, assume the following daily volume weighted average prices are observed in respect of RIO Plc shares on the LSE on the five Averaging Dates:

Day 1	GBP 30.20
Day 2	GBP 31.15
Day 3	GBP 29.22
Day 4	GBP 32.84
Day 5	GBP 28.97

The arithmetic average of these daily volume weighted average prices is GBP 30.47, which is the Average Price. Assuming no Costs and Taxes and a GBP/AUD Exchange Rate of 0.4265, the Cash Settlement Amount is equal to:

$$\$30.47 \div 0.4265 - \$0.01 = A\$71.43$$

The Holder will therefore receive A\$714,300 from UBS for its parcel of 10,000 Warrants.

This issue should only be considered by Investors who are prepared to sustain a total loss of the amount invested in the Warrants.

Part 2: How to Apply - Primary Market Applicants Only

DISCLAIMER

This PDS contains important information regarding the UBS Warrants offered by UBS. Potential Investors should read the entire PDS to ensure they understand the Terms of Issue, conditions and risks involved in investing in UBS Warrants.

This document does not take into account the financial situation and particular needs of each Investor, and nothing in this PDS is a recommendation by UBS or any other person concerning investment in UBS Warrants. Investors should seek independent financial and taxation advice before making a decision whether to invest in UBS Warrants.

PRIVACY ACT NOTICE

Should you apply for UBS Warrants by lodging an application form with UBS, you acknowledge and agree that:

- (a) you are required to provide UBS with certain personal information; and
- (b) UBS may be required to transfer all or some of your personal information to:
 - (i) related bodies corporate that might not be governed by Australian laws;
 - (ii) third parties, such as share registries, custodians and certain software providers or any other third parties provided UBS has your prior written consent; and
 - (iii) regulatory authorities such as the ASX.
- (c) UBS may transfer all or some of your personal information to a person whom UBS believes, on reasonable grounds, to be your financial adviser, broker or other financial intermediary.

All personal information collected from you will be collected, used and stored by UBS in accordance with the UBS Privacy Policy, a copy of which can be made available to you on request.

You acknowledge that UBS may also use your personal information for marketing purposes.

Application Form

Broker/Financial Planner Stamp

Application for low exercise price Call Warrants

Application Forms must be completed in accordance with the Instructions on the back of this form.

**To: UBS Securities Australia Ltd
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000**

The PDS contains important information about investing in Warrants which you are advised to read before completing this Application Form. UBS will send you paper copies of the PDS (including any supplementary PDS) and this Application Form on request and without charge.

I/We* agree to accept the Warrants on the conditions set out in the PDS to which this Application Form is attached. In particular, I/we* acknowledge that I/we* received and read a complete copy/print-out of the PDS accompanied by this Application Form before I/we* completed this Application Form. Terms used in this notice have the same meaning as in the Terms of Issue unless otherwise indicated.

I/We* have full legal capacity and power to apply for the Warrants and carry out the transactions that the Warrants contemplate; and I/We* have taken all actions that are necessary or desirable to apply for the Warrants and carry out the transactions that this document contemplates.

Relating to the issue by UBS of Warrants, the Terms of Issue of which are specified in Part 7 of the PDS issued by UBS dated 5 March 2007, I/we* hereby apply for the following Warrants:

Name of Applicant (if a company, provide full name and ACN/ABN):

Address:

Number and Street

Suburb, City or Town

State

Postcode

Details of Warrants applied for:		Details provided by UBS by telephone	
Warrant Code	Number of Warrants applied for:	Application Number	Premium
ZBHWSC			
ZRIWSC			

CHESS Details (if currently a holder of CHESS securities):

PID: _____ HIN: _____

ONLY PERSONS WITHIN AUSTRALIA MAY USE THE APPLICATION FORM ATTACHED TO THIS PDS TO APPLY FOR WARRANTS.

DATED the _____ day of _____ 2007.

If the Applicant is an individual
Signed by the Applicant:

Applicant's Signature

Applicant's Name

If the Applicant is a company
Executed by:

Signature of Director

Name of Director
(If sole director and secretary, print "Sole Director and Secretary")

Name of Company

Signature of Director/Secretary

Name of Director/Secretary
(If sole director and secretary, print "Sole Director and Secretary")

Instructions for Applicants

Applications for Warrants can only be made by completing and lodging an Application Form attached to this PDS.

- Application Forms must not be distributed (whether electronic or otherwise) by any person to any other person unless accompanied by or attached to a complete and unaltered copy of this PDS.
- A free copy of the non-electronic PDS is available from UBS upon request.
- The number of Warrants which may be applied for must not be less than 1,000 and thereafter in multiples of 1.
- Applicants must pay the variable Premium to UBS on application. The amount of the current Premium can be obtained by contacting the Warrant Desk on 1800 633 100. If a decision is made to apply, the Investor will be given a discrete Application Number which must be inserted in the Investor's Application Form. The Premium is payable once the Application Number has been given.
- Where the applicant is a trustee, the Application Form must be completed in the name of the trustee and signed by the trustee without reference to the trust.
- Joint applications must be signed by all applicants.
- Where this Application Form is executed by a company, it must be executed in accordance with section 127 of the Corporations Act 2001 or under a power of attorney. Section 127 of the Corporations Act 2001 allows a company to execute a document without using a common seal if the document is signed by two directors, a director and company secretary or (if applicable) the sole director who is also the company secretary. If this Application Form is signed under a power of attorney, the attorney hereby certifies that it has not received notice of revocation of that power of attorney. A certified copy of the power of attorney must be attached to this Application Form.
- Completed Application Forms should be sent, together with the Premium, to UBS Securities Australia Ltd at Level 25, Governor Phillip Tower, 1 Farrer Place, Sydney.
- Cheques should be made payable to UBS AG, Australia Branch and crossed "Not Negotiable".
- An applicant who is already sponsored by a participant in CHESSE may give the PID of the relevant CHESSE participant and the applicant's HIN or forward a signed Application Form to the applicant's sponsoring participant for completion prior to sending to UBS Securities. If no CHESSE details are completed on the Application Form, the applicant will, if the Application is accepted, be registered on the Issuer Sponsored Sub-register.
- Applications will not be effective until the proceeds of all cheques have been cleared.
- Applications for Warrants will be received by UBS Securities at any time on or after the date of the PDS up until the last Business Day before the Expiry Date for that Series, subject to the right of UBS to close the offer at an earlier date without prior notice. Applications will not be accepted after that date.

UBS reserves the right to refuse any application in whole or part without giving any reason. To the extent that an application is rejected the monies received will be refunded to the applicant (without interest).

Part 3: Description of UBS Warrants

3.1 GENERAL

Investors should note that the information contained in this Part of the PDS is, and is only intended to be, a brief description. Holders' rights and obligations are governed by the Terms of Issue (see Part 7) and the general law and if there is any conflict between the information set out in this part of the PDS and the Terms of Issue, the Terms of Issue shall prevail.

3.2 INTRODUCTION

The Warrants are a product offered by UBS to enable Investors to acquire an exposure to the AUD value of the underlying Shares.

At Expiry, a Holder of a Warrant is entitled to receive the Cash Settlement Amount on the Settlement Date. A Holder as at a Record Date is also entitled to receive any applicable Distribution Amount or Rights Amount in respect of a Warrant.

3.3 EXERCISE

In the absence of an early termination following an Extraordinary Event, the Warrants will be automatically exercised at expiry. The person who is or who becomes the registered Holder as at the Closing Time on the Expiry Date is entitled to receive the Cash Settlement Amount from UBS on the Settlement Date. The warrants are European style and may not be exercised prior to the Expiry Date.

Trading in Warrants may continue until 4:05pm (Sydney time) on the Expiry Date of the relevant Series with the effect that an Investor may not be registered as a Holder as at the Closing Time on the Expiry Date. To take account of this, the Terms of Issue allow a person who claims to be entitled to be registered as the Holder of a Warrant as at the Closing Time on the Expiry Date, to be entitled to receive the Cash Settlement Amount provided that:

- (a) the person concerned is registered as the Holder within three (3) Business Days after the Expiry Date;
- (b) to the knowledge, or in the reasonable opinion, of UBS, no other person has become registered as the Holder later in time prior to the Closing Time on the Exercise Date, than the person who claims to be the registered Holder at Expiry; and
- (c) the Warrant has not lapsed.

The Cash Settlement Amount per Warrant is determined by the Calculation Agent as the Average Price of the Underlying Parcel net of any applicable Costs and Taxes, converted into Australian Dollars at the Exchange Rate, less the Exercise Price.

3.4 EXERCISE AND REGISTRATION PROCEDURES

Investors should note that the Cash Settlement Amount and Termination Amount will only be payable under the Terms of Issue to the person who becomes the Holder no later than the third Business Day after the Expiry Date or Early Termination Date (respectively). Investors who acquire Warrants should ensure that their broker makes appropriate arrangements to ensure the registration of

their holding by the relevant time, having regard to the requirements of CHESS.

3.5 EXPIRY DATE

The Warrants in each Series will expire on the dates listed for those Series in the Summary Section of this PDS. Warrants will be automatically exercised at the Closing Time on the Expiry Date.

Investors should note that Warrants will lapse if there is an Extraordinary Event or if compulsory acquisition procedures are commenced in respect of any of the Shares.

3.6 EXERCISE OF DISCRETION BY UBS

Investors should note that a number of provisions of the Terms of Issue confer discretions on UBS which could affect the value of the Warrants. These include the powers to nominate Extraordinary Events (see below and Term of Issue 7.1.5), to determine whether rights offered have value (see Term of Issue 7.4.5) and to vary the adjustments contemplated in Term of Issue 7.4.

Holdings do not have the power to direct UBS concerning the exercise of any discretion. However, in relation to many of the discretions, UBS may only exercise those discretions with the consent of ASX. Also, UBS must notify ASX of the occurrence of an Extraordinary Event.

3.7 EXTRAORDINARY EVENTS

If an Extraordinary Event in respect of a Series is nominated by UBS (and the nomination has become effective), the Warrants in respect of that Series will automatically lapse. An event may be nominated by UBS with the consent of ASX as an Extraordinary Event if it is, or results in, delisting, removal from quotation, withdrawal of trading status or suspension of the Shares or Warrants or the Shares ceasing to be CHESS Approved Securities (see Terms of Issue 7.1.5, 7.1.6 and 7.1.7 for a complete explanation of the steps involved).

The Warrants will also automatically lapse if compulsory acquisition procedures under the law of any applicable jurisdiction are commenced in respect of any of the Shares.

In any of these cases, the Holder will receive the Termination Amount per Warrant from UBS.

3.8 LEGISLATION REGULATING DISCLOSURE BY SUBSTANTIAL SHAREHOLDERS AND TAKEOVERS: ASSOCIATIONS ARISING AS A RESULT OF WARRANT TRADING

The acquisition, disposal and exercise of a Warrant should not have implications for Holders under Chapter 6 of the Corporations Act 2001 because the Companies are listed on the London Stock Exchange and not the ASX and in any event the Holder does not have any interest in the Underlying Parcel nor any right to call for physical delivery of the Underlying Parcel. The acquisition, disposal and exercise of a Warrant should not have implications for Holders under the Financial Services and Markets Act 2000 (UK), the Companies Act 1985 (UK) (as amended), the City Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares of the Panel on Takeovers and Mergers (UK) or the Handbook of Rules and Guidance of the Financial Services Authority as the

Holder does not have any interest in the Underlying Parcel nor any right to call for physical delivery of the Underlying Parcel. Holders should, however, obtain their own independent legal advice on the obligations they may have under the above legislation and rules, taking into account their specific circumstances.

3.9 MERGER EVENTS

UBS may nominate an Early Termination Date for a Series in case of a Merger Event. A Merger Event occurs in respect of a Company if there is a transfer or agreement to transfer all of the Company's Shares to another entity or person, for cash or shares or other consideration, or there is a reorganisation of capital involving a merger or amalgamation of the Shares with securities of another entity, or there is a takeover or tender offer made for in excess of 10% of the voting Shares in that Company, or there is a proposed or actual collapse of the ASX and LSE dual listed structure for the Company.

Warrants will lapse on the Early Termination Date and UBS will pay the entitled Holder the Termination Amount per Warrant on the sixth Business Day after the Early Termination Date.

3.10 LAPSE OF WARRANT ON COMPULSORY ACQUISITIONS

Warrants will lapse if compulsory acquisition procedures under the law of any applicable jurisdiction, such as pursuant to a takeover bid or under a scheme of arrangement or reduction of capital, are initiated in respect of the Shares. Warrants may also lapse where the Shares or the Warrants are suspended or delisted and this is nominated as an Extraordinary Event by UBS with the consent of ASX (see Terms of Issue 7.1.5, 7.1.6, 7.1.7 and 7.2.3).

If the Warrant lapses for any of the above reasons, Holders will be entitled to receive the Termination Amount referred to in Terms of Issue 7.1.5 and 7.2.3.

3.11 OWNERSHIP RESTRICTIONS

The Warrants do not confer any right to acquire or to take physical delivery of the underlying Shares. As such, the acquisition and exercise of UBS Warrants should not have implications for Holders under the Corporations Act 2001 (Cth), Foreign Acquisitions and Takeovers Act 1975 (Cth), under the constitutions of the specific Companies or under the Financial Services and Markets Act 2000 (UK), the Companies Act 1985 (UK) (as amended), the City Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares of the Panel on Takeovers and Mergers (UK) or the Handbook of Rules and Guidance of the Financial Services Authority.

However, potential investors and Holders should obtain independent legal advice applicable to their particular circumstances in relation to all aspects of their proposed investment in Warrants including, but not limited to, the possible effects of the above legislation and rules.

3.12 SUSPENSION, DISCONTINUANCE OR MODIFICATION OF UNDERLYING PARCELS

Except where it constitutes an Extraordinary Event, delisting, removal from quotation, withdrawal of trading status or suspension of Shares will not affect the validity of Warrants, or in any way detract from the obligations of UBS under Warrants, unless Warrants themselves

consequently are delisted, have their Trading Status withdrawn or are suspended.

The cancellation of any Shares or the modification of their rights may, in certain circumstances, lead to a change in the Underlying Parcel or an adjustment to the Exercise Price. Otherwise, except where UBS nominates it as an Extraordinary Event, the cancellation of the Shares or the modification of their rights will not affect the validity of a Warrant or in any way detract from the obligations of UBS.

3.13 SUSPENSION OF WARRANT TRADING

Trading on the ASX of Warrants may be halted or suspended by ASX. This may occur whenever ASX deems such action appropriate in the interests of maintaining a fair and orderly market in Warrants or otherwise deems such action advisable in the public interest or to protect Investors.

Matters that may also be considered include circumstances where ASX has been advised that the Company is about to make an important announcement, or trading in the Shares has been halted or suspended, or any unusual conditions or circumstances are present or UBS becomes unable or unwilling or fails to comply with the ASX Market Rules or if ASX in its absolute discretion thinks fit.

The withdrawal of admission to Trading Status or suspension of the Warrants may, in UBS' discretion (with the consent of ASX), cause the Warrants to lapse.

3.14 DELISTING OF A COMPANY

Except to the extent that it constitutes an Extraordinary Event (in which case the Warrants will lapse), the removal of a Company from the official list of LSE will not affect the validity of Warrants or in any way detract from the obligations of UBS under Warrants. However, Warrants themselves may have Trading Status withdrawn by ASX in such circumstances. If the Underlying Parcels become worthless or a Company is wound up or ceases to exist, it is likely that the Warrants will cease to have any value.

3.15 TRANSFERS

Transfers of Warrants will be effected on market through the parties' brokers in accordance with the Corporations Act 2001, the ASX Market Rules, the ASTC Settlement Rules and the Terms of Issue.

3.16 POTENTIAL CONFLICTS OF INTEREST

Investors should note that options traders in UBS and its related bodies corporate may buy Warrants and/or exchange traded options in Shares as principals. UBS or its relevant related body corporate as principal will be conducting transactions in the Companies' securities, including Warrants and Shares. UBS Securities Australia Ltd may conduct such transactions as agent for UBS or its related bodies corporate, as well as for other principals.

3.17 VOTING RIGHTS

The issue of any Warrant or the holding of a Warrant does not entitle the Holder to any voting rights attached to any Shares.

3.18 TREATMENT OF RIGHTS, CAPITAL RETURNS, BONUS ISSUES, DIVIDENDS AND RECONSTRUCTION OF CAPITAL

Warrants do not entitle a Holder to dividends, rights, capital returns, bonus issues or other distributions in respect of any Share or to participate in offers made in respect of Shares.

However, Holders as at a dividend record date or cash return of capital record date will receive a Distribution Amount that is equal to the cash dividend or cash return of capital paid on Shares comprising an Underlying Parcel, converted into AUD at the Exchange Rate, less any applicable Costs and Taxes. Holders as at a rights offer record date will also receive a Rights Amount that is equal to the Rights Value determined by the Calculation Agent, less any applicable Costs and Taxes and converted into AUD at the Exchange Rate.

In case of a bonus share issue or a reconstruction of capital, the description of the Underlying Parcel may be adjusted by the Calculation Agent.

3.19 UBS' OBLIGATIONS

UBS will seek to ensure that it will meet its obligation to pay the Cash Settlement Amount, any Distribution Amount and any Rights Amount by a combination of physical, derivative and synthetic hedging products to the extent UBS considers necessary.

Under the ASX Market Rules, UBS will be reporting to ASX quarterly, as to the number of Warrants bought back or exercised during the quarter and the number of Warrants outstanding at the time of making the report.

If UBS does not comply with its obligation to pay the Cash Settlement Amount, the amount outstanding will accrue interest at the Default Rate from the Settlement Date, and Holders may pursue all available remedies against UBS.

3.20 PAYMENT DATES

UBS must pay the following amounts to the entitled Holder on or by the following dates:

- a) the Cash Settlement Amount – on the Settlement Date;
- b) a Distribution Amount – on the Distribution Amount Payment Date;
- c) a Rights Amount – by latest the Rights Amount Payment Date.

3.21 VARIATION OF TERMS OF ISSUE

UBS may change the Terms of Issue in some circumstances including:

- (a) where the Change is approved by a resolution of Holders in accordance with Schedule 4 to the Terms of Issue;
- (b) where, in UBS' opinion and with the consent of ASX, the Change is necessary or desirable to comply with legal or statutory requirements or ASX requirements;
- (c) with the consent of ASX if the Change relates to Schedule 2 to the Terms of Issue and permits the transfer by an alternative method;
- (d) where, in UBS' opinion, the Change is necessary or desirable to correct a manifest error and does

not, in UBS' opinion, materially prejudice the interests of Holders and ASX consents to that Change; or

- (e) where in UBS' opinion, the Change does not materially prejudice the interests of Holders and ASX consents to that Change.

The requirements for a resolution of Holders are set out in Schedule 4 to the Terms of Issue and include:

- (a) notice to Holders by UBS of the Change;
- (b) a document setting out reasons for and any advantages or disadvantages of the Change; and
- (c) a ballot paper allowing the Holder to vote for or against the Change,

and at least three (3) times as many votes in favour of the Change as are cast against it (by Holders who validly cast votes), with voting on the basis of one vote per Warrant (see Schedule 4 to the Terms of Issue).

The votes will be validated and checked by UBS' auditors. Each Holder will have one vote for each Warrant held. The voting period may not be less than twenty (20) Business Days from despatch of the last notice of proposed change to a Holder. No ballot can be requisitioned by Holders.

Where the Warrants are held by UBS or its associate as trustee or nominee for a Holder, UBS or its associate will only cast a vote in respect of each Warrant so held, in the manner directed by the beneficial owner.

3.22 COPY OF TERMS OF ISSUE

The Terms of Issue (incorporating any Changes) can be inspected at UBS' office at Level 25, Governor Phillip Tower, 1 Farrer Place, Sydney and Level 8, 530 Collins Street, Melbourne. Copies are available for \$10.00.

3.23 TELEPHONE RECORDING

Investors agree to the Terms of Issue including the tape recording by UBS, for retention and use as evidence, of any telephone conversations concerning the Warrants (see Term of Issue 7.7.3).

3.24 REGISTER

UBS will arrange (at its own cost) for a register of Holders to be established and maintained at the offices of the Registrar. The Register will be open during business hours for inspection by any Holder or any officer or member of the Company.

The Registrar does not cause or authorise the issue of the PDS and the Registrar was not involved in the preparation of the PDS or any part of it, except for the references in the PDS to its name.

As the Warrants will be CHES Approved Securities, a CHES and an Issuer Sponsored Subregister of holdings will be maintained (see Part 6.5).

3.25 INCOME TAX CONSIDERATIONS

Depending upon their own circumstances, the acquisition, dealing in and exercise of Warrants could have income tax or capital gains tax implications for Holders. Investors should therefore seek advice from their taxation advisers as to the ramifications of this type of investment.

This PDS is of a general nature only and should not be regarded as constituting legal or taxation advice.

3.26 GOODS AND SERVICES TAX AND WITHHOLDING TAX

The A New Tax System (Goods and Services Tax) Act 1999 and related legislation imposes a goods and services tax ("GST") on "taxable supplies".

The issue of a Warrant, transfer of a Warrant, payment of the Cash Settlement Amount, Termination Amount, Distribution Amount or Rights Amount will not, under current GST laws, be a "taxable supply" and thus will not be subject to GST. However, if GST becomes payable on the issue of a Warrant, or on the any other taxable supplies made by UBS to Holders, then UBS, to comply with its obligations under the GST laws, will charge an additional amount equal to the GST to the Holder.

If withholding taxes or other local taxes are paid or are payable by UBS in respect of its hedge positions held to cover its obligations under the Warrants, then UBS is entitled to deduct the amount from any payments due to the Holder as part of the definition of "Costs and Taxes".

3.27 MONEY RECEIVED ON TRUST

If UBS holds money in an account on behalf of a Holder in accordance with section 981B of the Corporations Act, UBS will be entitled to retain any interest payable on the account.

Part 4: Risk Factors

4.1 GENERAL

Investors should note that investment in the Warrants is speculative and that the Warrants may become significantly less valuable upon expiration or may, in certain circumstances, automatically lapse. This means that Holders may either lose money or sustain a total loss on their investment. A document of this kind cannot take into account each Investor's investment objectives, financial situation and needs. Accordingly, nothing in this PDS is a recommendation by UBS or UBS Securities or any other person of the Warrants, the Companies or any other security. Investors should reach an investment decision only after carefully considering, with their advisers, the suitability of the Warrants in light of their particular circumstances.

4.2 ABILITY OF UBS TO FULFIL ITS OBLIGATIONS UNDER THE TERMS OF ISSUE

The value of the Warrants depends, among other things, upon the ability of UBS to fulfil its obligations under the Terms of Issue to pay the Cash Settlement Amount, any Distribution Amount and any Rights Amount.

Investors must make their own assessment of the ability of UBS to meet its obligations (in particular see Part 5).

4.3 NO GUARANTEE

The capacity of UBS to settle all outstanding Warrants is not guaranteed by the ASX, the National Guarantee Fund (see Part 6.6) or the Australian Clearing House Pty Limited or any other body.

4.4 ENTITLEMENTS AND REGISTRATION PROCEDURES

Investors should note that the entitlement to receive the Cash Settlement Amount, any Distribution Amount and any Rights Amount accrue only to the registered Holder as at the Closing Time on the Expiry Date and relevant Record Date (as applicable). As such, investors should ensure that their broker makes appropriate arrangements to ensure that the Investor becomes registered as the Holder within the required time.

4.5 PRICE OF UNDERLYING PARCEL AND IMPACT OF EXCHANGE RATE CHANGES

At the Expiry Date, the Warrants may be of significantly less value if the market price of the Shares comprising the Underlying Parcels falls or may be of no value if the market price of the Shares comprising the Underlying Parcels falls below the Exercise Price.

As the Cash Settlement Amount is calculated by reference to the arithmetic average of the daily volume weighted average of the price of Shares on the LSE during the Averaging Period, Investors should note that the averaging calculation means the Holder may not receive the full benefit of an increase in price of the Underlying Parcel from the purchase date to the Expiry Date.

Furthermore, the Holder is exposed to changes in the GBP/AUD exchange rate because all payments made by UBS to the Holder are calculated in GBP but are then converted and paid in AUD based on the Exchange Rate determined by the Calculation Agent. An appreciation of the GBP against the AUD will therefore increase the amount payable to the Holder all else being equal. Conversely, the AUD amount receivable by a Holder will decrease if the GBP weakens against the AUD.

4.6 LAPSE OR EARLY TERMINATION OF WARRANTS BEFORE EXPIRY

Pursuant to Term of Issue 7.2.3, UBS may nominate an Early Termination Date in case of an Extraordinary Event, and a Warrant will automatically lapse on the Early Termination Date. An Extraordinary Event may include a Market Disruption Event, such as a Hedging Disruption when UBS or its affiliates are not able to establish, maintain or unwind its hedges in relation to the Warrants, or a Change in Law event where it becomes illegal for UBS or its affiliates to maintain a hedge for the Warrants or UBS or its affiliates are exposed to materially increased costs or taxes in relation to the performance of UBS' obligations under this PDS.

4.7 FACTORS AFFECTING THE VALUE OF WARRANTS

The trading value of a Warrant is expected to be dependent on and correlated with the AUD value of the underlying Share price. Furthermore, the value of the Warrant will change with changes in the GBP/AUD exchange rate – all else being equal, any depreciation of the GBP against the AUD will result in a decrease in the price of the Warrant. This means that the general risks applicable to the currency market and to the equity markets on which the Shares are traded will also impact upon the value of Warrants. These include changes in supply and demand for GBP and AUD, changes in equity indices, the strength of the Australian and world economies, investor perceptions, government policy and laws affecting the price and trading of options.

The fact that Warrants may become significantly less valuable during their currency and in certain circumstances automatically lapse or expire worthless, means that the Holder may lose any or all of the amount invested in the Warrants.

The quantum of Distribution Amounts and Rights Amounts payable to Holders will also affect the value of Warrants. These amounts are paid net of Costs and Taxes, such as withholding tax on Share dividends, so the value of Warrants may fall if there is an imposition of new or additional taxes in respect of distributions and returns on Shares.

4.8 POSSIBLE ILLIQUIDITY OF TRADING MARKET

Investors should note that at present there is no accurate indication as to how the Warrants will trade on the ASX and as to whether the market will be liquid or illiquid.

4.9 EXERCISE OF DISCRETION BY UBS

Investors should also note that a number of provisions of the Terms of Issue confer discretions on UBS which could affect the value of the Warrants. These include the powers to nominate Extraordinary Events (see Term of Issue 7.1.5), to determine whether rights offered have value (see Term of Issue 7.4.5) and to vary the adjustments contemplated in Term of Issue 7.4 (see Term of Issue 7.4.7).

Holders do not have the power to direct UBS concerning the exercise of any discretion (see Term of Issue 7.7.6). However, in relation to many of the discretions, UBS may only exercise those discretions with the consent of ASX.

4.10 SUSPENSION OF WARRANTS TRADING

Trading of the Warrants on the ASX may be halted or suspended when ASX deems that action appropriate in the interests of maintaining a fair and orderly market in those Warrants or the relevant Shares or it deems the action otherwise advisable in the public interest or to protect investors.

4.11 CHANGE TO TERMS OF ISSUE

UBS may change the Terms of Issue in some circumstances including:

- (a) where the Change is approved by a resolution of Holders in accordance with Schedule 4 to the Terms of Issue; or
- (b) where, in UBS' opinion and with the consent of ASX, the Change is necessary or desirable to comply with legal or statutory requirements or ASX requirements; or
- (c) with the consent of ASX if the Change relates to Schedule 2 of the Terms of Issue and permits the transfer by an alternative method;
- (d) where, in UBS' opinion, the Change is necessary or desirable to correct a manifest error and does not, in UBS' opinion, materially prejudice the interests of Holders and ASX consents to that Change; or
- (e) where in UBS' opinion, the Change does not materially prejudice the interests of Holders and ASX consents to that Change.

The requirements for a resolution of Holders are set out in Schedule 4 to the Terms of Issue and include:

- (a) notice to Holders by UBS of the Change;
- (b) a document setting out reasons for and any advantages or disadvantages of the Change; and
- (c) a ballot paper allowing the Holder to vote for or against the Change,

and at least three (3) times as many votes in favour of the Change as are cast against it (by Holders who validly cast votes), with voting on the basis of one vote per Warrant.

UBS will, if required by the ASX Market Rules, notify ASX of any Changes to the Terms of Issue.

4.12 CHANGES TO ISSUE SIZE

UBS reserves the right to issue further Warrants in each Series without the consent of Holders, subject to making a further application to ASX on the basis that any new Warrants will be issued on terms identical to those applying to existing Warrants in that Series and will trade on the same basis under the same ASX code as those existing Warrants.

Part 5: Description of UBS

The information set out below is intended to be a brief summary only of UBS. Investors must make their own assessment of the ability of UBS to meet its obligations in relation to the UBS Warrants. Nothing in this PDS is, or may be relied upon as, a representation as to any future event or a promise as to the future.

UBS AG was formed on 29 June 1998 from the merger of Swiss Bank Corporation and Union Bank of Switzerland. UBS AG is the largest Swiss bank and one of the strongest financial institutions in the world. Securities in UBS AG are listed on the New York, Zurich and Tokyo Stock Exchanges.

UBS AG established its Australian Branch on 1 January 2004. UBS AG, Australia Branch is an Authorised Deposit-Taking Institution under section 9 of the *Banking Act 1959* (Cth). It is therefore regulated by the Australian Prudential Regulation Authority. However, it is important for you to note that your investment is not a deposit product and will not be covered by the depositor protection provisions set out in Division 2 of the *Banking Act 1959* (Cth), as these provisions do not apply to foreign Authorised Deposit-Taking Institutions.

UBS will provide a copy, free of charge, of any of the following documents to any person who requests such copies during the life of this PDS, by contacting the Warrants Operations Team on +61 2 9324 2606:

- the latest available annual financial report of UBS; and
- the latest available half-yearly financial report of UBS.

UBS' latest available annual and half-yearly financial reports can also be downloaded from www.ubs.com.

Part 6: General Information

6.1 PREPARATION OF THIS PDS

Information in this PDS in respect of the Underlying Shares has been prepared by UBS from publicly available information only and has not been independently verified.

UBS does not accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Investors should make their own enquiries.

Investors should also note that no person is authorised by UBS to give any information to Investors or to make any representation not contained in this PDS.

Nothing contained in this PDS is to be relied upon as implying that there has been no change in the affairs of a Company or UBS since the dates as at which information is given in this document. No representation as to future performance, assets or dividends of a Company are made in this PDS or in any offer or invitation to subscribe for, sell or issue the UBS Warrants.

6.2 ADMISSION TO TRADING STATUS ON ASX

Application has been made and approval has been granted for the UBS Warrants offered by this PDS to be admitted to trading status by ASX.

The fact that ASX admits the UBS Warrants to trading status is not to be taken in any way as an indication of the merits of UBS or of the UBS Warrants now offered for subscription. ASX does not warrant the accuracy or truth of the content of this PDS including any expert's report which it may contain.

In admitting the UBS Warrant to trading status, ASX has not authorised or caused the issue of this PDS and is not in any way a party to or concerned in authorising or causing the issue of this PDS or the making of offers or invitations with respect to the UBS Warrants. ASX takes no responsibility for the contents of this PDS. ASX makes no representation as to whether this PDS, or the UBS Warrants comply with the Corporations Act or the ASX Market Rules.

To the extent permitted by the Australian Securities and Investments Commission Act 2001, the Trade Practices Act 1974 or any other relevant law, ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by Holders or any other person, whether that claim arises wholly or substantially out of:

- (a) reliance on any information contained in this PDS; or
- (b) any error in, or omission from, this PDS.

6.3 OBLIGATIONS OF UBS

UBS Warrants will constitute direct unconditional obligations of UBS. The obligations are unsecured contractual obligations which will rank equally with other unsecured contractual obligations and unsecured debt. Information in relation to UBS is set out in Part 5.

At present, UBS does not intend to buy back UBS Warrants that have been issued. However, UBS reserves the right to do so. UBS also reserves the right to resell any UBS Warrants bought back after the initial issue using its nominee.

UBS may cancel at its option UBS Warrants bought back. UBS Warrants will be cancelled when the Registrar receives a notice of cancellation from UBS.

UBS will accept receipt of Applications at any time from the date of this PDS and up until the end of the offer period for UBS Warrants, subject to the right of UBS to close the offer at an earlier date without prior notice. UBS will not accept Applications after the maximum subscription has been reached and will not be reserving a portion of the issue for any nominated subscribers. To facilitate any market making activities in relation to the UBS Warrants, UBS Securities Australia Ltd ("UBS Securities") intends to apply for a sufficient number of UBS Warrants for itself or on behalf of UBS (or a nominee on behalf of either of them).

UBS Securities reserves the right to apply for all or any of the remaining UBS Warrants (in its name or in the name of a nominee) if the total number of UBS Warrants applied for by Investors and by UBS Securities or its nominee for market making purposes is less than the issue size.

6.4 WARRANTS

The Holder has the right to receive the Cash Settlement Amount from UBS on the Settlement Date.

The Underlying Parcel may be varied in certain circumstances in accordance with Term of Issue 7.4.

The Warrants will constitute direct obligations of UBS. The obligations are unsecured contractual obligations which will rank equally with other unsecured contractual obligations and unsecured debt. UBS intends to hedge its obligations to pay the Cash Settlement Amount, any Distribution Amount and any Rights Amount by either buying and holding the underlying Shares or entering into derivative transactions to acquire an exposure to those Shares. However, UBS is under no obligation to hedge in this manner, and UBS makes no assurance that it will do so. Information in relation to UBS is set out in Part 5.

At present, UBS does not intend to buy back Warrants that have been issued. However, UBS reserves the right to buy back Warrants in the name of UBS or in the name of a nominee of UBS. UBS also reserves the right to resell any Warrants bought back after the initial issue.

UBS may cancel at its option Warrants bought back. Warrants will be cancelled when the Registrar receives a notice of cancellation from UBS.

No Warrants in a Series will be issued on the basis of this PDS before the date of this PDS or later than the last Business Day before the Expiry Date for that Series.

UBS will accept receipt of applications for Warrants in a Series on and from the date of this PDS until the last Business Day before the Expiry Date for that Series,

subject in all cases to the right of UBS to close the offer at an earlier date without prior notice. UBS will not accept applications in relation to the Series after the issue of all Warrants in that Series and will not be reserving a portion of the issue for any nominated Investors. To facilitate any market making activities in relation to the Warrants, UBS Securities Australia Ltd ("UBS Securities") intends to apply for a sufficient number of Warrants for itself or on behalf of UBS (or a nominee on behalf of itself or UBS).

UBS Securities reserves the right to apply for all or any of the remaining Warrants of the Series (in its name or in the name of a nominee) at a nominal Premium if the aggregate number of Warrants of the Series applied for by Investors and by UBS Securities or its nominee for market making purposes is less than the total number of Warrants of the Series.

Investors should note that the issue of Warrants does not include the transfer of any voting rights attached to an Underlying Parcel. See "Voting Rights" at Part 3.17.

The acquisition or exercise of a Warrant may have implications for the Holder under the Corporations Act 2001 in particular, Chapter 6 of the Corporations Act 2001, the Foreign Acquisitions and Takeovers Act, the Financial Services and Markets Act 2000 (UK), the Companies Act 1985 (UK) (as amended), the City Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares of the Panel on Takeovers and Mergers (UK), the Handbook of Rules and Guidance of the Financial Services Authority or other legislation, regulations and rules or under the constitution of a Company (see Part 3.8).

Investors must make their own assessment of the ability of UBS to meet its obligations in relation to the Warrants and nothing in this PDS is, or may be relied upon as, a representation as to any future event or a promise as to the future.

6.5 CLEARING HOUSE ELECTRONIC SUBREGISTER SYSTEM ("CHESS")

The UBS Warrants will be CHESS Approved Securities in accordance with the ASX Market Rules and the ASTC Settlement Rules. In addition to the CHESS subregister, an electronic Issuer Sponsored Subregister will be maintained. These two subregisters together will provide UBS' principal register of holdings.

Under CHESS, on issue of UBS Warrants, instead of certificates, Holders will be provided with a holding statement (similar to a bank statement) which sets out the number of UBS Warrants issued (or subsequently transferred) to each Holder. The holding statement will also advise the Holder of the HIN in the case of a CHESS holding or the SRN in the case of an Issuer Sponsored Subregister holding. A holding statement will be provided to Holders after the end of any month during which there has been a change in the balance of the holding.

An Applicant will need to be either a participant in CHESS or be sponsored by a participant in CHESS in order to hold UBS Warrants on the CHESS subregister.

UBS Warrants not held on the CHESS subregister will be entered on to the Issuer Sponsored Subregister.

Ownership of UBS Warrants can be transferred without paper documentation due to the electronic nature of the CHESS environment.

By virtue of ASIC Class Order 02/312, UBS Warrants are "Division 4 financial products" in relation to the CS facility operated by ASX Settlement & Transfer Corporation Pty Ltd. This enables the UBS Warrants to be transferred through CHESS under the regulations made for the purposes of Div 4 of Pt 7.11 of the Corporations Act and with the benefit of the statutory warranties and indemnities contained in those regulations.

6.6 NATIONAL GUARANTEE FUND – NOT A GUARANTOR IN ALL CASES

Claims against the National Guarantee Fund may only be made in respect of secondary trading in UBS Warrants between ASX Market Participants. Such claims can in no way relate to the primary issue of UBS Warrants by UBS, an off market transfer of UBS Warrants or settlement obligations of UBS arising from the exercise or expiry of a UBS Warrant.

6.7 OVERSEAS DISTRIBUTION

This PDS is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make an offer or invitation in relation to the UBS Warrants. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed. Therefore, persons into whose possession this PDS comes, should seek advice on any applicable restrictions and observe those restrictions. Failure to comply with those restrictions may violate those laws. UBS Warrants have not been, and will not be, registered under the Securities Act 1933 (United States of America) and must not be offered or sold in the United States of America, or to persons of the United States of America.

6.8 BROKER

UBS Securities as Broker to the issue may receive a discount, commission or fee from UBS in respect of UBS Warrants placed by UBS Securities. UBS may pay fees to ASX Market Participants, licensed securities dealers and approved financial planners whose stamp appears on Application Forms for which UBS Warrants are subsequently issued.

6.9 POTENTIAL CONFLICT OF INTERESTS

Options traders in a UBS Entity may buy UBS Warrants and/or exchange traded options over Shares as principal. UBS Entities as principal will be conducting transactions in various securities, including UBS Warrants and Shares. UBS Securities may conduct such transactions as agent for UBS Entities, as well as for other principals.

UBS may have previously acted, and may currently or in the future from time to time act as an adviser to the Company for which it may receive fees and commissions.

6.10 ASX MARKET RULES TERMINOLOGY

Certain terms are used in sections of the ASX Market Rules in relation to warrants generally. Some of these terms correspond approximately to the terms or concepts used in this PDS in relation to UBS Warrants.

6.11 COMPLAINTS

If you have a complaint about the service provided to you by UBS, or any of its representatives in respect of the Warrants, you should take the following steps.

- (a) Contact the UBS Representative with whom you have been dealing and tell that person about your complaint.
- (b) If your complaint is not satisfactorily resolved within 3 Business Days, please contact our Regional Manager in your State or put your complaint in writing and send it to us at the following address:

The Complaints Officer
c/- Legal & Compliance Department
UBS
Level 25, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

- (c) If you still do not get a satisfactory outcome, you have the right to complain to:
Financial Industry Complaints Service Limited
PO Box 579, Collins Street West,
Melbourne VIC 8007
Telephone: 1300 78 08 08
Fax: 03 9621 2291
Email: fics@fics.asn.au
- (d) The Australian Securities and Investment Commission (ASIC) also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

If you require further information including a copy of our internal complaint policy, please contact your adviser.

6.12 CONSENTS

None of the parties referred to below have authorised or caused the issue of this PDS or make or purport to make any statement in this PDS (or any statement on which a statement in this PDS is based) other than as specified below.

Computershare Investor Services Pty Limited has given its consent to the statements naming it as Registrar in this PDS in the form and context in which those statements are included.

Blake Dawson Waldron has given its consent to the inclusion of, and takes responsibility for, the Taxation Summary in Part 8 of this PDS in the form and context in which it is included.

Part 7: Terms of Issue

7.1 INTERPRETATION

7.1.1 Definitions

In the PDS and these Terms of Issue unless the context otherwise requires:

"Accretions" means all rights, accretions and entitlements attaching to Shares after the date of issue of the Warrant (including, without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options or other securities exercisable, declared, paid or issued in respect of the Shares);

"Application" means, in respect of a UBS Warrant, an application to UBS for that UBS Warrant, the particulars of which are specified in an Application Form;

"Application Form" means the form to be completed by an Investor for Warrants in the form attached to this PDS;

"ASIC" means Australian Securities and Investments Commission;

"ASTC" means ASX Settlement and Transfer Corporation Pty Ltd or any clearing house or other entity which is substituted for it;

"ASTC Settlement Rules" means the settlement rules of ASTC as amended from time to time;

"ASX" means ASX Limited or the equity market conducted by ASX Limited as the context requires;

"ASX Market Rules" means the market rules of ASX as amended from time to time;

"AUD" means Australian dollars;

"Average Price" means the price (in GBP) per Underlying Parcel calculated by reference to the arithmetic average of the daily volume weighted average price of the relevant Share on the LSE over the Averaging Period;

"Averaging Date" in respect of a Series means a Trading Day during the Averaging Period when the daily volume weighted average price for the Share on LSE observed on that day is used in the calculation of the Cash Settlement Amount;

"Averaging Period" means the five consecutive Trading Days ending on and including the Expiry Date, varied if at all, in accordance with Term of Issue 7.5.2;

"Business Day" means, in respect of the transfer of Warrants, and the establishment and maintenance of a Register, Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day and, in all other respects, a Trading Day;

"Calculation Agent" means UBS Securities Australia Ltd (ABN 62 008 586 481);

"Call Warrant" means a call option conferred under these Terms of Issue on a Holder;

"Cash Settlement Amount" means, in respect of each Warrant, an amount equal to the Average Price less any applicable Costs and Taxes, converted into AUD at the Exchange Rate, less the Exercise Price, and rounded down to two decimal places;

"Change" means, in respect of these Terms of Issue, any modification, variation, alteration or deletion of, or addition to, these Terms of Issue;

"Change in Law" means, that on or after the date of issue of Warrants:

(a) due to the adoption of or any change in applicable law or regulation (including, without any limitation, any tax law); or

(b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),

UBS determines in its sole and absolute discretion that:

(c) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or dispose of any relevant Share; or

(d) it will incur a materially increased cost in performing its obligations in relation to the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of UBS or its affiliates or agents acting on its behalf);

"CHESS" means the Clearing House Electronic Subregister System;

"Closing Time" means 6:00pm (London time);

"Company" means, in relation to each Series, the company so listed for that Series in the Summary Tables on Page 1 of this PDS;

"Costs and Taxes" means, any incidental costs and taxes incurred by UBS and any of its affiliated entities in relation to the establishment, holding and unwinding of hedges in respect of the Warrant and the payment of the Cash Settlement Amount, any Distribution Amount, and any Rights Amount, including but not limited to, any GST and withholding tax that may apply;

"Default Rate" means the overdraft rate from time to time of UBS' principal banker for amounts in excess of \$100,000;

"Distribution Amount" means, in respect of each Warrant and each Record Date, the cash dividend amount or cash return of capital amount paid on the Shares, less any applicable Costs and Taxes, converted into Australian Dollars at the Exchange Rate;

"Distribution Amount Payment Date" means the third Business Day after the dividend or cash return payment date declared by the Company in respect of Shares comprising the Underlying Parcel;

"Early Termination Date" means the date specified by UBS as the termination date for a Series of Warrants in accordance with Term of Issue 7.1.5

following the occurrence of an Extraordinary Event affecting that Series of Warrants or the date of the lapsing of the Warrant in accordance with Term of Issue 7.2.3;

"Exchange Rate" means, the GBP / AUD exchange rate determined by the Calculation Agent for the purpose of calculating the Cash Settlement Amount, any Distribution Amounts and any Rights Amounts;

"Exercise Price" means, the number so listed for each Series in the Summary Tables on Page 1 of this PDS, as varied, if at all, in accordance with Term of Issue 7.4;

"Expiry Date" means, in relation to a Series, the date so listed for that Series in the Summary Tables on Page 1 of this PDS, as varied, if at all, in accordance with Term of Issue 7.5.2;

"Extraordinary Event" means any event the subject of a nomination under Term of Issue 7.1.5 which has not been withdrawn under Term of Issue 7.1.6 and has become effective;

"GBP" means British pounds;

"GST" means the same as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth);

"Hedging Disruption" means where UBS or its affiliates or agents acting on its behalf is unable to:

(a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions or assets it deems necessary to hedge the equity or other price risk of UBS issuing and performing its obligations under this PDS; or

(b) realise, recover or remit the proceeds of any such transactions or assets;

"Holder" means in relation to a Warrant, a person whose name is for the time being entered in the Register as the holder of that Warrant;

"Investor" means a person who:

(a) applies, or contemplates applying, for a Warrant (whether or not that person's application is accepted); and

(b) as applicable, acquires or contemplates acquiring a Warrant on the ASX;

"Listing Date" means the date the Warrants are quoted on the ASX;

"LSE" means the London Stock Exchange;

"Market Disruption Event" means:

(a) the suspension of or limitation imposed on trading on the LSE in respect of the Company;

(b) any Hedging Disruption; or

(c) any Change in Law,

if, in the determination of the Calculation Agent, such suspension, limitation, disruption or change (as applicable), is material;

"Merger Event" means:

a) a transfer or agreement to transfer all of a Company's Shares to another entity or person, for cash or shares or other consideration;

b) a reorganisation of capital involving a merger or amalgamation of the Shares with securities of another entity;

c) a takeover offer made for in excess of 10% of the voting Shares in that Company; or

d) a proposed or actual collapse of the ASX and LSE dual listed structure for the Company;

"month" means calendar month;

"Office" means the principal office of UBS in Sydney or another office of UBS of which UBS has given notice to the Holder;

"PDS" means this PDS dated 5 March 2007 issued by UBS;

"Premium" means, in relation to a Warrant, the amount paid on application for that Warrant;

"Register" means the register of Holders kept and maintained by UBS in accordance with Term of Issue 7.3.1;

"Record Date" means in respect of a Share, either a dividend record date, a cash return of capital record date or a rights offer record date declared by the Company that occurs after the date of issue of the Warrant and before the commencement of the Averaging Period;

"Registrar" means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other registrar as may be approved by UBS;

"Rights Amount" means the Rights Value in respect of each Underlying Parcel, less any Costs and Taxes, converted into Australian dollars at the Exchange Rate;

"Rights Amount Payment Date" means, in relation to a renounceable rights offer, the sixth Business Day after the last rights trading day, and in relation to a non-renounceable rights offer, the sixth Business Day after the date of issue of shares allotted pursuant to a take up of rights offered;

"Rights Value" means the market value of rights issued by the Company in respect of the Shares comprising the Underlying Parcel, as determined by the Calculation Agent in its absolute discretion;

"Series" means the Warrants which relate to a Share of a particular Company and otherwise have identical rights;

"Settlement Date" means the sixth Business Day after the Expiry Date, as varied, if at all, in accordance with Term of Issue 7.5.2;

"Share" means in relation to a Series, one fully paid issued ordinary share in the Company for that Series as varied, if at all, under Term of Issue 7.4;

"Termination Amount" means the amount determined by the Calculation Agent as the fair market value of a Warrant on the Early Termination Date, taking into account the impact that the

Extraordinary Event has had or likely to have on the value of the Underlying Parcel, the Warrant, and the value of hedges held by UBS or its affiliates in relation to the Warrant;

"Terms of Issue" means these terms of issue of the Warrants set out in Part 7 of the PDS;

"Trading Day" means a day on which ASX's stock market is open for trading and banks are open for general business in Sydney or Melbourne, and LSE's stock market is open for trading and banks are open for general business in London;

"Underlying Parcel" means, in relation to a Series, one Share for that Series, as varied, if at all, in accordance with Term of Issue 7.4;

"UBS" means UBS AG, Australia Branch (ABN 47 088 129 613) (which in the ASX Market Rules is described as the "Warrant-Issuer");

"UBS Securities" means UBS Securities Australia Ltd (ABN 62 008 586 481);

"Warrant" means a Call Warrant issued under the terms of this PDS;

7.1.2 General

In the PDS and these Terms of Issue unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, government and governmental authority and vice versa;
- (d) a reference to a gender includes all genders;
- (e) a reference to a Term of Issue or Schedule is to a term or schedule of or to these Terms of Issue;
- (f) a schedule, annexure or description of the parties forms part of these Terms of Issue;
- (g) a reference to any agreement or document (including, without limitation, the ASX Market Rules and these Terms of Issue) is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (h) a reference to "dollars", "cents" and "\$" is a reference to Australian currency;
- (i) a reference to a matter being "with the consent of ASX" is a reference to that matter being with the consent of ASX which consent is not to be unreasonably withheld or delayed;
- (j) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;

- (k) a reference to a time is to that time in Sydney;
- (l) a reference to Shares "ceasing to be officially quoted" is to Shares ceasing to be officially quoted on the LSE whether that occurs by reason of delisting, removal from quotation, suspension or otherwise;
- (m) expressions not otherwise defined in these Terms of Issue which are defined in the Corporations Act 2001 have the meaning given to them in the Corporations Act 2001; and
- (n) expressions not otherwise defined in these Terms of Issue or the Corporations Act 2001 which are defined in the ASX Market Rules or the ASTC Settlement Rules have the meaning given to them in the ASX Market Rules or ASTC Settlement Rules as the case may be.

7.1.3 Headings

In the PDS and these Terms of Issue, headings are for convenience only and do not affect interpretation.

7.1.4 ASX Market Rules and ASTC Settlement Rules

All provisions of these Terms of Issue are subject, to the extent that they apply to the Warrants, to any contrary requirement from time to time of the ASX Market Rules or the ASTC Settlement Rules unless ASX or ASTC (as applicable) gives or has given a waiver or consent in respect of the Warrants of any or all of those rules.

7.1.5 Nomination of Extraordinary Event

UBS may at any time with the consent of ASX nominate as an Extraordinary Event any event which is a Market Disruption Event, a Merger Event, the actual or proposed delisting, removal from quotation, withdrawal of admission to trading status or suspension from trading of the Shares or the Warrants (except in the case of a Warrant, where that delisting or suspension is caused by UBS). Unless otherwise provided in the nomination, the nomination shall be effective from the time that it is made, the affected Series of Warrants will lapse on the Early Termination Date, and the Holder will be entitled to receive the Termination Amount from UBS on the sixth Business Day after the Early Termination Date..

7.1.6 Withdrawal of Nomination

Where UBS has nominated an event as an Extraordinary Event under Term of Issue 7.1.5 but the nomination has not become effective, the Warrants have not lapsed under Term of Issue 7.2.3 (or, in relation to Term of Issue 7.2.3(a), the lapse has not taken effect), UBS may in its absolute discretion and with the consent of ASX, withdraw that nomination at any time and the Warrants are deemed never to have lapsed under Term of Issue 7.2.3(a).

7.1.7 Notice of Nominations or Withdrawals

Where a nomination of an event is made under Term of Issue 7.1.5 or a nomination is withdrawn under Term of Issue 7.1.6, UBS must immediately notify that nomination or withdrawal of nomination (as the case may be) by:

- (a) placing a notice in a major financial daily newspaper (if any) and a major daily newspaper circulating in each State and Territory of Australia giving details of the nomination or withdrawal of nomination (as the case may be); and
- (b) giving a copy of the text of that notice to ASX and when the Warrants are CHES Approved Securities, to ASTC.

Failure to give a notice required by this Term of Issue 7.1.7 does not invalidate the nomination or withdrawal of a nomination.

7.2 THE WARRANT

7.2.1 Grant of Warrant

In return for a person paying the Premium to UBS (receipt of which is acknowledged by UBS), UBS grants the Warrant, on and subject to these Terms of Issue, to that person, whose name will be entered into the Register as the holder of that Warrant.

7.2.2 Nature of Warrant

Each Warrant confers on its Holder:

- (i) the right to receive the Cash Settlement Amount on the Settlement Date;
- (ii) the right to receive a Distribution Amount on the Distribution Amount Payment Date; and
- (iii) the right to receive a Rights Amount by latest the Rights Amount Payment Date.

7.2.3 Lapse of Warrant

A Warrant automatically lapses if:

- (a) there is an Extraordinary Event, with that lapse taking effect on and from the Business Day on which the nomination under Term of Issue 7.1.5 becomes effective; or
- (b) any procedure is adopted in accordance with the law of any applicable jurisdiction which would, subject only to any intervention of a court impeding or invalidating that procedure, necessarily result in the compulsory acquisition or cancellation of Shares, with that lapse taking effect on and from the date that procedure is adopted.

Following the automatic lapsing of the Warrant, the Holder will be entitled to receive the Termination Amount from UBS on the sixth Business Day after the Early Termination Date.

7.2.4 Notice of Lapse or Expiry

UBS must give notice to each Holder of the lapse of a Warrant under Term of Issue 7.2.3 within ten (10) Business Days after the date on which such lapse occurs.

7.2.5 Accretions do not accrue to Warrant

Warrants do not confer any right or interest in respect of Accretions to Shares. Accretions to Shares may lead to payments of Distribution Amounts and Rights

Amounts and/or adjustments as provided in Term of Issue 7.4.

7.2.6 Buy Backs and Cancellation

UBS may buy back a Warrant. A Warrant bought back by UBS will be held in the name of UBS or UBS' nominee. A Warrant bought back by UBS may be cancelled or resold at any time prior to the Expiry Date. Until a Warrant is cancelled, UBS has a right to resell the Warrant in the secondary market. If UBS or UBS' nominee is a Holder, UBS may cancel a Warrant held by either of them. A Warrant is cancelled on receipt by the Registrar of a notice of cancellation from UBS.

7.3 REGISTER OF HOLDERS, CERTIFICATES AND TRANSFERS

7.3.1 Register

UBS must keep and maintain (at its cost) a register of Holders in accordance with the provisions of Schedule 1 and in accordance with the requirements of the ASX Market Rules and the ASTC Settlement Rules.

7.3.2 No Certificates for Warrants

UBS need not issue a certificate evidencing the Holder's title to the Warrant but must instead comply with the rules governing CHES and the ASX Market Rules concerning the issue of notices relating to Warrants and the ASTC Settlement Rules.

7.3.3 Transfer

A Warrant may be transferred if and only if the transfer is in the manner prescribed by or under the ASX Market Rules and the ASTC Settlement Rules or, if permitted, in accordance with the provisions of Schedule 2.

7.3.4 Registration of Transfer of Warrants

UBS:

- (a) must deal with, certify and register a transfer of a Warrant which complies with Term of Issue 7.3.3 in accordance with the ASX Market Rules and the ASTC Settlement Rules; and
- (b) may refuse to register such a transfer if permitted by the ASX Market Rules and the ASTC Settlement Rules.

7.3.5 Holder Entitled to Copy of Terms of Issue

Where the Holder gives notice to UBS requesting a copy of these Terms of Issue accompanied by a fee of \$10, UBS must, within ten (10) Business Days of receipt of that notice, supply a copy of these Terms of Issue (incorporating any Changes) to the Holder.

7.3.6 Copy of Terms of Issue Available

UBS must keep available for inspection at the Office a copy of these Terms of Issue (incorporating any Changes) and the Holder and any member of the public has the same right to inspect these Terms of Issue as it has in respect of the Register.

7.4 VARIATION OF EXERCISE PRICE AND UNDERLYING PARCELS

7.4.1 Automatic Variation

Where an ex date in respect of an event specified in Terms of Issue 7.4.2 to 7.4.6 occurs in respect of the Shares after the date of this PDS and before the commencement of the Averaging Period, then

subject to Term of Issue 7.4.7, the Exercise Price, the description of the Share the subject of the Warrants and the property which constitutes an Underlying Parcel, as specified in the relevant Term of Issue, are automatically and immediately varied in accordance with this Term of Issue 7.4 and Schedule 3.

7.4.2 Reconstructions of Capital

If the Shares are divided into a greater number of securities or consolidated into a lesser number of securities or are subject to a similar reconstruction:

- (a) the description of the Shares becomes that of the securities issued in substitution by reason of the reconstruction;
- (b) the Underlying Parcel becomes the number of the new securities into which the Underlying Parcel is converted by the reconstruction; and
- (c) the Exercise Price is unchanged.

7.4.3 Cash Return of Capital

If there is a pro rata cash distribution in respect of the Shares by way of return of capital which:

- (a) does not involve the repurchase or cancellation of any Shares:
 - (i) the number of Shares constituting an Underlying Parcel is unchanged; and
 - (ii) the Holder as at the Record Date is entitled to a Distribution Amount;
- (b) involves the repurchase or cancellation of Shares:
 - (i) the number of Shares constituting the Underlying Parcel is reduced in accordance with the number of Shares per Underlying Parcel before the distribution which are repurchased or cancelled; and
 - (ii) the Holder as at the Record Date is entitled to receive the Distribution Amount from UBS on the Distribution Amount Payment Date.

7.4.3A Dividends (including Special Dividends)

If the Company declares a cash dividend or special dividend in respect of the Shares, and the ex-dividend date is after the date of issue of the Warrant and before the commencement of the Averaging Period, then the Holder as at the Record Date is entitled to receive a Distribution Amount from UBS on the Distribution Amount Payment Date.

For the avoidance of doubt, the Distribution Amount is calculated by reference to the AUD value of the cash dividend amount only, as determined by the Calculation Agent, and will not include the value of

any associated tax benefits, such as imputation credits attached to the Share dividend.

7.4.4 Bonus Issues

If in satisfaction of any dividend (except pursuant to a scheme of the issuer of the Shares allowing a holder of Shares to elect to receive an issue or distribution of securities instead of payment of dividends), there is an issue or distribution of securities to a holder at no cost to that holder by way of a bonus issue, capitalisation of any account or any other distribution in specie (each such issue or distribution being a "Bonus Issue"):

- (a) the Exercise Price is unchanged;
- (b) where the securities issued are further Shares, the number of Shares constituting an Underlying Parcel is increased in accordance with the formula set out in Part 1 of Schedule 3; and
- (c) where Term of Issue 7.4.4(b) does not apply, the property constituting an Underlying Parcel is the aggregate of the number of Shares constituting the Underlying Parcel before the Bonus Issue and the number of securities the subject of the Bonus Issue to which the holder of a Share is entitled calculated in accordance with the formula set out in Part 2 of Schedule 3.

7.4.5 Rights Issue

If the holder of Shares is given a right to acquire securities ("Rights Issue"), whether or not that right is renounceable:

- (a) the Exercise Price is unchanged;
- (b) the Holder as at the Record Date is entitled to receive the Rights Amount from UBS by latest the Rights Amount Payment Date; and
- (c) the number of Shares comprising the Underlying Parcel is unchanged.

7.4.6 Partly Paid Shares

If any of the Shares is not fully paid and a call is made for the payment of any or all of the unpaid amount, the Exercise Price is unchanged and the number of Shares constituting an Underlying Parcel is decreased in accordance with the formula set out in Part 3 of Schedule 3.

7.4.7 Discretion of UBS

Where UBS determines with the consent of ASX that any of the provisions of Terms of Issue 7.4.2 to 7.4.6 are not appropriate in any particular circumstance, it may make any alterations to the effect of that provision that it considers with the consent of ASX to be appropriate.

7.4.8 Notifications

Where UBS exercises any of the discretions conferred on it by Terms of Issue 7.4.5 and 7.4.7, it must, if so required by the ASX Market Rules, give notice of the exercise of discretion to all Holders.

7.4.9 Calculations and Shares

In this Term of Issue 7.4:

- (a) all calculations will be done to not less than two decimal places;
- (b) no rounding of numbers will occur until a Holder exercises a Warrant and at that time the entitlement attaching to all Warrants of that Holder the subject of exercise will be aggregated and that aggregate will be rounded so that all money amounts are rounded to the nearest whole cent and all numbers of Shares are rounded to the nearest whole number so that any fraction being a value of 0.5 or more is rounded up and all other fractions are rounded down; and
- (c) where, following an application of this Term of Issue 7.4, the Shares constituting an Underlying Parcel comprise or relate to property of different kinds, each of those kinds of property is to be treated as the Shares and as if it were an Underlying Parcel in its own right, and each adjustment required by this Term of Issue 7.4 is to be made for each kind of property separately.

7.5 EXERCISE OF WARRANT

7.5.1 Automatic Exercise

The Warrants will be automatically exercised at the Closing Time on the Expiry Date. There is no need for Holders to provide an exercise notice. The Warrants are European style and cannot be exercised prior to the Expiry Date.

Registered Holders or persons who become registered as Holders as at the Closing Time on the Expiry Date are entitled to receive the Cash Settlement Amount from UBS on the Settlement Date.

7.5.2 Market Disruption Event

If a Market Disruption Event occurs during the Averaging Period for a Series, UBS may elect to delay the Expiry Date and the corresponding Settlement Date for that Series by up to ten Trading Days. In doing so, UBS may elect not to treat a day on which the Market Disruption Event occurs or is subsisting as an Averaging Date. Alternatively, UBS may, nominate an Early Termination Date for that Series.

7.5.3 Failure of UBS to perform

If UBS does not pay the Cash Settlement Amount by 6:00pm Sydney time on the Cash Settlement Date, interest accrues on that amount at the Default Rate calculated on a daily basis from but excluding the Settlement Date.

7.6 NOTICES

7.6.1 Method of giving Notices by UBS

Except where otherwise provided by these Terms of Issue, all notices required or permitted to be given by UBS to the Holder pursuant to these Terms of Issue or the ASX Market Rules must be in writing and are treated as being duly given if:

- (a) left at that party's address; or

- (b) sent by pre-paid mail to that party's address (which must be air mail if that address is not within Australia).

7.6.2 Time of Receipt

A notice given by UBS in accordance with Term of Issue 7.6.1 is treated as having been duly given and received:

- (a) when delivered (in the case of it being left at that party's address); and
- (b) on the third Business Day after posting (in the case of it being sent by pre-paid mail).

7.6.3 Address of Parties

For the purposes of this Term of Issue 7.6:

- (a) the address of the Holder is the address of the Holder shown in the Register; and
- (b) if more than one person is entered in the Register as the Holder of any Warrant, a notice given to any of those persons is effective as notice to all of those persons.

7.6.4 Notices by Holder

All notices required or permitted to be given by the Holder to UBS pursuant to these Terms of Issue or otherwise in respect of the Warrant must be in writing and are treated as being duly given if and only if they are actually received by UBS at the Office or at such other address as UBS may by notice to the Holder specify.

7.7 GENERAL

7.7.1 Amendments

UBS may from time to time by notice sent to the Holder make any Change to these Terms of Issue where:

- (a) the terms of that Change are authorised by a resolution of the Holders passed in accordance with the provisions of Schedule 4; or
- (b) the Change is necessary or desirable in the reasonable opinion of UBS to comply with any statutory or other requirement of law or any requirement of ASX and ASX consents to that Change; or
- (c) with the consent of ASX, if the Change relates to Schedule 2 and permits the transfer of a Warrant by another method;
- (d) where, in UBS' opinion, the Change is necessary or desirable to correct a manifest error and does not, in UBS' opinion, materially prejudice the interests of Holders and ASX consents to that Change; or
- (e) where in UBS' opinion, the Change does not materially prejudice the interests of Holders and ASX consents to that Change.

except that the Expiry Date is not to be amended except in the case of an Extraordinary Event.

7.7.2 Notification of Change to ASX

Any Change to these Terms of Issue made under Term of Issue 7.7.1 must, if required by the ASX Market Rules, be notified to ASX.

7.7.3 Telephone Recording

The Holder agrees to:

- (a) the tape recording by UBS of any telephone conversations concerning the Warrant;
- (b) the retention of any tape recording so made; and
- (c) the use of any tape recording so made as evidence of the content of the conversation.

7.7.4 No Requisition by Holders

Nothing in these Terms of Issue authorises a Holder (alone or together with other Holders) to requisition the consideration of any resolution.

7.7.5 Waiver

The failure, delay, relaxation or indulgence on the part of UBS in exercising any power or right conferred upon UBS by these Terms of Issue does not operate as a waiver of that power or right nor does any single exercise of any power or right preclude any other or further exercise of it or the exercise of any other power or right under these Terms of Issue.

7.7.6 Discretions

The Holder must not give any direction to UBS, even where the Warrant is exercised, concerning the exercise by UBS of any discretion relating to the Shares, or any discretion conferred on UBS by these Terms of Issue.

7.7.7 Governing Law and Jurisdiction

The Warrant is governed by and construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

7.7.8 Goods and Services Tax

A Holder or Investor must pay to UBS an amount equal to any GST that UBS or UBS Securities must pay in respect of any supply by UBS or UBS Securities to a Holder or Investor under or in connection with these Terms of Issue or the PDS.

Part 8: Taxation Summary

This summary has been prepared by Blake Dawson Waldron for the purposes of inclusion in this PDS and any opinions expressed in this Part 8 are those of Blake Dawson Waldron. This summary sets out the views of Blake Dawson Waldron on the main Australian income tax and stamp duty consequences for Australian resident individuals and companies (other than in the capacity of trustee) who acquire Warrants.

The discussion contained in this summary is of a general nature only and does not take into account the specific circumstances of any Holder. It is based on the Australian income tax laws operative at the date of this PDS and only addresses the position of Holders who are Australian residents. This discussion is provided only for the benefit of UBS and all Investors should seek their own independent advice on the taxation implications of an investment in Warrants.

There may be other events or circumstances during the term of the Warrants that give rise to tax implications to the Holder that are not discussed in this summary. Holders should seek their own advice in relation to those events or circumstances.

EXPIRY OF WARRANTS

Upon exercise, warrants expire. References in this summary to the exercise of this warrant are also references to the end of the warrant by way of expiry.

8.1 CHARACTERISATION OF HOLDINGS

The taxation treatment of receipts and expenditure incurred by Holders in respect of the Warrants will depend on whether the Warrants are held as trading stock, on revenue account or on capital account. As this characterisation will depend on the Holder's specific circumstances, including how this investment relates to any other investment or trading activities carried out by the Holder, Holders should seek their own independent advice on whether they hold the interest on capital account, revenue account or as trading stock in light of their own particular circumstances.

For the purposes of providing this taxation summary, it is assumed that characterisation of a Holder's investment in the Warrants remains the same throughout the period in which the Holder holds the Warrants. Different taxation implications may arise if the characterisation or intention changes during the holding period.

8.1.1 Trading stock

Holders who acquire and hold Warrants for the purposes of sale or exchange in the ordinary course of a business they carry on should hold Warrants as trading stock. Generally, the trading stock provisions may apply to Holders who are in the business of trading or dealing in Warrants and/or similar

instruments. Warrants held for the purpose of exercise (rather than for sale or exchange) should not be treated as trading stock.

8.1.2 Revenue account

Holders who acquire and hold Warrants in the ordinary course of their business other than for the purpose of sale or exchange (eg, a business of investing in Warrants and/or similar instruments) or who acquire Warrants for a profit-making or speculative purpose may be required to treat expenditure and receipts in respect of the Warrants on revenue account.

8.1.3 Capital account

Holders who acquire Warrants other than in the course of carrying on a business or otherwise as revenue assets would generally hold their Warrants on capital account.

8.2 TRADING STOCK

The following tax implications may be relevant to Holders who acquire, hold and dispose of Warrants as trading stock.

8.2.1 Purchase of Warrants

The Premium or purchase price paid by a Holder to acquire the Warrants should be deductible in full in the income year the Warrants become trading stock "on hand" of the Holder (which will generally be the income year in which the expense is incurred).

8.2.2 Accounting for trading stock on hand

- For each income year during which Warrants are held, the Holder should bring to account the difference between the "value" of Warrants on hand at the end of the income year and the "value" of Warrants on hand at the start of that income year.
- The Holder may elect to value Warrants either at cost or market value or its replacement value.
- The value of Warrants on hand at the start of the income year in which they are acquired will be nil, and for subsequent income years will be equal to their value at the end of the previous income year. The value of Warrants at the end of the income year in which the Warrants are exercised, lapse or are transferred will be nil.

- Where Warrants are exercised, transferred or lapse in the same income year in which they are acquired, no amount would need to be brought to account, other than as is noted in 8.2.3.

8.2.3 Lapse or transfer of Warrants

Where the Holder holds Warrants as trading stock and those Warrants lapse or are transferred in the ordinary course of the Holder's trading business, any Termination Amount or the consideration received for the transfer of Warrants (as applicable) should be included in the Holder's assessable income.

8.2.4 Exercise of Warrants

Where the Holder holds the Warrants as trading stock and exercises the Warrants in the ordinary course of its trading business, the Cash Settlement Amount should be included in the Holder's assessable income in the year of income in which the Warrants are exercised.

8.3 REVENUE ACCOUNT

The following tax implications may be relevant to Holders who acquire and hold Warrants on revenue account.

8.3.1 Purchase of Warrants

The Premium or purchase price paid by a Holder to acquire the Warrants should not be deductible to the Holder, but would be taken into account in determining any net gain or loss in respect of the Warrants.

8.3.2 Lapse or transfer of Warrants

- The Holder should generally be required to include any net gain made on the lapse or transfer of the Warrants (including where the Warrants are bought back by UBS) in its assessable income. The amount of any net gain should generally be equal to the difference between any Termination Amount or consideration received for the transfer of Warrants (as applicable), and the Premium or purchase price paid by the Holder to acquire the Warrants.
- Similarly, any net losses incurred on the lapse or transfer of Warrants should be deductible to the Holder.
- In some circumstances, the Holder may be required to account for the Premium or purchase price and any Termination Amount or consideration received on a gross basis (eg. where the Holder incurs the Premium or purchase price as a business expense to acquire Warrants used to hedge its position on shares which it holds on revenue account or as trading stock). Such Holders should obtain their own tax advice as to the amount

and timing of allowable deductions for expenditure and the assessability of receipts.

8.3.3 Exercise of Warrants

Where the Holder holds the Warrants on revenue account:

- Any net gain made in respect of the exercise of Warrants should generally be included in the Holder's assessable income.
- Similarly, any net losses incurred on the exercise of Warrants should generally be deductible to the Holder.

The Cash Settlement Amount should be included in the calculation of the net gain or loss in the year of income in which the Warrants are exercised.

Different tax consequences, including as to the amount and timing of allowable deductions and assessable receipts, may arise depending on the Holder's individual circumstances. Holders should therefore obtain their own tax advice in relation to the exercise of their Warrants.

8.4 CAPITAL ACCOUNT

The following tax implications may be relevant to Holders who acquire and hold Warrants on capital account.

8.4.1 Purchase of Warrants

The Premium or purchase price paid by a Holder to acquire the Warrants would not be deductible to the Holder, but would be included in the Holder's cost base in the Warrants, together with any incidental costs incurred by the Holder in acquiring the Warrants.

8.4.2 Lapse or transfer of Warrants

- A CGT event would occur upon the lapse or transfer of the Warrants (including where the Warrants are bought back by UBS).
- The capital proceeds received by the Holder should equal any Termination Amount or consideration received in respect of the transfer, as applicable.
- The Holder would realise a capital gain where the capital proceeds exceed the cost base of the Warrants. Discount CGT treatment may be available if the Holder is an individual and holds the Warrants for at least 12 months. A capital loss would arise where the capital proceeds are less than the reduced cost base of the Warrants. Any capital loss can only be used to offset against other capital gains made in the same or subsequent income years.

8.4.3 Exercise of Warrants

Where the Holder holds the Warrants on capital account:

- A CGT event occurs on exercise of the Warrant.
- In respect of the exercise of Call Warrants, the Holder may make a gain or loss calculated as the difference between the Cash Settlement Amount and the cost base of the Warrants, which would include the Premium or the purchase price paid by the Holder and any other associated costs.

Any capital gain should generally be treated as a discount capital gain where the Holder is an individual and has held the Warrant for at least 12 months prior to the date of exercise of the Warrants. However, Holders should obtain their own tax advice in relation to the exercise of their Warrants.

8.5 OTHER TAXATION ISSUES

8.5.1 Distribution and Rights

Amounts The receipt of Distribution Amounts and Rights Amounts should be included in the Holder's assessable income in the year in which the amounts are received.

For the avoidance of doubt, Call Warrants do not provide Holders with a legal entitlement from the Company to any dividends, voting or any other rights in respect of the Shares. However UBS has agreed under this offer to provide payment to Holders of Distribution and Rights amounts.

8.5.3 Part IVA

- Part IVA is a general anti-avoidance provision which applies where the dominant purpose of the taxpayer (or any other person) in entering into a "scheme" is to obtain a "tax benefit".
- Whilst, Part IVA should not apply to a typical Holder of Warrants, the application of Part IVA to a particular Holder can only be conclusively determined on an examination of that Holder's individual circumstances. Holders should therefore seek their own independent advice on the application of Part IVA in their own particular circumstances.

8.6 STAMP DUTY

8.6.1 Issue, transfer of Warrants

Under current laws, the issue, transfer or exercise of the warrants should not attract duty.

Schedule 1: (Term of Issue 7.3.1) The Register

1. UBS must establish and maintain or cause to be established and maintained a register of Holders at the Office (or any other place considered appropriate by UBS) ("the principal part of the Register") and may also establish, and if UBS so establishes, must maintain, any number of other registers of Holders at such other places as UBS may determine (which will form part of the Register).
2. UBS must enter, or cause to be entered, in the Register the full name and address of each Holder, the number of Warrants held by that Holder, the date of grant and the Exercise Date of each of those Warrants and any other particulars which it thinks proper.
3. Where there is more than one part of the Register, Holders may elect by notice to UBS as to the part of the Register on which their Warrant must, for the time being, be registered.
4. If no election under paragraph 3 of this Schedule is made on the grant of the Warrant, the Warrant will be registered on the principal part of the Register.
5. If there are any further issues or transfers of Warrants and no election is made as to the part of the Register on which those Warrants are to be registered, a Warrant will be registered on the principal part of the Register or such other part of the Register as UBS may decide.
6. The Register will be open at all reasonable times during business hours on each Business Day to the inspection of any Holder, or any person authorised in writing by the Holder, or any officer or member of a Company.
7. Where there is more than one part of the Register, a Warrant will be transferred by UBS from one part of the Register to another part of the Register without fee on the written request of the Holder, subject to any payment by the Holder of any stamp duty involved.
8. UBS may, subject to the ASTC Settlement Rules, from time to time close the Register for any period or periods not exceeding twenty (20) Business Days in any year or any longer period that ASX may allow.
9. Except as required by law, no notice of any trust (express, implied, resulting or constructive) will be entered in the Register.
10. The Register will be examined by the auditor appointed by UBS at regular intervals of not more than twelve (12) months.
11. The property in the Warrant is, for all purposes, situated at the place where the part of the Register on which the Warrant is for the time being registered is situated and not elsewhere.
12. Except as otherwise provided in these Terms of Issue, UBS must recognise the Holder as the absolute owner of the Warrant and all persons may act accordingly.
13. Except as otherwise provided in these Terms of Issue or as ordered by a court of competent jurisdiction or as required by law, UBS is not bound to take notice of any trust or equity affecting the ownership of a Warrant or the rights incidental to the Warrant and the receipt of the Holder in respect of the Warrant of any money payable in respect of the Warrant is a good discharge to UBS.
14. There must not be more than three (3) joint Holders of the Warrant except in the case of the legal personal representatives of a deceased Holder.
15. If there are joint Holders of any Warrant and one of those joint Holders dies, the survivor(s) will be the only person(s) recognised by UBS as having any title or interest in the Warrant.
16. The legal personal representative of a deceased Holder (not being one of several joint Holders) is the only person recognised by UBS as having any title to the Holder's Warrant.
17. Any person becoming entitled to the Warrant in consequence of the death, unsoundness of mind or bankruptcy of any Holder, upon producing such evidence as UBS may reasonably require that s/he holds the office in respect of which he proposes to act or his title as successor to the Holder, may transfer the Warrant.
18. When the Warrants become "CHESS Approved Securities", holdings will be registered on CHESS or on an Issuer Sponsored Subregister. Warrants held by a Holder that is a participant in CHESS, or a person sponsored by a participant in CHESS, will be registered on CHESS. All other Warrant holdings will be registered on the Issuer Sponsored Subregister.

Schedule 2: (Term of Issue 7.3.3) Transfer of Warrants

1. No fee will be charged for the registration of a transfer.
2. A transfer must be in accordance with the ASX Market Rules and the ASTC Settlement Rules.
3. The transferor of a Warrant is regarded as remaining the owner of the Warrant the subject of the instrument of transfer until the name of the transferee is entered in the Register in respect of that Warrant.
4. On registration of the transfer of a Warrant, the transferee will be recognised as entitled to that Warrant free from any equity, set off or cross-claim of UBS against the transferor.

Schedule 3: Variations

In this Schedule 3:

- (a) "**Issue Ratio**" means, for a Bonus Issue, the general ratio used by the person making the issue to determine the entitlement of persons to participate in the issue;
- (b) "**Issue Numerator**" means, for a Bonus Issue, the component of the Issue Ratio which refers to the property the subject of the issue; and
- (c) "**Issue Denominator**" means, for a Bonus Issue, the component of the Issue Ratio which refers to the Shares of the holders to which the issue is made.

Part 1 (Term of Issue 7.4.4(b))

Bonus Issue - same class

$$A = \frac{B \times (N + D)}{D}$$

where:

A = the number of Shares constituting an Underlying Parcel after the Bonus Issue;

B = the number of Shares constituting an Underlying Parcel before the Bonus Issue;

N = the Issue Numerator of the Bonus Issue; and

D = the Issue Denominator of the Bonus Issue.

Part 2 (Term of Issue 7.4.4(c))

Bonus Issues - different classes

$$A = \frac{B \times N}{D}$$

where:

A = the number of the securities the subject of the bonus issue which constitutes part of the Underlying Parcel after the Bonus Issue;

B = the number of Shares constituting an Underlying Parcel before the Bonus Issue;

N = the Issue Numerator of the Bonus Issue; and

D = the Issue Denominator of the Bonus Issue.

Part 3 (Term of Issue 7.4.6)

Partly paid shares

$$A = \frac{B \times P}{P + E}$$

where:

A = the number of Shares constituting an Underlying Parcel immediately after the last time specified for payment of the unpaid amount;

B = the number of Shares constituting an Underlying Parcel immediately before the last time specified for payment of the unpaid amount;

P = the last price at which the Shares were sold on the LSE on the last Business Day that those Shares were sold before the day on which the last time for payment of the unpaid amount was specified; and

E = the unpaid amount per Share required to be paid.

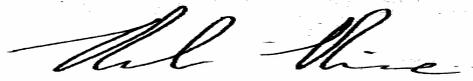
Schedule 4: (Term of Issue 7.7.1) Resolution of Holders

A resolution of the Holders is duly passed if and only if:

1. UBS despatches by notice to every Holder a document setting out the terms of the proposed Change together with a ballot paper enabling the Holder to vote either in favour of or against the Change either by way of a postal ballot or at a meeting of Holders (at the discretion of UBS), a document setting out the reasons for and any advantages or disadvantages of the Change and a document summarising the provisions of this Schedule 4;
2. UBS retains all ballot papers which are returned to it within the voting period (which in the case of a postal ballot must, in any event, be not less than twenty (20) Business Days after the date of despatch of the last of the notices referred to in paragraph 1 of this Schedule 4 and, in the case of a meeting of Holders, is the period of the meeting);
3. UBS' auditor (after consultation with UBS' solicitor, if desired by either the auditor or UBS) determines the validity of all ballot papers returned during the voting period. If UBS or a person associated with UBS (within the meaning of Part 1.2 Division 2 of the Corporations Act 2001 (other than Sections 13 and 14), except if the person holds the relevant Warrants as trustee or nominee for another person) returns a ballot paper that ballot paper is to be treated as not being valid;
4. UBS' auditor adds together all of the votes cast on valid ballot papers during the voting period (calculated on the basis of one vote for each Warrant held by the person casting that vote) in favour of the Change and all of the votes cast on valid ballot papers during the voting period (calculated on the same basis) against the Change; and
5. The number of votes validly cast in favour of the Change (as determined by the previous paragraph) is not less than three (3) times greater than the number of votes validly cast against the Change (as so determined).

Execution Page

SIGNED by Robin Price and Alon Mizrahi as
authorised signatories for UBS AG, AUSTRALIA BRANCH:



By executing this PDS the signatory states that the
signatory has received no notice of revocation of the
authority



By executing this PDS the signatory states that the
signatory has received no notice of revocation of the
authority

Financial Services Guide UBS Securities Australia Limited and UBS Nominees Pty Limited

WHAT IS THE PURPOSE AND CONTENT OF THIS FSG

This Financial Services Guide ("FSG") dated 22 January 2007 is an important document. You should read it carefully and make sure you understand it. This FSG provides generic information about UBS Securities Australia Limited (ABN 62 008 586 481) ("UBS Securities Australia") and UBS Nominees Pty Limited (ABN 32 001 450 522) ("UBS Nominees") (together, "us", "we", "our") and the services we offer.

This FSG also provides specific information about how you pay for our services. UBS Securities Australia and UBS Nominees are providing this FSG to give you key information about the types of financial services we offer. The FSG is for UBS structured products and services clients and is intended to assist you in deciding whether to use any of the services offered.

THE FSG CONTAINS, AMONG OTHER THINGS:

a summary of the financial services which we are authorised to provide and the kinds of financial products to which those services relate;

information about the capacity in which we act when providing services to you;

information about your rights as an investor;

details on how you can instruct us in relation to your investment;

information about the Statement of Advice and Product Disclosure Statement(s) which you may receive from us;

information about remuneration that may be paid to us and other relevant persons in relation to the services provided;

information about how complaints against us are dealt with; and

information which you can request when you are provided with further market-related advice.

In addition to this FSG, you may, from time to time, receive from UBS Securities Australia a Product Disclosure Statement ("PDS"), a Statement of Advice ("SOA") or a Record of Advice.

It is not UBS Securities Australia's policy to provide personal financial product advice. If however, you do

receive personal financial product advice from UBS Securities Australia, you will be provided with an SOA. The SOA will include a statement of UBS Securities Australia's advice, the basis for that advice, as well as information about remuneration and fees that UBS Securities Australia may receive in connection with giving you the advice and interests, relationships or associations that may influence the advice.

If UBS Securities Australia makes a recommendation to acquire a particular financial product (other than securities) or offers to issue, or arrange the issue of a financial product to you, it will also provide you with a PDS. There are a number of exceptions to when UBS Securities Australia must provide a PDS including: where you already have a current PDS; you hold a financial product of the same kind and you have access to current information about that kind of financial product or the offer is made under a distribution reinvestment plan or switching facility..

The PDS contains details about the particular product and any significant risks associated with holding the product, any amounts that you must pay, and in the case of products which will or may generate a return, information about any commission or other similar payments that will or may impact on the amount of the returns payable to you.

IMPORTANT INFORMATION IS PROVIDED BELOW IN ANSWER TO COMMONLY ASKED QUESTIONS

WHO WILL BE RESPONSIBLE FOR THE FINANCIAL SERVICES GIVEN TO YOU?

UBS Securities Australia

The financial services listed below (other than the custodial service) will be provided by UBS Securities Australia. UBS Securities Australia is an Australian Financial Services Licensee under the Corporations Act (Licence No. 231098). It is a participating organisation of ASX Limited ("ASX"), a participant of Australian Clearing House Pty Limited (the clearing and settlement facility for the derivatives markets operated by ASX) and a participant of CHESS (the clearing and settlement facility operated by ASX Settlement and Transfer Corporation Pty Ltd).

UBS Securities Australia is a wholly owned subsidiary of UBS AG, and is a related company of: UBS Nominees Pty Ltd (ABN 32 001 450 522) and Warbont Nominees Pty Ltd (ABN 19 003 943 799).

UBS Securities Australia uses the custodian services provided by Warbont Nominees Pty Ltd ("Warbont Nominees"), during the transitional T+3 settlement period, in accordance with the ASX Market Rules (the "Rules") on behalf of clients of UBS Securities Australia. The Rules require that all securities being held for a client during this period may only be registered under a nominee company. Warbont Nominees is the company that has been established to hold these securities on your behalf in accordance with the Rules. These services are conducted under the Australian Financial Services Licence of UBS Securities Australia and UBS Securities Australia is responsible for the conduct of Warbont Nominees in respect of those services. Warbont Nominees is a wholly owned subsidiary of UBS Securities Australia.

UBS Nominees

UBS Nominees will provide custodial services in respect of certain financial products issued by UBS AG, Australia Branch (ABN 47 088 129 613), such as instalment warrants, the Protected Equity Product and the Protected Geared Investment. UBS Nominees is an Australian Financial Services Licensee under the Corporations Act (Licence No. 231088). UBS Nominees is a wholly owned subsidiary of UBS Securities Australia.

WHAT FINANCIAL SERVICES ARE WE AUTHORISED TO PROVIDE?

UBS Securities Australia is authorised to provide the following financial services:

1. Advising in the following classes of financial products:
 - securities;
 - debentures, stocks or bonds issued or proposed to be issued by a government;
 - derivatives;
 - warrants which may be managed investment products;
 - interests in managed investment schemes (excluding investor directed portfolio services) ; and
 - deposit and payment products.
2. Dealing in the following classes of financial products:
 - securities;
 - debentures, stocks or bonds issued or proposed to be issued by a government;
 - derivatives;
 - warrants which may be managed investment products;
 - interests in managed investment schemes (excluding investor directed portfolio services); and
 - deposit and payment products;
3. Underwriting interests in managed investment schemes and issues of securities; and
4. Making markets for all financial products excluding foreign exchange contracts.

USB Nominees is authorised to operate custodial or depository services other than investor directed portfolio services to both retail and wholesale clients.

HOW WILL YOU PAY FOR THE SERVICES AND HOW ARE ANY COMMISSIONS, FEES OR OTHER BENEFITS CALCULATED?

UBS Securities Australia will not charge you any brokerage or fees unless such amounts are disclosed to you in the relevant product or services documentation or as otherwise disclosed to you. .

UBS Securities Australia may receive commissions and other benefits from the issuers of the financial products that it recommends or issues to you or deals with you if you choose to invest in them. More detailed information about the remuneration (including commissions) or other benefits that UBS Securities Australia and other relevant persons are to receive in respect of the provision of any of the services to you is disclosed in the section titled "Fees & Charges". You will not pay UBS Nominees any fees in respect of the services it provides.

WILL ANYONE BE PAID FOR REFERRING ME TO YOU?

UBS Securities Australia has arrangements with a number of financial intermediaries in relation to the provision by it to clients of those financial intermediaries, of execution services and financial products. In these circumstances, a referral fee is paid to the financial intermediary.

This referral fee is usually based on the value of the transaction or financial product that has been provided to you, and will range from 0% to 3% of the value of that transaction or product. In certain circumstances, these fees will be paid by a related body corporate of UBS Securities Australia, for example UBS AG, Australia Branch (ABN 47 088 129 613).. UBS Nominees does not pay any referral fees.

IN WHAT CAPACITY DO WE ACT?

When providing the above financial services to you we act in a principal capacity and not as a representative of any other person.

DO WE HAVE ANY RELATIONSHIPS OR ASSOCIATIONS WITH FINANCIAL PRODUCT PROVIDERS?

UBS Securities Australia may provide financial services in connection with financial products issued by its related companies, for example, UBS Securities Australia will act as broker and market maker in respect of warrants issued by UBS AG, Australia Branch. UBS Securities Australia may also receive commissions and benefits from issuers of financial products where it is involved in the distribution of their financial products, for example financial products issued by UBS AG, Australia Branch.

You may request particulars of the remuneration or other benefits that UBS Securities Australia, your adviser and other relevant persons are to receive (if any) that may reasonably be expected to be capable of influencing the advice provided to you by your adviser, provided the request is made within a reasonable time after you receive this FSG and before we provide the services to you.

As mentioned above, UBS Nominees provides custodial services in connection with financial products issued by UBS AG, Australia Branch.

WHAT KIND OF ADVICE WILL YOU RECEIVE?

It is UBS Securities Australia's policy not to provide personal financial product advice. To the extent any advice is given, it is general financial product advice and does not take account of your personal circumstances, needs or objectives.

Thus any resulting investment may not be appropriate to your needs and objectives and you should carefully assess how appropriate the recommendations are in light of your particular investment objectives, financial situation and needs. General financial product advice may also be given through research reports and in product disclosure statements. This advice is not personal advice as it does not consider your personal circumstances, needs or objectives. You should consider your personal objectives, financial situation and needs when reviewing this information before making any decision relating to a financial product, and seek professional independent advice if you think that is appropriate. UBS Nominees does not provide financial product advice.

WHAT ARE YOUR RIGHTS AS AN INVESTOR?

Where you do receive personal financial product advice your adviser is obliged to have a reasonable basis for the advice given. This means that your adviser must give consideration to your investment objectives, financial situation and particular needs and conduct reasonable investigation of the subject matter of the advice. If you do not wish to provide personal information, your adviser will be limited in his or her ability to make recommendations specific to your requirements.

HOW CAN YOU INSTRUCT US TO BUY OR SELL YOUR INVESTMENT OR CHANGE YOUR SERVICE ARRANGEMENTS WITH US?

You must specify to your adviser or to UBS Securities Australia exactly what you want us to do. You may give us instructions by telephone, facsimile, in writing or any other means that we agree with you.

WHAT INFORMATION DO WE MAINTAIN IN YOUR FILE?

We maintain a record of items of personal information that you have provided to us, for example, as recorded in your account opening forms, financial product application forms or transaction documents.

All personal information (as defined in the Privacy Act 1988 (Cth)) collected from you will be used and stored by us in accordance with the Privacy Policy for UBS Securities Australia and UBS Nominees. A copy of the Privacy Policy can be made available to you on request.

WHAT CAN YOU DO IF YOU HAVE A COMPLAINT?

If you have a complaint about the service provided to you by UBS Securities Australia, UBS Nominees or any of the representatives, you should take the following steps.

1. Contact the UBS Securities Australia or UBS Nominees Representative with whom you have been dealing and tell that person about your complaint.
2. If your complaint is not satisfactorily resolved within 3 business days, please contact our

Regional Manager in your State or put your complaint in writing and send it to us at the following address:

The Complaints Officer
c/- Legal & Compliance Department
UBS
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

3. If you still do not get a satisfactory outcome, you have the right to complain to:

Financial Industry Complaints Service Limited
PO Box 579, Collins Street West,
Melbourne VIC 8007
Telephone: 1300 78 08 08
Fax: 03 9621 2291
Email: fics@fics.asn.au

The Australian Securities and Investment Commission (ASIC) also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

If you would like a clarification of any of the matters discussed in this FSG, or require further information including a copy of our internal complaint policy, please contact your adviser.

CONTACT DETAILS

If you have any queries, you can contact us on (612) 9324 2000.

THE FOLLOWING INFORMATION ON FEES AND CHARGES IS APPLICABLE AS AT 22 JANUARY 2007, HOWEVER IS SUBJECT TO CHANGE AND DOES NOT INCLUDE INFORMATION IN RELATION TO TAXES OR DUTIES THAT YOU MAY BE REQUIRED TO PAY IN RELATION TO AN INVESTMENT.

FEES AND CHARGES

No brokerage or fees will be payable to UBS Securities Australia or UBS Nominees by you in relation to services provided to you unless such fees are disclosed to you in the relevant product or services documentation or as otherwise disclosed to you.

To the extent that a PDS is required for a transaction involving a particular financial product, the PDS for the financial product will disclose details of commissions, fees or other benefits received by UBS Securities Australia or UBS Nominees (and any of their related companies) in respect of the transaction in respect of that financial product. Fees and commissions which may be payable for services UBS Securities Australia provides are listed below. These fees may be paid to either UBS Securities Australia or to any of its related companies.

Brokerage for sale and purchase of financial products: up to 3% of the value of financial products purchased or sold;

Fee for securities borrowing and lending arrangements: up to 3% per annum on the value of securities borrowed

and/or upfront flat fee up to \$15,000 per parcel of securities borrowed;

UBS Securities Australia may in certain circumstances receive selling fees from other parties: in most cases up to 3% of the value of the financial products purchased or sold, and in some exceptional circumstances up to 8% of the value of the financial products purchased or sold. Selling fees are not payable by you to UBS Securities Australia.

Financial Services Guide UBS AG, Australia Branch

WHAT IS THE PURPOSE AND CONTENT OF THIS GUIDE

This Financial Services Guide ("FSG") dated 15 December 2006 is an important document. You should read it carefully and make sure you understand it. This FSG provides generic information about UBS AG, Australia Branch (ABN 47 088 129 613) ("UBS AG", "us", "we", "our") and the services we offer.

This guide also provides specific information about how you pay for our services. UBS AG is providing this FSG to give you key information about the types of financial services we offer. The FSG is intended to assist you in deciding whether to use any of the services offered.

THE FSG CONTAINS, AMONG OTHER THINGS:

- ◆ a summary of the financial services which we are authorised to provide and the kinds of financial products to which those services relate;
- ◆ information about the capacity in which we act when providing services to you;
- ◆ information about your rights as an investor;
- ◆ details on how you can instruct us in relation to your investment;
- ◆ information about the Product Disclosure Statement(s) and any Statement of Advice which you may receive from us;
- ◆ information about remuneration that may be paid to us and other relevant persons in relation to the services provided;
- ◆ information about how complaints against us are dealt with; and
- ◆ information which you can request when you are provided with further market-related advice.

In addition to this FSG, you may, from time to time, receive from UBS AG, a Product Disclosure Statement ("PDS"), a Statement of Advice ("SOA"), or a Record of Advice.

It is not UBS AG's policy to provide personal financial product advice. If however, you do receive personal financial product advice from UBS AG, you will be provided with an SOA. The SOA will include a statement of UBS AG's advice, the basis for that advice, as well as information about remuneration and fees that UBS AG may receive in connection with giving you the advice and interests, relationships or associations that may influence the advice.

If UBS AG makes a recommendation to acquire a particular financial product (other than securities) or offer to issue, or arrange the issue of a financial product to you, it will also provide you with a PDS. There are a number of exceptions to when UBS AG must provide a PDS including: where you already have a current PDS; you hold a financial product of the same kind and you have access to current information about that kind of financial product; or the offer is made under a distribution reinvestment plan or switching facility.

The PDS contains details about the particular product and any significant risks associated with holding the product, any amounts that you must pay, and in the case of products which will or may generate a return, information about any commission or other similar payments that will or may impact on the amount of the returns payable to you.

IMPORTANT INFORMATION IS PROVIDED BELOW IN ANSWER TO COMMONLY ASKED QUESTIONS.

WHO WILL BE RESPONSIBLE FOR THE FINANCIAL SERVICES GIVEN TO YOU?

The financial services listed below will be provided by UBS AG. UBS AG is an Australian Financial Services Licensee under the Corporations Act (Licence No. 231087). It is a foreign Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth), a Full Participant of the Sydney Futures Exchange, a Clearing Participant of SFE Clearing, and a Full Member of Austraclear.

WHAT FINANCIAL SERVICES ARE WE AUTHORISED TO PROVIDE?

UBS AG is authorised to provide the following financial services:

1. Advising in the following classes of financial products:
 - ◆ securities;
 - ◆ debentures, stocks or bonds issued or proposed to be issued by a government;
 - ◆ derivatives;
 - ◆ foreign exchange contracts;
 - ◆ warrants which may be managed investment products;
 - ◆ managed investment schemes (excluding investor directed portfolio services); and
 - ◆ deposit and payment products;
2. Dealing in the following classes of financial products:
 - ◆ securities;
 - ◆ debentures, stocks or bonds issued or proposed to be issued by a government;
 - ◆ derivatives;
 - ◆ foreign exchange contracts;
 - ◆ warrants which may be managed investment products;
 - ◆ managed investment schemes (excluding investor directed portfolio services); and
 - ◆ deposit and payment products;
3. Underwriting interests in managed investment schemes and issues of securities; and
4. Making markets for all financial products.

HOW WILL YOU PAY FOR THE SERVICES AND HOW ARE ANY COMMISSIONS, FEES OR OTHER BENEFITS CALCULATED?

You may pay UBS AG a fee depending on the services and / or products you choose and the amount you invest.

In particular, UBS AG may receive fees and other benefits from the financial products that it issues to you. To the extent that a PDS is required for a transaction involving a particular financial product, the PDS for the financial product will disclose details of commissions, fees or other benefits received by UBS AG (and any of its related companies) in respect of the transaction involving that financial product.

Related entities of UBS AG may provide financial services in connection with financial products issued by UBS AG. For example, in respect of financial products issued by UBS AG, UBS Securities Australia Limited (ABN 62 008 586 481) may act as broker and market maker. UBS Nominees Pty Limited (ABN 32 001 450 522) may also provide custodial services for financial products provided by UBS AG.

WILL ANYONE BE PAID FOR REFERRING ME TO YOU?

UBS AG has arrangements with a number of financial intermediaries in relation to the provision of financial products by it to clients of those financial intermediaries. In those circumstances, a referral fee may be paid to the financial intermediary.

This referral fee is usually based on the value of the transaction or financial product that has been provided to you, and the total fee paid will range from 0% to 3% of the value of that transaction or product. The referral fee may be paid in the form of an upfront selling fee and/or periodic trail fees.

IN WHAT CAPACITY DO WE ACT?

When providing the above financial services to you we act in a principal capacity and not as a representative of any other person.

WHAT KIND OF ADVICE WILL YOU RECEIVE?

It is UBS AG's policy not to provide personal financial product advice. To the extent any advice is given, it is general financial product advice and does not take account of your personal circumstances, needs or objectives. Thus any resulting investment may not be appropriate to your needs and objectives and you should carefully assess how appropriate the recommendations are in light of your particular investment objectives, financial situation and needs.

General financial product advice may also be given through research reports and in product disclosure statements. This advice is not personal advice as it does not consider your personal circumstances, needs or objectives. You should consider your personal objectives, financial situation and needs when reviewing this information before making any decision relating to a financial product, and seek professional independent advice if you think that is appropriate.

WHAT ARE YOUR RIGHTS AS AN INVESTOR?

Where you do receive personal financial product advice your adviser is obliged to have a reasonable basis for the advice given. This means that your adviser must give consideration to your investment objectives, financial situation and particular needs and conduct a reasonable investigation of the subject matter of the advice. If you do not wish to provide personal information, your adviser will be limited in his or her ability to make recommendations specific to your requirements.

You have the right to be advised about any remuneration (including commissions) or other benefit that UBS AG, your adviser and other relevant persons are to receive that may reasonably be expected to be capable of influencing the advice provided to you.

HOW CAN YOU INSTRUCT US TO BUY OR SELL YOUR INVESTMENT OR CHANGE YOUR SERVICE ARRANGEMENTS WITH US?

You must specify to your adviser or to UBS AG exactly what you want us to do. You may give us instructions by telephone, facsimile, in writing or any other means that we agree with you.

WHAT INFORMATION DO WE MAINTAIN IN YOUR FILE?

We maintain a record of items of personal information that you have provided to us, for example, as recorded in your account opening forms, financial product application forms or transaction documents.

All personal information (as defined in the Privacy Act 1988 (Cth)) collected from you will be used and stored by us in accordance with the Privacy Policy for UBS AG. A copy of the Privacy Policy can be made available to you on request.

WHAT CAN YOU DO IF YOU HAVE A COMPLAINT?

If you have a complaint about the service provided to you by UBS AG or any of their representatives, you should take the following steps.

1. Contact the UBS AG Representative with whom you have been dealing and tell that person about your complaint.
2. If your complaint is not satisfactorily resolved within 3 business days, please contact our Regional Manager in your State or put your complaint in writing and send it to us at the following address:

The Complaints Officer
c/- Legal & Compliance Department
UBS
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

3. If you still do not get a satisfactory outcome, you have the right to complain to:

Financial Industry Complaints Service Limited
PO Box 579, Collins Street West,

Melbourne VIC 8007
Telephone: 1300 78 08 08
Fax: 03 9621 2291

Email: fics@fics.asn.au

The Australian Securities and Investment Commission (ASIC) also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

If you would like clarification of any of the matters discussed in this Guide, or require further information including a copy of our internal complaint policy, please contact your adviser.

CONTACT DETAILS

If you have any queries, you can contact us on (612) 9324 2000.

Directory

ISSUER

UBS AG, Australia Branch

Level 16	Level 16
Chifley Tower	2 Exhibition Street
2 Chifley Square	MELBOURNE VIC 3000
SYDNEY NSW 2000	

BROKER

UBS Securities Australia Ltd

Level 16	Level 16
Chifley Tower	2 Exhibition Street
2 Chifley Square	MELBOURNE VIC 3000
SYDNEY NSW 2000	

REGISTRAR

Computershare Investor Services Pty Limited

Level 3
60 Carrington Street
SYDNEY NSW 2000

ISSUER'S LEGAL ADVISERS

Blake Dawson Waldron

Level 36
Grosvenor Place
225 George Street
SYDNEY NSW 2000



UBS AG, Australia Branch

Australian Financial Services Licence No. 231087

ABN 47 088 129 613

Level 16

Chifley Tower

2 Chifley Square

Sydney NSW 2000

Level 8

530 Collins Street

Melbourne VIC 3000

INVESTOR ENQUIRY LINE 1800 633 100