

**Supplement No. 17 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 20 October 2005,

concerning the issue of

[Call] [Put] Warrants, HIT [Call] [Put] Warrants, Lock Out [Call] [Put] Warrants, Double Lock Out Warrants, [Turbo Long-] [Turbo Short-] Warrants, Digital [Call] [Put] Warrants and Hamster Warrants

at the same time

**Supplement No. 15 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 20 October 2005,

concerning the issue of

[Discount] [Discount PLUS] [Sprint] [Multibloc] Certificates

at the same time

**Supplement No. 18 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 5 January 2006,

concerning the issue of

UBS [Performance Certificates without settlement formula] [Performance-Certificates with settlement formula] [Outperformance Certificates] [Relative Performance Plus Certificates] [Open-End Certificates without settlement formula] [Open-End Certificates with settlement formula] [S<sup>2</sup>MART Certificates] [Super S<sup>2</sup>MART Certificates] [Bonus Certificates] [Bonus Plus Certificates] [Bonus Extra Plus Certificates] [Express Certificates] [Express Kick-In Certificates] [Express Plus Certificates] [Easy Express Certificates] [Express XL Certificates]

at the same time

**Supplement No. 16 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 1 March 2006,

concerning the issue of

UBS [Capital Protected] Gearing Certificates

at the same time

**Supplement No. 14 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 28 March 2006,

concerning the issue of

A(lternative) I(nvestment) S(trategies) Index - Certificates

at the same time

**Supplement No. 15 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 11 July 2006,

concerning the issue of

UBS [TWIN-WIN] [●] Certificates

at the same time

**Supplement No. 15 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 11 July 2006,

concerning the issue of

UBS Reverse [(Capped)] Bonus Certificates

at the same time

**Supplement No. 16 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 16 November 2006,

concerning the issue of

UBS [[Call] [or, as the case may be,] [Put] Warrants] [Hit [Call] [or, as the case may be,] [Put] Warrants] [Lock Out [Call] [or, as the case may be,] [Put] Warrants] [Double Lock Out Warrants] [[Turbo Long-] [or, as the case may be,] [Turbo Short-] Warrants] [Digital [Call] [or, as the case may be,] [Put] Warrants] [Hamster Warrants]

at the same time

**Supplement No. 17 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 November 2006,

concerning the issue of

UBS [Discount Certificates] [Discount PLUS Certificates] [Sprint [PLUS] Certificates] [Multibloc Certificates] [[Easy] [Outperformance [(Capped)]] Express [Kick-In] [PLUS] [XL] [Bonus] Certificates] [Callable Yield Certificates]

at the same time

**Supplement No. 20 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 25 January 2007,

concerning the issue of

UBS [[Performance] [PERLES] [(Capped)] Certificates [without] [with] settlement formula] [Outperformance [(Capped)] Certificates] [Relative Performance Plus Certificates] [Open-End [(Capped)] Certificates [without] [with] settlement formula] [[Super] S<sup>2</sup>MART Certificates] [[Lock-In] Bonus [(Capped)] [Extra] [Plus] [Flex] Certificates]

at the same time

### **Supplement No. 16 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 20 March 2007,

concerning the issue of

- Series 2007-[●] Up to CHF [●] 100% Principal Protected Type A Notes linked to the [●] CHF Protected Index
- Series 2007-[●] Up to CHF [●] 100% Principal Protected Type B Notes linked to the [●] CHF Protected Index ((i) and (ii) together, the CHF Notes) (for marketing purposes these securities are known as "[●] CHF Index Notes")
- Series 2007-[●] Up to EUR [●] 100% Principal Protected Type A Notes linked to the [●] EUR Protected Index
- Series 2007-[●] Up to EUR [●] 100% Principal Protected Type B Notes linked to the [●] EUR Protected Index ((iii) and (iv) together, the EUR Notes) (for marketing purposes these securities are known as the "[●] EUR Index Notes")
- Series 2007-[●] Up to USD [●] 100% Principal Protected Type A Notes linked to the [●] USD Protected Index
- Series 2007-[●] Up to USD [●] 100% Principal Protected Type B Notes linked to the [●] USD Protected Index ((v) and (vi) together, the USD Notes and, together with the CHF Notes and the EUR Notes, the Notes) (for marketing purposes these securities are known as "[●] USD Index Notes")

as well as for the

- Series 2007-[●] Up to CHF [●] Type A Certificates linked to the [●] CHF Index
- Series 2007-[●] Up to CHF [●] Type B Certificates linked to the [●] CHF Index ((vii) and (viii) together, the CHF Certificates) (for marketing purposes these securities are known as the "[●] CHF Index Certificates")
- Series 2007-[●] Up to EUR [●] Type A Certificates linked to the [●] EUR Index
- Series 2007-[●] Up to EUR [●] Type B Certificates linked to the [●] EUR Index ((ix) and (x) together, the EUR Certificates) (for marketing purposes these securities are known as "[●] EUR Index Certificates")
- Series 2007-[●] Up to USD [●] Type A Certificates linked to the [●] USD Index
- Series 2007-[●] Up to USD [●] Type B Certificates linked to the [●] USD Index ((xi) and (xii) together, the USD Certificates) (for marketing purposes these securities are known as "[●] USD Certificates")

at the same time

### **Supplement No. 20 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 12 April 2007,

concerning the issue of

UBS [Capital Protected] [Gearing] [●] [(Capped)] Certificates

at the same time

**Supplement No. 16 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 April 2007,

concerning the issue of

UBS [Capital Protected] [A(ternative) I(nvestment) S(trategies)] [●] Index [(Capped)]-Certificates

at the same time

**Supplement No. 14 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 August 2007

concerning the issue of

UBS [Capital Protected] [A(ternative) I(nvestment) S(trategies)] [●] [Portfolio] [(Capped)] Certificates

at the same time

**Supplement No. 19 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London][Jersey] Branch, dated 13 November 2007,

concerning the issue of

UBS [Capital Protected] [[Call] [or, as the case may be,] [Put]] [Hit [Call] [or, as the case may be,] [Put]] [Lock Out [Call] [or, as the case may be,] [Put]] [Double Lock Out] [[Turbo Long-] [or, as the case may be,] [Turbo Short-]] [Digital [Call] [or, as the case may be,] [Put]] [Hamster] [●] [(Capped)] Warrants

at the same time

**Supplement No. 18 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 23 November 2007,

concerning the issue of

UBS [Capital Protected] [Discount [PLUS]] [Sprint [PLUS]] [Multibloc] [[Easy] [Outperformance [Express]] [Kick-In] [PLUS] [XL] [Bonus]] [Callable Yield] [●] [(Capped)] Certificates

at the same time

**Supplement No. 16 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 20 December 2007,

concerning the issue of

UBS [Capital Protected] [Bonus] [Express] [Reverse] [Lock-in] [(Capped)] Certificates

at the same time

**Supplement No. 16 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 21 January 2008,

concerning the issue of

UBS [Capital Protected] [[Performance] [PERLES]] [Outperformance] [Relative Performance Plus] [Open-End] [[Super] S<sup>2</sup>MART] [[Lock-In] Bonus [Extra] [Plus] [Flex]] [(Capped)] Certificates [[without] [with] settlement formula]

at the same time

**Supplement No. 14 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG [Zurich], [London] [Jersey] Branch, dated 29 February 2008,

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [Reverse] [Performance] [Tracker] [(Capped)] Certificates

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG [London] [Jersey] Branch, dated 18 April 2008,

concerning the issue of

UBS [Capital Protected] [Gearing] [(Capped)] Certificates

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 the already published (single document) Base Prospectus of UBS AG [Zurich], [London] [Jersey] Branch, dated 2 May 2008,

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [●] [Portfolio] [(Capped)] Certificates

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 27 May 2008,

concerning the issue of

UBS [Capital Protected] [Kick-In] [GOAL] [(Capped)] Notes

at the same time

**Supplement No. 10 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 16 June 2008,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 12 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 14 July 2008,

concerning the issue of

UBS [Capital Protected] [Champion] [Express] [(Capped)] Certificates

at the same time]

**Supplement No. 10 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 25 November 2008,

concerning the issue of

UBS [Capital Protected] [Discount [PLUS]] [Sprint [PLUS]] [Multibloc] [[Easy] [Outperformance [Express] [Kick-In] [PLUS] [XL] [Bonus]] [Callable Yield] [Reverse] [Champion] [Express] [(Capped)] Certificates

at the same time

**Supplement No. 10 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 December 2008,

concerning the issue of

UBS [Capital Protected] [Bonus] [Twin-Win] [Express] [Reverse] [Lock-In] [Basket] [Select] [(Capped)] [Certificates] [Notes]

at the same time

**Supplement No. 9 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 29 January 2009,

concerning the issue of

UBS [Capital Protected] [[Performance] [Express] [Reverse] [PERLES]] [Outperformance] [Relative Performance Plus] [Open-End] [[Super] S2MART] [[Lock-In] [Bonus] [Extra Plus] [Flex]] [(Capped)] Certificates

at the same time

**Supplement No. 8 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 21 April 2009,

concerning the issue of  
UBS [CAPITAL PROTECTED] [GEARING] [(CAPPED)] [Certificates] [Notes]

at the same time

**Supplement No. 8 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 15 June 2009,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 9 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 21 October 2009,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 8 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 26 April 2010,

concerning the issue of  
UBS [Capital Protected] [Gearing] [Capital Yield] [Champion] [Outperformance] [Easy] [Express] [Kick-In] [PLUS] [XL] [Bonus] [(Capped)] [Certificates] [Notes]

at the same time

**Supplement No. 7 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 19 August 2010,

concerning the issue of  
Securities

at the same time

**Supplement No. 8 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 22 October 2010,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 8 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 3 December 2010,

concerning the issue of  
Securities

at the same time

**Supplement No. 5 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 14 October 2011,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 4 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 28 November 2011,

concerning the issue of  
Securities

at the same time

**Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 20 June 2012,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 20 June 2012,

concerning the issue of  
Securities

at the same time

**Supplement No. 1 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 August 2012 to the already published (single document) Base Prospectus of UBS AG,



London Branch, dated 25 June 2012,

concerning the issue of  
Open End Index Certificates

**This supplement serves as update to the Base Prospectuses mentioned above in connection to the following occurrence:**

**Publication of the second quarter report of UBS AG as per 30 June 2012 on 31 July 2012 at 06:45 a.m.**

**UBS AG has also taken the occasion to reflect in this supplement certain other corporate events, or other updated information, concerning UBS AG that have happened or become available before the date of the supplement.**

**The following table shows the corporate events / updated information that have happened or become available after the date of the Base Prospectus and the revisions that have been made due to these corporate events / updated information.**

<b>Corporate Event / Updated Information</b>	<b>Revisions</b>
Information on members of the Board of Directors of UBS AG	The positions outside UBS AG and the CVs of members of the Board of Directors have been updated.
Information on members of the Group Executive Board of UBS AG	The members of the Group Executive Board have been updated.
Information on litigation and regulatory matters	The section "Litigation and Regulatory Matters" has been updated.

**The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Certificates, Warrants or Securities, as the case may be, before this supplement is published have, pursuant to § 16 (3) of the German Securities Prospectus Act, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the new circumstances or the incorrectness causing the supplement occurred before the closing of the public offering and before the delivery of the Certificates, Warrants or Securities, as the case may be. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.**

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- 1a)** In relation to the Base Prospectuses as listed introductory on pages 1 to 9 except for the Base Prospectuses dated 22 October 2010, 14 October 2011, 28 November 2011 and 20 June 2012, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2011, in English; pages 30 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2011 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 287 - 288 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2011:
(i) page 414,		(i) Income Statement,
(ii) page 415,		(ii) Balance Sheet,
(iii) page 416,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 417 – 434 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
(vii) pages 435 – 436 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2010 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 265,		(i) Income Statement,
(ii) page 267,		(ii) Balance Sheet,
(iii) pages 271 - 272 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 273 - 378 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 254 - 258 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages 260 - 263 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG

		(Parent Bank) for the financial year 2010:
(i) page 380,		(i) Income Statement,
(ii) page 381,		(ii) Balance Sheet,
(iii) page 382,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 383 - 399 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 379,		(v) Parent Bank Review,
(vi) pages 254 - 258 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 400 - 401 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS AG quarterly report as of 30 June 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 30 June 2012
- UBS AG quarterly report as of 31 March 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 31 March 2012

(a) the Quarterly Report of UBS AG as of 30 June 2012 has been filed with the BaFin as appendix to the Supplement dated 6 August 2012;

(b) the Quarterly Report of UBS AG as of 31 March 2012 has been filed with the BaFin as appendix to the Short Form Prospectus of UBS AG dated 11 May 2012;

(c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various base prospectuses; and

(d) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 20 April 2011 to the Structured Note Programme dated 30 November 2010.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

**1b)** In relation to the Base Prospectus dated 22 October 2010, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2011, in English; pages 30 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2011 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 287 - 288 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2011:
(i) page 414,		(i) Income Statement,
(ii) page 415,		(ii) Balance Sheet,
(iii) page 416,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 417 – 434 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
(vii) pages 435 – 436 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2010 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 265,		(i) Income Statement,
(ii) page 267,		(ii) Balance Sheet,
(iii) pages 271 - 272 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 273 - 378 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 254 - 258 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages 260 - 263 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2010:

(i) page 380,		(i) Income Statement,
(ii) page 381,		(ii) Balance Sheet,
(iii) page 382,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 383 - 399 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 379,		(v) Parent Bank Review,
(vi) pages 254 - 258 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 400 - 401 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS AG quarterly report as of 30 June 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 30 June 2012
- UBS AG quarterly report as of 31 March 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 31 March 2012

(a) the Quarterly Report of UBS AG as of 30 June 2012 has been filed with the BaFin as appendix to the Supplement dated 6 August 2012;

(b) the Quarterly Report of UBS AG as of 31 March 2012 has been filed with the BaFin as appendix to the Short Form Prospectus of UBS AG dated 11 May 2012;

(c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various base prospectuses; and

(d) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 20 April 2011 to the Structured Note Programme dated 30 November 2010.

In addition, the sections "Terms and Conditions of the Warrants" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "**BaFin**"), shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of the Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

**1c)** In relation to the Base Prospectus dated 14 October 2011, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2011, in English; pages 30 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2011 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
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(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 287 - 288 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2011:
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- UBS AG quarterly report as of 31 March 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 31 March 2012

(a) the Quarterly Report of UBS AG as of 30 June 2012 has been filed with the BaFin as appendix to the Supplement dated 6 August 2012;

(b) the Quarterly Report of UBS AG as of 31 March 2012 has been filed with the BaFin as appendix to the Short Form Prospectus of UBS AG dated 11 May 2012;

(c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various base prospectuses; and

(d) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 20 April 2011 to the Structured Note Programme dated 30 November 2010.

In addition, (i) the sections "Terms and Conditions of the Warrants" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "**BaFin**"), and (ii) the sections "Terms and Conditions of the Warrants" on pages 81 to 245 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 22 October 2010, as approved by BaFin, shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of the Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

**1d)** In relation to the Base Prospectus dated 28 November 2011, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
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- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
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(v) page 282,		(v) Accounting Standards and Policies,
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(v) pages 254 - 258 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages 260 - 263 (inclusive).		(vi) Report of the Group Auditors
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(vi) pages 254 - 258 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 400 - 401 (inclusive).		(vii) Report of the Statutory Auditors.
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- UBS AG quarterly report as of 31 March 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 31 March 2012

(a) the Quarterly Report of UBS AG as of 30 June 2012 has been filed with the BaFin as appendix to the Supplement dated 6 August 2012;

(b) the Quarterly Report of UBS AG as of 31 March 2012 has been filed with the BaFin as appendix to the Short Form Prospectus of UBS AG dated 11 May 2012;

(c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various base prospectuses; and

(d) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 20 April 2011 to the Structured Note Programme dated 30 November 2010.

In addition, the sections "Terms and Conditions of the Securities" on pages 84 to 380 (including) of the base prospectus of UBS AG for the issue of Securities, dated 3 December 2010, as approved by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "**BaFin**"), shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of the Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

- 1e)** In relation to the Base Prospectus dated 20 June 2012 for the issue of Warrants, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
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(iv) pages 417 – 434 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
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(v) page 379,		(v) Parent Bank Review,
(vi) pages 254 - 258 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 400 - 401 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS AG quarterly report as of 30 June 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 30 June 2012
- UBS AG quarterly report as of 31 March 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 31 March 2012
The sections "Terms and Conditions of the Warrants" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> – " <b>BaFin</b> ") are incorporated by reference in this Prospectus.		
The sections "Terms and Conditions of the Warrants" on pages 81 to 245 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 22 October 2010, as approved by BaFin, are incorporated by reference in this Prospectus.		
The sections "Terms and Conditions of the Securities" on pages 86 to 262 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 14 October 2011, as approved by the BaFin, are incorporated by reference in this Prospectus.		

(a) the Quarterly Report of UBS AG as of 30 June 2012 has been filed with the BaFin as appendix to the Supplement dated 6 August 2012;

(b) the Quarterly Report of UBS AG as of 31 March 2012 has been filed with the BaFin as appendix to the Short Form Prospectus of UBS AG dated 11 May 2012;

(c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various base prospectuses; and

(d) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 20 April 2011 to the Structured Note Programme dated 30 November 2010.

(i) The sections "Terms and Conditions of the Securities" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the BaFin, (ii) the sections "Terms and Conditions of the Securities" on pages 81 to 245 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 22 October 2010, as approved by the BaFin, and (iii) the sections "Terms and Conditions of the Securities" on pages 86 to 262 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 14 October 2011, as approved by the BaFin, shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

- 1f)** In relation to the Base Prospectus dated 20 June 2012 for the issue of Securities, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
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(vi) page 282,		(vi) Accounting Standards and Policies,
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The sections "Terms and Conditions of the Securities" on pages 149 to 199 (including) of the base prospectus of UBS AG for the issue of Securities under the UBS A(lternative) I(nvestment) S(trategies) Programme dated 19 August 2010, as approved by the Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"</i> ) are incorporated by reference in this Prospectus.		
The sections "Terms and Conditions of the Securities" on pages 84 to 380 (including) of the base prospectus of UBS AG for the issue of Securities, dated 3 December 2010, as approved by the BaFin are incorporated by reference in this Prospectus.		
The sections "Terms and Conditions of the Securities" on pages 91 to 400 (including) of the base prospectus of UBS AG for the issue of Securities, dated 28 November 2011, as approved by the BaFin, are incorporated by reference in this Prospectus.		

(a) the Quarterly Report of UBS AG as of 30 June 2012 has been filed with the BaFin as appendix to the Supplement dated 6 August 2012;

(b) the Quarterly Report of UBS AG as of 31 March 2012 has been filed with the BaFin as appendix to the Short Form Prospectus of UBS AG dated 11 May 2012;

(c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various base prospectuses; and

(d) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 20 April 2011 to the Structured Note Programme dated 30 November 2010.

(i) The sections "Terms and Conditions of the Securities" on pages 149 to 199 (including) of the base prospectus of UBS AG for the issue of Securities under the UBS A(lternative) I(nvestment) S(trategies) Programme dated 19 August 2010, as approved by the BaFin, (ii) the sections "Terms and Conditions of the Securities" on pages 84 to 380 (including) of the base prospectus of UBS AG for the issue of Securities, dated 3 December 2010, as approved by the BaFin and (iii) the sections "Terms and Conditions of the Securities" on pages 91 to 400 (including) of the base prospectus of UBS AG for the issue of Securities, dated 28 November 2011, as approved by the BaFin, shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

2) In relation to the Base Prospectuses as listed introductory on pages 1 to 9 except for the Base Prospectuses as specified below in this section 2), the following bullet points in the section "Summary"

- "Who is the Issuer",
- "Who are the members of the Issuer's management and supervisory bodies?" and
- "What is the Issuer's financial situation?"

and in relation to the Base Prospectus dated 20 March 2007 the following bullet points in the section "Summary"

- "Issuer",
- "Rating of the Issuer" and
- "Issuer's financial situation"

and in relation to the Base Prospectuses dated 16 June 2008, 15 June 2009, 21 October 2009, 26 April 2010, 19 August 2010, 22 October 2010, 3 December 2010, 14 October 2011, 28 November 2011, 20 June 2012, and 25 June 2012 the section headed "Who is the Issuer?" in the section "Summary"

are completely replaced by the following:

## **"Who is the Issuer?"**

### ***Overview***

UBS AG ("**Issuer**") with its subsidiaries (together with the Issuer, "**UBS Group**", "**Group**" or "**UBS**") draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS's business strategy is centered on its pre-eminent global wealth management businesses and its universal bank in Switzerland. These businesses, together with a client-focused Investment Bank and a strong, well-diversified Global Asset Management business, will enable UBS to expand its premier wealth management franchise and drive further growth across the Group. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.

On 30 June 2012<sup>1</sup> UBS's Basel 2.5 tier<sup>2</sup> ratio was 19.2%, invested assets stood at CHF 2,163 billion, equity attributable to shareholders was CHF 54,716 million and market capitalization was CHF 42,356 million. On the same date, UBS employed 63,520 people.<sup>3</sup>

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<sup>1</sup> The following information is taken from the UBS's second quarter 2012 report (unaudited) issued on 31 July 2012.

<sup>2</sup> From 31 December 2011, UBS capital disclosures fall under the revised Basel II market risk framework, commonly referred to as Basel 2.5. The Basel 2.5 tier 1 ratio is the ratio of eligible Basel 2.5 tier 1 capital to Basel 2.5 risk-weighted assets. Eligible Basel 2.5 tier 1 capital can be calculated by starting with IFRS equity attributable to shareholders, adding treasury shares at cost and equity classified as obligation to purchase own shares, reversing out certain items, and then deducting certain other items. The most significant items reversed out for capital purposes are unrealized gains/losses on cash flow hedges and own credit gains/losses on liabilities designated at fair value. The largest deductions are treasury shares and own shares, goodwill and intangibles and certain securitization exposures.

<sup>3</sup> Full-time equivalents.



### Selected Consolidated Financial Data

UBS derived the following selected consolidated financial data from (i) its annual report 2011 containing the audited consolidated financial statements for the fiscal year ended 31 December 2011 (including comparative figures as of 31 December 2010 and 2009) and (ii) its unaudited consolidated financial statements for the second quarter ended 30 June 2012 (including comparative figures as of 30 June 2011). UBS AG's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and stated in Swiss francs (CHF).

CHF million, except where indicated	As of or for the quarter ended		As of or for the year ended		
	30.06.12	30.06.11	31.12.11	31.12.10	31.12.09
	unaudited		audited, except where indicated		
<b>Group results</b>					
Operating income	6,408	7,171	27,788	31,994	22,601
Operating expenses	5,457	5,516	22,439	24,539	25,162
Operating profit from continuing operations before tax	951	1,654	5,350	7,455	(2,561)
Net profit attributable to UBS shareholders	425	1,015	4,159	7,534	(2,736)
Diluted earnings per share (CHF)	0.11	0.26	1.08	1.96	(0.75)
<b>Key performance indicators, balance sheet and capital management</b>					
<b>Performance</b>					
Return on equity (RoE) (%) <sup>i</sup>	4.7	12.0	8.5*	16.7*	(7.8)*
Return on risk-weighted assets, gross (%) <sup>ii</sup>	11.8	15.3	13.7*	15.5*	9.9*
Return on assets, gross (%) <sup>iii</sup>	1.9	2.4	2.1*	2.3*	1.5*
<b>Growth</b>					
Net profit growth (%) <sup>iv</sup>	(48.6)	(43.8)	(44.8)*	N/A*	N/A*
Net new money growth (%) <sup>v</sup>	1.8	1.7			
<b>Efficiency</b>					
Cost / income ratio (%) <sup>vi</sup>	85.1	77.1	80.5*	76.5*	103.0*
<b>Capital strength</b>					
BIS tier 1 capital ratio (%) <sup>vii, viii</sup>	19.2	18.1	15.9*	17.8*	15.4*
FINMA leverage ratio (%) <sup>vii ix</sup>	5.6	4.8	5.4*	4.4*	3.9*
<b>Balance sheet and capital management</b>					
Total assets	1,412,043		1,419,162	1,317,247	1,340,538
Equity attributable to UBS shareholders	54,716		53,447	46,820	41,013
Total book value per share (CHF)	14.60		14.26*	12.35*	11.65*
Tangible book value per share (CHF)	12.00		11.68*	9.76*	8.52*
BIS core tier 1 capital ratio (%) <sup>vii</sup>	17.2		14.1*	15.3*	
BIS total capital ratio (%) <sup>vii</sup>	21.8	19.5	17.2*	20.4*	19.8*
BIS risk-weighted assets <sup>vii</sup>	214,676		240,962*	198,875*	206,525*
BIS tier 1 capital <sup>vii</sup>	41,210		38,370	35,323	31,798
<b>Additional information</b>					
Invested assets (CHF billion) <sup>x</sup>	2,163		2,088*		
Personnel (full-time equivalents)	63,520	65,707	64,820*	64,617*	65,233*
Market capitalization	42,356	58,745	42,843*	58,803*	57,108*

\*unaudited

<sup>†</sup> Net profit attributable to UBS shareholders on a year-to-date basis (annualized as applicable) / average equity attributable to UBS shareholders (year-to-date basis). <sup>‡</sup> Operating income before credit loss (expense) or recovery on a year-to-date basis (annualized as applicable) / average risk-weighted assets (year-to-date basis). Based on Basel 2.5 risk-weighted assets from the first quarter of 2012 onwards. Based on Basel II risk-weighted assets for periods prior to the first quarter of 2012. <sup>¶</sup> Operating income before credit loss (expense) or recovery on a year-to-date basis (annualized as applicable) / average total assets (year-to-date basis). <sup>¶¶</sup> Change in net profit attributable to UBS shareholders from continuing operations between current and comparison periods / net profit attributable to UBS shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss period. <sup>¶¶¶</sup> Net new money for the period (annualized as applicable) / invested assets at the beginning of the period. Group net new money includes net new money for Retail & Corporate and excludes interest and dividend income. Commencing in the first quarter of 2012, UBS has replaced the key performance indicator "net new money" with "net new money growth". The relevant data is included in this table to the extent available in the second quarter 2012 report. <sup>¶¶¶¶</sup> Operating expenses / operating income before credit loss (expense) or recovery. <sup>¶¶¶¶¶</sup> Capital management data as of 30 June 2012 and 31 December 2011 is disclosed in accordance with the Basel 2.5 framework. Comparative data under the new framework is not reported for 30 June 2011, 31 December 2010 and 31 December 2009. The comparative information under the Basel II framework is therefore provided, to the extent reported in the second quarter 2012 report or in the annual report 2011. <sup>¶¶¶¶¶¶</sup> BIS tier 1 capital / BIS risk-weighted assets. <sup>¶¶¶¶¶¶¶</sup> FINMA tier 1 capital / average adjusted assets as per definition by the Swiss Financial Market Supervisory Authority (FINMA). <sup>¶¶¶¶¶¶¶¶</sup> In the first quarter of 2012, UBS has refined the definition of invested assets. Prior periods have been adjusted accordingly and are included in this table to the extent reported in the second quarter 2012 report. Group invested assets include invested assets for Retail & Corporate.

### **Corporate Information**

The legal and commercial name of the Issuer is UBS AG. The company was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CH-270.3.004.646-4.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations and Swiss Federal Banking Law as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors.

According to Article 2 of the Articles of Association of UBS AG ("**Articles of Association**") the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad.

UBS AG shares are listed on the SIX Swiss Exchange and the New York Stock Exchange.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

### **Organizational Structure of the Issuer**

UBS AG is the parent company of the UBS Group. The objective of UBS's group structure is to support the business activities of the parent company within an efficient legal, tax, regulatory and funding framework. None of the individual business divisions of UBS or the Corporate Center are legally independent entities; instead, they primarily perform their activities through the domestic and foreign offices of the parent bank.

In cases where it is impossible or inefficient to operate via the parent bank, due to local legal, tax or regulatory provisions, or where additional legal entities join the Group through acquisition, the business is operated on location by legally independent Group companies.

### **Trend Information**

(Outlook statement as presented in UBS's second quarter 2012 report (unaudited) issued on 31 July 2012)

As in recent quarters, the degree of progress towards achieving sustained and material improvements to eurozone sovereign debt and European banking system issues, as well as the extent of uncertainty surrounding geopolitical tensions, the global economic outlook and the US fiscal "cliff", will continue to exert a strong influence on client confidence and, thus, activity levels in the third quarter of 2012. Failure to make progress on these key issues, accentuated by the reduction in market activity levels typically seen in

the third quarter, would make further improvements in prevailing market conditions unlikely and would thus generate headwinds for revenue growth, net interest margins and net new money. Despite these challenges, UBS remains confident that its asset-gathering businesses as a whole will continue to attract net new money, reflecting UBS's clients' steadfast trust in the firm and their recognition of its continuing efforts to strengthen itself. UBS will strive to deliver on its strategy, which focuses on prudent liquidity management, reducing risk and complexity, and improving its position as one of the best-capitalized banks in the world. UBS has the utmost confidence in its ability to deliver on its strategy by adapting its execution in a changing environment.

***Administrative, Management and Supervisory Bodies of the Issuer***

UBS AG is subject to, and in compliance with, all relevant Swiss legal and regulatory requirements regarding corporate governance. In addition, as a foreign company with shares listed on the New York Stock Exchange (NYSE), UBS AG is in compliance with all relevant corporate governance standards applicable to foreign listed companies.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. This structure establishes checks and balances and preserves the institutional independence of the Board of Directors ("**BoD**") from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board ("**GEB**") under the leadership of the Group Chief Executive Officer ("**Group CEO**"). The supervision and control of the GEB remains with the BoD. No member of one board may be a member of the other.

The Articles of Association and the Organization Regulations of UBS AG with their annexes govern to the authorities and responsibilities of the two bodies.

***Auditors***

On 3 May 2012, the Annual General Meeting of UBS AG re-elected Ernst & Young Ltd, Aeschengraben 9, 4002 Basel, Switzerland ("**Ernst & Young**") as auditors for the Financial Statements of UBS AG and the Consolidated Financial Statements of the UBS Group for a further one-year term. Ernst & Young Ltd., Basel, is a member of the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland. Ernst & Young was also elected as auditors for the Financial Statements of UBS AG and the Consolidated Financial Statements of the UBS Group for 2010 and 2011."

- 3) In relation to
- (a) the Base Prospectus dated 28 March 2006 concerning the issue of A(lternative) I(nvestment) S(trategies) Index – Certificates,
  - (b) the Base Prospectus dated 17 April 2007 concerning the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [•] Index [(Capped)]-Certificates,
  - (c) the Base Prospectus dated 17 August 2007 concerning the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [•] [Portfolio] [(Capped)] Certificates,
  - (d) the Base Prospectus dated 29 February 2008 for the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [Reverse] [Performance] [Tracker] [(Capped)] Certificates,
  - (e) the Base Prospectus dated 2 May 2008 concerning the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [•] [Portfolio] [(Capped)] Certificates,
  - (f) the Base Prospectus dated 25 November 2008 concerning the issue of UBS [Capital Protected] [Discount [PLUS]] [Sprint [PLUS]] [Multibloc] [[Easy] [Outperformance [Express] [Kick-In] [PLUS] [XL] [Bonus]] [Callable Yield] [Reverse] [Champion] [Express] [(Capped)] Certificates,
  - (g) the Base Prospectus dated 17 December 2008 concerning the issue of UBS [Capital Protected] [Bonus] [Twin-Win] [Express] [Reverse] [Lock-In] [Basket] [Select] [(Capped)] [Certificates] [Notes]
  - (h) the Base Prospectus dated 29 January 2009 concerning the issue of UBS [Capital Protected] [[Performance] [Express] [Reverse] [PERLES]] [Outperformance] [Relative Performance Plus] [Open-End] [[Super] S2MART] [[Lock-In] [Bonus] [Extra Plus] [Flex]] [(Capped)] Certificates, and
  - (i) the Base Prospectus dated 21 April 2009 concerning the issue of UBS [Capital Protected] [Gearing] [(Capped)] [Certificates] [Notes],

the following bullet points in the section "Zusammenfassung"

- "Wer ist die Emittentin",
- "Wer sind die Mitglieder der Geschäftsführungs- und Aufsichtsorgane der Emittentin?" and
- "Wie ist die finanzielle Situation der Emittentin?"

and in relation to the Base Prospectus dated 20 March 2007, the following bullet points in the section "Zusammenfassung"

- "Emittentin",
- "Rating der Emittentin" and
- "Vermögenslage der Emittentin"

and in relation to the Base Prospectuses dated 16 June 2008, 15 June 2009, 21 October 2009, 19 August 2010, 22 October 2010, 3 December 2010, 14 October 2011, 28 November 2011, 20 June 2012, and 25 June 2012 the section headed "Wer ist die Emittentin?" in the section "Zusammenfassung"

are completely replaced by the following:

### „Überblick

Die UBS (die „**Emittentin**“) (zusammen mit der Emittentin "**UBS Gruppe**", "**Gruppe**" oder "**UBS**") bringt ihr 150-jähriges Erbe ein, um weltweit Privat-, Firmen- und institutionelle Kunden sowie Schweizer Kleinkunden zu dienen. Die Strategie der UBS konzentriert sich auf ihr herausragendes globales Wealth-Management-Geschäft und ihre Universalbank in der Schweiz. Diese Geschäftseinheiten, zusammen mit einer kundenfokussierten Investmentbank und einem starken, breit abgestützten globalen Asset-Management-Geschäft, werden es UBS ermöglichen ihr herausragendes Wealth-Management-Geschäft auszuweiten und weiteres Wachstum konzernweit anzustreben. Mit Hauptsitz in Zürich und Basel, Schweiz, besitzt UBS Geschäftsstellen in mehr als 50 Ländern, einschliesslich allen grossen Finanzmetropolen.

Am 30. Juni 2012<sup>4</sup> betrug die Basel 2.5-Kernkapitalquote (Tier1)<sup>5</sup> der UBS 19,2%, das verwaltete Vermögen lag bei CHF 2.163 Mrd., das den UBS-Aktionären zurechenbare Eigenkapital betrug

<sup>4</sup> Die folgenden Informationen sind dem zweiten Quartalsbericht 2012 (ungeprüft) der UBS, wie am 31. Juli 2012 publiziert, entnommen.

CHF 54.716 Mio. und die Marktkapitalisierung betrug CHF 42.356 Mio. Zum gleichen Datum beschäftigte UBS 63.520 Mitarbeiter.<sup>6</sup>

### **Ausgewählte konsolidierte Finanzdaten**

UBS hat die nachstehenden ausgewählten konsolidierten Finanzdaten den folgenden Dokumenten entnommen: (i) dem Geschäftsbericht für das Geschäftsjahr 2011, der die geprüften konsolidierten Finanzangaben für das am 31. Dezember 2011 endende Geschäftsjahr enthält (einschließlich der Vergleichszahlen zum 31. Dezember 2010 und 2009) und (ii) den ungeprüften konsolidierten Finanzangaben für das zweite Quartal endend zum 30. Juni 2012 (einschließlich Vergleichszahlen zum 30. Juni 2011). Die konsolidierten Finanzangaben der UBS AG wurden nach den vom International Accounting Standards Board (IASB) herausgegebenen International Financial Reporting Standards (IFRS) erstellt und in Schweizer Franken (CHF) aufgestellt.

	Für das Quartal endend am oder per		Für das Jahr endend am oder per		
Mio. CHF (Ausnahmen sind angegeben)	30.06.12	30.06.11	31.12.11	31.12.10	31.12.09
	<i>ungeprüft</i>		<i>geprüft (Ausnahmen sind angegeben)</i>		
<b>UBS-Konzern</b>					
Geschäftsertrag	6.408	7.171	27.788	31.994	22.601
Geschäftsaufwand	5.457	5.516	22.439	24.539	25.162
Ergebnis aus fortzuführenden Geschäftsbereichen vor Steuern	951	1.654	5.350	7.455	(2.561)
Den UBS-Aktionären zurechenbares Konzernergebnis	425	1.015	4.159	7.534	(2.736)
Verwässertes Ergebnis pro Aktie (CHF)	0,11	0,26	1,08	1,96	(0,75)
<b>Kennzahlen zur Leistungsmessung, Bilanz- und Kapitalbewirtschaftung</b>					
<b>Performance</b>					
Eigenkapitalrendite (RoE) (%) <sup>I</sup>	4,7	12,0	8,5*	16,7*	(7,8)*
Risikogewichtete Gesamtkapitalrentabilität, brutto (%) <sup>II</sup>	11,8	15,3	13,7*	15,5*	9,9*
Gesamtkapitalrentabilität, brutto (%) <sup>III</sup>	1,9	2,4	2,1*	2,3*	1,5*
<b>Wachstum</b>					
Wachstum des Ergebnisses (%) <sup>IV</sup>	(48,6)	(43,8)	(44,8)*	N/A*	N/A*
Wachstum der Nettoneugelder (%) <sup>V</sup>	1,8	1,7			
<b>Effizienz</b>					
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) <sup>VI</sup>	85,1	77,1	80,5*	76,5*	103,0*
<b>Kapitalkraft</b>					
BIZ-Kernkapitalquote (Tier 1) (%) <sup>VII, VIII</sup>	19,2	18,1	15,9*	17,8*	15,4*
FINMA Leverage Ratio (%) <sup>VII, IX</sup>	5,6	4,8	5,4*	4,4*	3,9*
<b>Bilanz- und Kapitalbewirtschaftung</b>					
Total Aktiven	1.412.043		1.419.162	1.317.247	1.340.538
Den UBS-Aktionären zurechenbares Eigenkapital	54.716		53.447	46.820	41.013

<sup>5</sup> Seit dem 31. Dezember 2011 fällt die Kommunikation der Kennzahlen zur Kapitalbewirtschaftung von UBS unter das überarbeitete Basel II-Rahmenwerk hinsichtlich des Marktrisikos, bekannt als Basel 2.5. Die Basel 2.5 Kernkapitalquote (Tier 1) gibt das Verhältnis von nach Basel 2.5 anrechenbarem Tier 1 Kernkapital zu den risikogewichteten Aktiven Basel 2.5 wieder. Das nach Basel 2.5 anrechenbare Tier 1 Kernkapital kann ausgehend vom nach IFRS ermittelten den Aktionären zustehenden Eigenkapital errechnet werden, zu dem eigene Aktien zu Anschaffungskosten sowie Eigenkapital, das als Verpflichtung zum Kauf eigener Aktien eingestuft wird, hinzugerechnet werden, das um bestimmte Positionen bereinigt wird und von dem dann bestimmte weitere Positionen abgezogen werden. Die wesentlichen Bereinigungsgrößen für Kapitalzwecke sind unrealisierte Gewinne/Verluste aus Cash Flow Hedges sowie Gewinne/Verluste aus dem eigenen Kreditrisiko betreffend zum Marktwert ausgewiesene Verbindlichkeiten. Die wesentlichen Abzugsgrößen sind Abzüge für eigene Aktien, Goodwill und immaterielle Vermögenswerte sowie Positionen aus gewissen Verbriefungstransaktionen.

<sup>6</sup> Mitarbeiter auf Vollzeitbasis.

Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals pro Aktie (CHF)	14,60		14,26*	12,35*	11,65*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals abzüglich Goodwill und anderer immaterieller Vermögenswerte pro Aktie (CHF)	12,00		11,68*	9,76*	8,52*
BIZ-«harte» Kernkapitalquote (Tier 1) (%) <sup>vii</sup>	17,2		14,1*	15,3*	
BIZ-Gesamtkapitalquote (Tier 1 und 2) (%) <sup>vii</sup>	21,8	19,5	17,2*	20,4*	19,8*
BIZ-Risikogewichtete Aktiven <sup>vii</sup>	214.676		240.962*	198.875*	206.525*
BIZ-Kernkapital (Tier 1) <sup>vii</sup>	41.210		38.370	35.323	31.798
<b>Zusätzliche Informationen</b>					
Verwaltete Vermögen (Mrd. CHF) <sup>x</sup>	2.163		2.088*		
Personalbestand (auf Vollzeitbasis)	63.520	65.707	64.820*	64.617*	65.233*
Börsenkapitalisierung	42.356	58.745	42.843*	58.803*	57.108*

\*ungeprüft

<sup>i</sup> Das den UBS-Aktionären zurechenbare Konzernergebnis seit Jahresbeginn (gegebenenfalls annualisiert) / Das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital (seit Jahresbeginn). <sup>ii</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken seit Jahresbeginn (gegebenenfalls annualisiert) / Durchschnittliche risikogewichtete Aktiven (seit Jahresbeginn). Ab dem ersten Quartal 2012 basieren die risikogewichteten Aktiven auf den Basel-2.5-Richtlinien. Die Vergleichsperioden vor dem ersten Quartal 2012 basieren auf risikogewichteten Aktiven in Einklang mit den Basel-II-Richtlinien. <sup>iii</sup> Geschäftsertrag vor Wertberichtigungen seit Jahresbeginn (gegebenenfalls annualisiert) / Total durchschnittliche Aktiven (seit Jahresbeginn). <sup>iv</sup> Veränderung des aktuellen den UBS-Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen gegenüber einer Vergleichsperiode / Das den UBS-Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in einer Vergleichsperiode. Besitzt keine Aussagekraft und wird nicht ausgewiesen, falls für die laufende Periode oder die Vergleichsperiode ein Verlust verzeichnet wird. <sup>v</sup> Nettoneugelder seit Beginn der Periode (gegebenenfalls annualisiert) / verwaltete Vermögen zum Beginn der Periode. Nettoneugelder des Konzerns beinhalten Nettoneugelder von Retail & Corporate und schliessen Zins- und Dividendenerträge aus. Mit Beginn des ersten Quartals 2012 hat die UBS die Kennzahl zur Leistungsbemessung „Nettoneugelder“ in „Wachstum der Nettoneugelder“ geändert. Die relevanten Zahlen sind in dieser Tabelle miteinbezogen soweit sie im zweiten Quartalsbericht 2012 ausgewiesen wurden. <sup>vi</sup> Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. <sup>vii</sup> Die Zahlen zur Kapitalbewirtschaftung zum 30. Juni 2012 und 31. Dezember 2011 werden in Einklang mit den Basel-2.5-Richtlinien offengelegt. Vergleichswerte unter den neuen Richtlinien sind für den 30. Juni 2011, den 31. Dezember 2010 und den 31. Dezember 2009 nicht verfügbar. Daher werden die Vergleichsinformationen gemäß Basel-II-Richtlinien offengelegt, soweit sie im zweiten Quartalsbericht 2012 oder im Jahresbericht 2011 ausgewiesen wurden. <sup>viii</sup> BIZ-Kernkapital / Risikogewichtete Aktiven gemäß BIZ. <sup>ix</sup> FINMA-Kernkapital / Durchschnitt der adjustierten Bilanzsumme gemäß der Eidgenössischen Finanzmarktaufsicht (FINMA). <sup>x</sup> Im ersten Quartal 2012 hat die UBS ihre Definition für verwaltete Vermögen weiterentwickelt. Die Vorperioden wurden entsprechend angepasst und sind in dieser Tabelle miteinbezogen, soweit sie im zweiten Quartalsbericht 2012 ausgewiesen wurden. Verwaltete Vermögen des Konzerns beinhalten Vermögen unter der Verwaltung von Retail & Corporate.

### Unternehmensinformationen

Der rechtliche und kommerzielle Name der Emittentin lautet UBS AG. Die Bank wurde am 28. Februar 1978 unter dem Namen SBC AG für eine unbegrenzte Dauer gegründet und am gleichen Tag im Handelsregister des Kantons Basel-Stadt eingetragen. Am 8. Dezember 1997 änderte die Bank ihren Namen in UBS AG. In seiner heutigen Form entstand das Unternehmen am 29. Juni 1998 durch die Fusion der 1862 gegründeten Schweizerischen Bankgesellschaft und des 1872 gegründeten Schweizerischen Bankvereins. UBS AG ist in den Handelsregistern des Kantons Zürich und des Kantons Basel-Stadt eingetragen. Die Handelsregisternummer lautet CH-270.3.004.646-4.

UBS AG hat ihren Sitz in der Schweiz, wo sie als Aktiengesellschaft nach schweizerischem Aktienrecht und den schweizerischen bankengesetzlichen Bestimmungen eingetragen ist. Als AG hat UBS Namenaktien an Investoren ausgegeben.

Gemäß Artikel 2 der Statuten der UBS AG ("**Statuten**") ist der Zweck der UBS AG der Betrieb einer Bank. Ihr Geschäftskreis umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften im In- und Ausland.

Die Aktien der UBS AG sind an der SIX Swiss Exchange sowie an der Börse in New York kotiert.

Die Adressen und Telefonnummern der beiden Satzungs- und Verwaltungssitze der UBS AG lauten: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, Telefon +41 44 234 1111, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz, Telefon +41 61 288 5050.

### ***Organisationsstrukturen der Emittentin***

Die UBS AG ist das Stammhaus des UBS-Konzerns. Die Konzernstruktur von UBS hat zum Ziel, die Geschäftstätigkeiten des Stammhauses innerhalb eines effizienten rechtlichen, steuerlichen, regulatorischen und finanziellen Rahmens zu unterstützen. Weder die einzelnen Unternehmensbereiche von UBS noch das Corporate Center sind rechtlich unabhängige Einheiten, stattdessen wickeln sie ihre Geschäfte primär über die in- und ausländischen Niederlassungen des Stammhauses ab.

In Fällen, in denen das Agieren über das Stammhaus aufgrund lokaler Rechtsvorschriften, steuerrechtlicher oder regulatorischer Bestimmungen oder neu erworbener Gesellschaften unmöglich oder ineffizient ist, wird die Geschäftstätigkeit vor Ort von rechtlich eigenständigen Konzerngesellschaften übernommen.

### ***Trendinformationen***

(Ausblick wie im zweiten Quartalsbericht 2012 (ungeprüft) von UBS dargestellt und am 31. Juli 2012 publiziert)

Das Vertrauen der Kunden und damit die Geschäftstätigkeit im dritten Quartal 2012 dürfte von folgenden Faktoren bestimmt werden, die sich auch schon in den Vorquartalen gestellt haben: den Fortschritten, die mit Blick auf eine wesentliche und nachhaltige Verbesserung der Verschuldungssituation in der Eurozone und der Probleme im europäischen Bankensystem erzielt werden, dem Ausmass an Unsicherheit in Verbindung mit den geopolitischen Spannungen, dem globalen Konjunkturausblick sowie dem „Fiscal Cliff“ in den USA. Wenn in diesen zentralen Punkten keine Fortschritte erzielt werden und die Marktaktivität – wie im dritten Quartal üblich – abnimmt, sind weitere Ergebnisverbesserungen unter den herrschenden Marktbedingungen unwahrscheinlich. Dies würde bedeuten, dass das Ertragswachstum, die Nettozinsmargen sowie die Nettoneugeldentwicklung unter Druck geraten. Trotz dieser Herausforderungen bleibt UBS zuversichtlich, dass unsere Asset-Gathering-Einheiten als Ganzes auch weiterhin Nettogeldzuflüsse generieren werden. Mit dem anhaltenden Vertrauen, das die Kunden unserem Unternehmen entgegenbringen, anerkennen sie auch die laufenden Bestrebungen zur weiteren Stärkung von UBS. UBS setzt sich dafür ein, ihre Strategie resultatorientiert umzusetzen. Die Strategie konzentriert sich auf sorgfältiges Liquiditätsmanagement, den Abbau von Risiko und Komplexität sowie den Ausbau ihrer Stellung als eine der am besten kapitalisierten Banken der Welt. UBS ist höchst zuversichtlich, dass ihre Strategie funktionieren wird, während UBS sie in der Umsetzung an das veränderte Umfeld adaptieren werden.

### ***Verwaltungs-, Management-, und Aufsichtsorgane der Emittentin***

UBS AG unterliegt allen relevanten rechtlichen und regulatorischen Corporate-Governance-Anforderungen in der Schweiz und kommt diesen vollumfänglich nach. Ausserdem hält UBS AG aufgrund ihrer Kotierung an der New York Stock Exchange (NYSE) als ausländisches Unternehmen alle relevanten Corporate-Governance-Standards ein, die für ausländische kotierte Unternehmen gelten.

UBS AG verfügt über zwei streng getrennte Führungsgremien, wie dies von der schweizerischen Bankengesetzgebung vorgeschrieben ist. Diese Struktur schafft gegenseitige Kontrolle («Checks and Balances») und macht den Verwaltungsrat unabhängig vom Tagesgeschäft des Unternehmens, für das die Konzernleitung unter der Führung des Group Chief Executive Officer („**Group CEO**“) die Verantwortung trägt. Die Aufsicht und Kontrolle der Konzernleitung liegt beim Verwaltungsrat. Niemand kann Mitglied beider Gremien sein.

Sämtliche Verantwortlichkeiten und Befugnisse der beiden Gremien sind in den Statuten sowie im Organisationsreglement der UBS AG mit seinen Anhängen geregelt.

### ***Abschlussprüfer***

Am 3. Mai 2012 wurde die Ernst & Young AG, Aeschengraben 9, 4002 Basel, Schweiz, auf der Generalversammlung der UBS AG als Abschlussprüferin der Emittentin und der UBS Gruppe in Übereinstimmung mit den gesellschaftsrechtlichen und bankengesetzlichen Vorgaben für den Zeitraum eines weiteren Jahres wiedergewählt. Ernst & Young AG, Basel, ist Mitglied der Treuhänder-Kammer der Schweiz mit Sitz in Zürich, Schweiz. Ernst & Young AG war ebenfalls als Abschlussprüferin der Emittentin und der UBS Gruppe in Übereinstimmung mit den gesellschaftsrechtlichen und bankengesetzlichen Vorgaben für die Geschäftsjahre 2010 und 2011 bestellt.“

- 4) In relation to the Base Prospectuses as listed introductory on pages 1 to 9, the section headed "Description of the Issuer" or in relation to the Base Prospectus dated 20 March 2007, the section headed "Description of UBS AG" is completely replaced by the following:

## **"DESCRIPTION OF THE ISSUER"**

The following description contains general information on UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

### **Overview**

UBS AG ("**Issuer**") with its subsidiaries (together with the Issuer, "**UBS Group**", "**Group**" or "**UBS**") draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS's business strategy is centered on its pre-eminent global wealth management businesses and its universal bank in Switzerland. These businesses, together with a client-focused Investment Bank and a strong, well-diversified Global Asset Management business, will enable UBS to expand its premier wealth management franchise and drive further growth across the Group. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.

On 30 June 2012<sup>7</sup> UBS's Basel 2.5 tier1<sup>8</sup> ratio was 19.2%, invested assets stood at CHF 2,163 billion, equity attributable to shareholders was CHF 54,716 million and market capitalization was CHF 42,356 million. On the same date, UBS employed 63,520 people<sup>9</sup>.

The rating agencies Standard & Poor's ("**S&P**"), Fitch Ratings ("**Fitch**") and Moody's ("**Moody's**") have published credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfill in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch Ratings and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has long-term senior debt ratings of A<sup>10</sup> (negative outlook) from Standard & Poor's, A2<sup>11</sup> (stable outlook) from Moody's and A<sup>12</sup> (stable outlook) from Fitch Ratings.

The following table gives an overview of the rating classes as used by the three major rating agencies and their respective meaning. UBS's rating is indicated by the red box.

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-		AA-		

<sup>7</sup> The following information is taken from UBS's second quarter 2012 report (unaudited) issued on 31 July 2012.

<sup>8</sup> From 31 December 2011, UBS capital disclosures fall under the revised Basel II market risk framework, commonly referred to as Basel 2.5. The Basel 2.5 tier 1 ratio is the ratio of eligible Basel 2.5 tier 1 capital to Basel 2.5 risk-weighted assets. Eligible Basel 2.5 tier 1 capital can be calculated by starting with IFRS equity attributable to shareholders, adding treasury shares at cost and equity classified as obligation to purchase own shares, reversing out certain items, and then deducting certain other items. The most significant items reversed out for capital purposes are unrealized gains/losses on cash flow hedges and own credit gains/losses on liabilities designated at fair value. The largest deductions are treasury shares and own shares, goodwill and intangibles and certain securitization exposures.

<sup>9</sup> Full-time equivalents.

<sup>10</sup> Upper medium grade

<sup>11</sup> Upper medium grade

<sup>12</sup> Upper medium grade



A1		A+	A-1	A+	F1	Upper grade	medium
<b>A2</b>		<b>A</b>		<b>A</b>			
A3	P-2	A-	A-2	A-	F2		
Baa1		BBB+		BBB+		Lower grade	medium
Baa2	P-3	BBB	A-3	BBB	F3		
Baa3		BBB-		BBB-			
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative	
Ba2		BB		BB			
Ba3		BB-		BB-			
B1		B+		B+		Highly speculative	
B2		B		B			
B3		B-		B-			
Caa1		CCC+	C	CCC	C	Substantial risks	
Caa2		CCC				Extremely speculative	
Caa3		CCC-				In default with little prospect for recovery	
Ca		CC					
		C					
C		D	/	DDD	/	In default	
/				DD			
/				D			

The rating from Standard & Poor's has been issued by Standard & Poor's Credit Market Services Europe Limited, United Kingdom, registered as credit rating agency under Regulation (EC) No 1060/2009.

The rating from Moody's has been issued by Moody's Investors Service Limited, United Kingdom, registered as credit rating agency under Regulation (EC) No 1060/2009.

The rating from Fitch has been issued by Fitch Ratings Limited, United Kingdom, registered as credit rating agency under Regulation (EC) No 1060/2009.

## I. Corporate Information

The legal and commercial name of the Issuer is UBS AG. The company was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CH-270.3.004.646-4.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations and Swiss Federal Banking Law as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors.

According to Article 2 of the Articles of Association of UBS AG ("**Articles of Association**") the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad.

UBS AG shares are listed on the SIX Swiss Exchange and the New York Stock Exchange.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

## **II. Business Overview**

### **Business Divisions and Corporate Center**

UBS operates as a group with five business divisions (Wealth Management, Wealth Management Americas, the Investment Bank, Global Asset Management and Retail & Corporate) and a Corporate Center. Each of the business divisions and the Corporate Center are described below. A full description of their businesses, strategies and clients, organizational structures, products and services can be found in the Annual Report 2011 of UBS AG published on 15 March 2012 (the "**Annual Report 2011**"), on pages 30-46 (inclusive) of the English version.

### **Wealth Management**

Wealth Management delivers comprehensive financial services to wealthy private clients around the world - except those served by Wealth Management Americas. Its clients benefit from the entire spectrum of UBS resources, ranging from investment management to estate planning and corporate finance advice, in addition to specific wealth management products and services. An open platform provides clients with access to a wide array of products from third-party providers that complement UBS's own product lines.

### **Wealth Management Americas**

Wealth Management Americas provides advice-based solutions through financial advisors who deliver a fully integrated set of products and services specifically designed to address the needs of ultra high net worth and high net worth individuals and families. It includes the domestic US business, the domestic Canadian business and international business booked in the US.

### **Investment Bank**

The Investment Bank provides a broad range of products and services in equities, fixed income, foreign exchange and commodities to corporate and institutional clients, sovereign and government bodies, financial intermediaries, alternative asset managers and UBS's wealth management clients. The Investment Bank is an active participant in capital markets flow activities, including sales, trading and market-making across a broad range of securities. It provides financial solutions to a wide range of clients, and offers advisory and analytics services in all major capital markets.

### **Global Asset Management**

Global Asset Management is, in its own opinion, a large-scale asset manager with businesses diversified across regions, capabilities and distribution channels. It offers investment capabilities and styles across all major traditional and alternative asset classes including equities, fixed income, currencies, hedge fund, real estate, infrastructure and private equity that can also be combined in multi-asset strategies. The fund services unit provides professional services, including fund set-up, accounting and reporting for traditional investments funds and alternative funds.

### **Retail & Corporate**

Retail & Corporate delivers comprehensive financial products and services to retail, corporate and institutional clients in Switzerland. It is an integral part of the universal bank model in Switzerland and delivers growth to UBS's other businesses. It supports them by cross-selling products and services provided by UBS's asset-gathering and investment banking businesses, by referring clients to them and transferring clients to Wealth Management due to increased client wealth.

### **Corporate Center**

The Corporate Center provides treasury services, and manages support and control functions for the business divisions and the Group in such areas as risk control, finance, legal and compliance, funding, capital and balance sheet management, management of non-trading risk, communications and branding, human resources, information technology, real estate, procurement, corporate development and service centers. It allocates most of the treasury income, operating expenses and personnel associated with these activities, which are referred to collectively as the Corporate Center - Core Functions, to the businesses based on capital and service consumption levels. The Corporate Center also encompasses the Legacy Portfolio, consisting of the centrally managed legacy portfolio formerly in the Investment Bank and the option to acquire the equity of the SNB StabFund.

## Competition

The financial services industry is characterized by intense competition, continuous innovation, detailed (and sometimes fragmented) regulation and ongoing consolidation. UBS faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS in their size and breadth. Barriers to entry in individual markets are being eroded by new technology. UBS expects these trends to continue and competition to increase in the future.

## Recent Developments:

Results as of and for the quarter ended 30 June 2012 (taken from UBS's second quarter 2012 report (unaudited) issued on 31 July 2012)

On 31 July 2012, UBS published its second quarter 2012 report and reported net profit attributable to UBS shareholders of CHF 425 million in the second quarter of 2012 compared with CHF 827 million in the first quarter. Pre-tax profit declined to CHF 951 million from CHF 1,304 million, primarily reflecting lower trading revenues, excluding own credit, as well as a decline in net fee and commission income and higher operating expenses. These declines were partly offset by an own credit gain of CHF 239 million compared with a loss of CHF 1,164 million in the prior quarter. Tax expense was CHF 253 million compared with CHF 476 million in the prior quarter. In addition, CHF 273 million of the second quarter net profit was attributable to non-controlling interests, mostly reflecting dividends on trust preferred securities, compared with CHF 1 million in the prior quarter.

Operating expenses increased by CHF 236 million to CHF 5,457 million. The second quarter included a credit to personnel expenses of CHF 84 million related to changes to a retiree medical and life insurance benefit plan in the US, while the prior quarter included a credit to personnel expenses of CHF 485 million related to changes to UBS's Swiss pension plan. In addition, the second quarter included net restructuring charges of CHF 9 million compared with net restructuring charges of CHF 126 million in the prior quarter. Excluding these items, operating expenses decreased by CHF 48 million to CHF 5,532 million. UBS employed 63,520 personnel as of 30 June 2012 compared with 64,243 personnel as of 31 March 2012. The decrease of 723 during the second quarter mainly related to UBS's continued focus on cost reduction across most business divisions.

The Basel 2.5 tier 1 capital ratio stood at 19.2% on 30 June 2012, an improvement of 50 basis points from 31 March 2012. Basel 2.5 tier 1 capital increased by CHF 1.6 billion, mainly due to lower tier 1 deductions, currency effects and net profit. Pro-forma Basel III RWA<sup>13</sup> were estimated to be CHF 305 billion on a fully applied basis at the end of the second quarter, a CHF 45 billion decline from the prior quarter. This decrease was mainly due to a revised treatment of the option to acquire the SNB StabFund's equity, lower securitization uplift due to Legacy Portfolio asset sales and the reduction in credit value adjustment VaR RWA, partially offset by the revised treatment in deferred tax assets. The balance sheet stood at CHF 1,412 billion on 30 June 2012, up from CHF 1,366 billion on 31 March 2012.

Wealth Management pre-tax profit was CHF 502 million in the second quarter of 2012 compared with CHF 803 million in the previous quarter, primarily as the first quarter included a credit to personnel expenses of CHF 237 million related to changes to the Swiss pension plan. Adjusted for this item and restructuring charges of CHF 1 million in the second quarter and CHF 12 million in the first quarter, pre-tax profit decreased by CHF 75 million to CHF 503 million. Total operating income decreased by CHF 35 million to CHF 1,734 million from CHF 1,769 million, due to a decline in non-recurring fees and trading income, reflecting lower client activity levels. Operating expenses increased to CHF 1,232 million from CHF 966 million. The gross margin on invested assets decreased by 4 basis points to 89 basis points, mainly reflecting lower client activity levels. Net new money improved to CHF 9.5 billion from CHF 6.7 billion in the previous quarter. Invested assets increased to CHF 783 billion. The annualized net new money growth rate was 4.9% compared with 3.6% in the previous quarter.

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<sup>13</sup> The calculation of the pro-forma Basel III risk-weighted assets combines existing Basel 2.5 risk-weighted assets, a revised treatment for low-rated securitization exposures which are no longer deducted from capital but are risk-weighted with 1250%, and new capital charges based on models. Some of these new models still require regulatory approval and therefore the pro-forma calculations include estimates of the impact of these new capital charges which will be refined as models and the associated systems are enhanced.

Wealth Management Americas pre-tax profit in the second quarter of 2012 was USD 211 million, a slight increase from the prior quarter's profit of USD 209 million, as a 1% rise in operating income was only partially offset by an increase in operating expenses. The second quarter's result included USD 63 million of realized gains in the investment portfolio, an increase over the prior quarter, and an increase in net fee and commission income that offset the combined effect of reduced net interest and trading income and higher operating expenses. Operating income increased by USD 19 million to USD 1,587 million from USD 1,568 million. Total operating expenses increased by USD 16 million to USD 1,375 million from USD 1,359 million, primarily due to a 7% increase in non-personnel expenses. Net new money totaled USD 3.8 billion compared with USD 4.6 billion. The annualized net new money growth rate for the second quarter was 1.9%, down from 2.4% in the prior quarter. The gross margin on invested assets decreased by 1 basis point to 79 basis points.

The Investment Bank recorded a pre-tax loss of CHF 130 million in the second quarter of 2012 compared with a pre-tax profit of CHF 730 million in the first quarter of 2012. Revenues declined significantly in the securities business amid challenging market conditions. In addition, revenues were impacted by a loss of CHF 349 million related to the Facebook initial public offering. Pro-forma Basel III RWA<sup>3</sup> decreased to CHF 170 billion. Total operating income decreased by 40% to CHF 1,736 million in the second quarter of 2012 from CHF 2,903 million in the previous quarter. In the investment banking division, total revenues decreased by 6% to CHF 372 million from CHF 396 million, as a reduction in fees was partially offset by lower risk management premiums. Equities revenues decreased 75% to CHF 247 million from CHF 992 million, with declines across most businesses, and reflecting the impact of the loss related to the Facebook initial public offering. The comparison with the prior quarter was also affected by the adverse effect of an improvement in the own credit calculation methodology and the correction of own credit items relating to prior periods. Fixed income, currencies and commodities revenues decreased 27% to CHF 1,099 million from CHF 1,501 million as escalating eurozone fears and slower growth in the US created challenging market conditions. Total operating expenses decreased 14% to CHF 1,867 million from CHF 2,173 million. Second quarter included a credit of CHF 71 million related to changes to a retiree benefit plan in the US and CHF 23 million of restructuring charges, while first quarter included a credit of CHF 38 million related to changes to the Swiss pension plan and CHF 101 million of restructuring charges.

Global Asset Management pre-tax profit in the second quarter of 2012 was CHF 118 million compared with CHF 156 million in the first quarter, primarily due to lower performance fees, especially in alternative and quantitative investments. Total operating income was CHF 446 million compared with CHF 478 million in the first quarter. Total operating expenses were CHF 328 million compared with CHF 322 million in the first quarter. The second quarter included a credit to personnel expenses of CHF 11 million related to changes to a retiree benefit plan in the US. The first quarter included a credit to personnel expenses related to changes to the Swiss pension plan of CHF 20 million and restructuring charges of CHF 6 million. The annualized net new money growth rate was negative 2.5% compared with negative 5.7% in the first quarter. Excluding money market flows, net new money inflows from third parties were CHF 3.4 billion compared with outflows of CHF 2.9 billion in the first quarter as the level of client portfolio re-alignments seen in the first quarter abated and third party inflows rebounded in the second quarter. The inflows were mainly into traditional investments, particularly indexed equity. Total net new money flows, excluding money market funds, were positive in the second quarter at CHF 1.2 billion. The total gross margin was 32 basis points compared with 34 basis points in the first quarter, mainly due to lower performance fees in alternative and quantitative investments.

Retail & Corporate pre-tax profit was CHF 399 million compared with CHF 575 million in the previous quarter, which included a credit to personnel expenses of CHF 190 million related to changes to the Swiss pension plan. Adjusted for this item and restructuring charges (CHF 4 million releases in the second quarter, and CHF 7 million charges in the first quarter), pre-tax profit increased by CHF 3 million to CHF 395 million. Both the retail and corporate businesses continued to record strong net new business volume growth. Total operating income decreased by CHF 9 million to CHF 927 million from CHF 936 million in the prior quarter. Operating expenses increased to CHF 527 million from CHF 361 million in the previous quarter, which included a credit to personnel expenses of CHF 190 million related to changes to the Swiss pension plan. Adjusted for these changes and restructuring charges, operating expenses were down by CHF 13 million. Annualized net new business volume growth was 3.3% compared with 4.2% in the previous quarter. Both the retail and corporate businesses recorded net inflows, mainly in client assets, but also from loans, in line with the strategy to grow business in high-quality loans.

Corporate Center – Core Functions pre-tax result in the second quarter was a loss of CHF 19 million compared with a loss of CHF 1,239 million in the previous quarter. The second quarter included an own credit gain of CHF 239 million compared with a loss of CHF 1,164 million in the prior quarter. Treasury

income remaining in Corporate Center - Core Functions after allocations to the business divisions was negative CHF 64 million compared with positive CHF 79 million in the prior quarter.

The Legacy Portfolio pre-tax result was a loss of CHF 119 million compared with a gain of CHF 89 million in the previous quarter. The two primary reasons for this were that the value of the option to acquire the SNB StabFund's equity increased by CHF 45 million, CHF 82 million less than the increase in the prior quarter, and that a loss of CHF 81 million was recorded in the remainder of the Legacy Portfolio compared with a gain of CHF 37 million in the prior quarter.

### **III. Organisational Structure of the Issuer**

UBS AG is the parent company of the UBS Group. The objective of UBS's group structure is to support the business activities of the parent company within an efficient legal, tax, regulatory and funding framework. None of the individual business divisions of UBS or the Corporate Center are legally independent entities; instead, they primarily perform their activities through the domestic and foreign offices of the parent bank.

In cases where it is impossible or inefficient to operate via the parent bank, due to local legal, tax or regulatory provisions, or where additional legal entities join the Group through acquisition, the business is operated on location by legally independent Group companies. UBS AG's significant subsidiaries as of 31 December 2011 are listed in its annual report as of 31 December 2011 published on 15 March 2012 (the "**Annual Report 2011**"), on pages 394-397 (inclusive) of the English version.

### **IV. Trend Information**

(Outlook statement as presented in UBS's second quarter 2012 report (unaudited) issued on 31 July 2012)

As in recent quarters, the degree of progress towards achieving sustained and material improvements to eurozone sovereign debt and European banking system issues, as well as the extent of uncertainty surrounding geopolitical tensions, the global economic outlook and the US fiscal "cliff", will continue to exert a strong influence on client confidence and, thus, activity levels in the third quarter of 2012. Failure to make progress on these key issues, accentuated by the reduction in market activity levels typically seen in the third quarter, would make further improvements in prevailing market conditions unlikely and would thus generate headwinds for revenue growth, net interest margins and net new money. Despite these challenges, UBS remains confident that its asset-gathering businesses as a whole will continue to attract net new money, reflecting UBS's clients' steadfast trust in the firm and their recognition of its continuing efforts to strengthen itself. UBS will strive to deliver on its strategy, which focuses on prudent liquidity management, reducing risk and complexity, and improving its position as one of the best-capitalized banks in the world. UBS has the utmost confidence in its ability to deliver on its strategy by adapting its execution in a changing environment.

### **V. Administrative, Management and Supervisory Bodies of the Issuer**

UBS AG is subject to, and in compliance with, all relevant Swiss legal and regulatory requirements regarding corporate governance. In addition, as a foreign company with shares listed on the New York Stock Exchange ("**NYSE**"), UBS AG is in compliance with all relevant corporate governance standards applicable to foreign listed companies.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. This structure establishes checks and balances and preserves the institutional independence of the Board of Directors ("**BoD**") from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board ("**GEB**") under the leadership of the Group Chief Executive Officer ("**Group CEO**"). The supervision and control of the GEB remains with the BoD. No member of one board may be a member of the other.

The Articles of Association and the Organization Regulations of UBS AG with their annexes govern the authorities and responsibilities of the two bodies.

#### **Board of Directors**

The BoD is the most senior body of UBS AG. The BoD consists of at least six and a maximum of twelve members. All the members of the BoD are elected individually by the Annual General Meeting of Shareholders ("**AGM**") for a term of office of one year. The BoD's proposal for election must be such that three quarters of the BoD members will be independent. Independence is determined in accordance with

the Swiss Financial Market Supervisory Authority (“**FINMA**”) circular 08/24, the NYSE rules and the rules and regulations of other securities exchanges on which UBS shares are listed, if any, applying the stricter standard. The Chairman is not required to be independent.

The BoD has ultimate responsibility for the success of the UBS Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. It decides on UBS Group’s strategic aims and the necessary financial and human resources upon recommendation of the Group CEO and sets the UBS Group’s values and standards to ensure that its obligations to its shareholders and others are met.

The BoD meets as often as business requires, and at least six times a year.

## Members of the Board of Directors

Members and business addresses	Title	Term of office	Current positions outside UBS AG
Axel A. Weber  UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001 Zurich, Switzerland	Chairman	2013	Member of the Group of Thirty, Washington, D.C.; research fellow at the Center for Economic Policy Research, London, and the Center for Financial Research, Cologne; senior research fellow at the Center for Financial Studies, Frankfurt/Main; member of the European Money and Finance Forum; member of the Monetary Economics and International Economics Councils of the <i>Verein für Socialpolitik</i> ; member of the Advisory Board of the German Market Economy Foundation; member of the Advisory Council of the Goethe University, Frankfurt/Main. Honorary doctor at the University of Duisburg-Essen and Konstanz.
Michel Demaré  ABB Ltd., Affolternstrasse 44, P.O. Box 5009, CH-8050 Zurich, Switzerland	Independent Vice Chairman	2013	CFO and member of the Group Executive Committee of ABB; member of the board of Syngenta and of the IMD Foundation, Lausanne.
David Sidwell  UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001 Zurich, Switzerland	Senior Independent Director	2013	Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; trustee of the International Accounting Standards Committee Foundation, London; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Rainer-Marc Frey  Office of Rainer-Marc Frey, Seeweg 39, CH-8807 Freienbach Switzerland	Member	2013	Founder of Horizon21 AG; Chairman of Horizon21 AG, its holding company and related entities and subsidiaries; member of the board of DKSH Group, Zurich, and of the Frey Charitable Foundation, Freienbach.
Ann F. Godbehere  UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001 Zurich, Switzerland	Member	2013	Board member and Chairperson of the Audit Committees of Prudential plc, Rio Tinto plc and Rio Tinto Limited, London; Atrium Underwriters Ltd. and Atrium Underwriting Group Ltd., London; and Arden Holdings Ltd., Bermuda. Member of the board of British American Tobacco plc.
Axel P. Lehmann  Zurich Financial Services, Mythenquai 2, CH-8002, Zurich, Switzerland	Member	2013	Member of the Group Executive Committee, Group Chief Risk Officer and Regional Chairman Europe of Zurich Financial Services; Chairman of the board of Farmers Group, Inc. and Chairman of the board of the Institute of Insurance Economics at the University of St. Gallen; member and past Chairman of the Chief Risk Officer Forum and member of the executive committee of the International Financial Risk Institute Foundation.
Wolfgang Mayrhuber  Deutsche Lufthansa AG, Flughafen Frankfurt am Main 302, D-60549 Frankfurt am Main Germany	Member	2013	Chairman of the Supervisory Board and Chairperson of the Mediation, the Nomination and the Executive Committees of Infineon Technologies AG, as well as member of the supervisory boards of Munich Re Group, BMW Group, Lufthansa Technik AG and Austrian Airlines AG; member of the board of HEICO Corporation, Hollywood, FL; member of the executive board of Acatech ( <i>Deutsche Akademie der Technikwissenschaften</i> ) and trustee of the American Academy of Berlin.
Helmut Panke  BMW AG,	Member	2013	Member of the board and Chairperson of the Antitrust Compliance Committee of Microsoft Corporation; member of the board and Chairperson of the Board Safety & Risk Committee of Singapore Airlines

<b>Members and business addresses</b>	<b>Title</b>	<b>Term of office</b>	<b>Current positions outside UBS AG</b>
Petuelring 130, D-80788 Munich Germany			Ltd.; member of the Supervisory Board of Bayer AG.
William G. Parrett  UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001 Zurich, Switzerland	Member	2013	Independent Director and Chairperson of the Audit Committee of the Eastman Kodak Company, the Blackstone Group LP and Thermo Fisher Scientific Inc.; Past chairman of the board of the United States Council for International Business and of United Way Worldwide; member of the Board of Trustees of Carnegie Hall.
Isabelle Romy  Froiep Renggli, Bellerivestrasse 201, 8034 Zurich, Switzerland	Member	2013	Partner at Froiep Renggli, Zurich; associate professor at the University of Fribourg and at the Federal Institute of Technology, Lausanne; Vice Chairman of the Sanction Commission of the SIX Swiss Exchange.
Beatrice Weder di Mauro  UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001, Zurich, Switzerland	Member	2013	Professor at the Johannes Gutenberg University, Mainz; research fellow at the Center for Economic Policy Research, London; member of the board of Roche Holding Ltd., Basel; member of the Supervisory Board of ThyssenKrupp AG, Essen, and of the <i>Deutsche Investitions- und Entwicklungsgesellschaft</i> , Cologne.
Joseph Yam  18 B South Bay Towers 59 South Bay Rd. Hong Kong	Member	2013	Executive Vice President of the China Society for Finance and Banking; Chairman of the board of Macroprudential Consultancy Limited and member of the international advisory councils of a number of government and academic institutions. Board member and Chairperson of the Risk Committee of China Construction Bank. Member of the board of Johnson Electric Holdings Limited.

### ***Organizational principles and structure***

Following each AGM, the BoD meets to appoint its Chairman, Vice Chairman, Senior Independent Director, the BoD Committees members and their respective Chairpersons. At the same meeting, the BoD appoints a Company Secretary, who acts as secretary to the BoD and its Committees.

The BoD committees comprise the Audit committee, the Corporate Responsibility Committee, the Governance and Nominating Committee, the Human Resources and Compensation Committee and the Risk Committee. The BoD has also established a Special Committee in connection with the unauthorized trading incident announced in September 2011.

### ***Audit Committee***

The Audit committee ("**AC**") comprises at least three BoD members, with all members having been determined by the BoD to be fully independent and financially literate.

The AC itself does not perform audits, but monitors the work of the external auditors who in turn are responsible for auditing UBS AG's and the Group's financial statements and for reviewing the quarterly financial statements. The function of the AC is to serve as an independent and objective body with oversight of: (i) the Group's accounting policies, financial reporting and disclosure controls and procedures, (ii) the quality, adequacy and scope of external audit, (iii) the Group's compliance with financial reporting requirements, (iv) management's approach to internal controls with respect to the production and integrity of the financial statements and disclosure of the financial performance, and (v) the performance of UBS's Group Internal Audit in conjunction with the Chairman of the BoD and the Risk Committee.

The AC reviews the annual and quarterly financial statements of UBS AG and the Group, as proposed by management, with the external auditors and Group Internal Audit in order to recommend their approval, (including any adjustments the AC considers appropriate), to the BoD. Periodically, and at least annually, the AC assesses the qualifications, expertise, effectiveness, independence and performance of the external auditors and their lead audit partner, in order to support the BoD in reaching a decision in relation to the appointment or dismissal of the external auditors and the rotation of the lead audit partner. The BoD then submits these proposals to the AGM.

The members of the AC are William G. Parrett (Chairperson), Michel Demaré, Ann F. Godbehere, Isabelle Romy and Beatrice Weder di Mauro.

### Group Executive Board

Under the leadership of the Group Chief Executive Officer (“**CEO**”), the GEB has executive management responsibility for the UBS Group and its business. It assumes overall responsibility for the development of the UBS Group and business division strategies and the implementation of approved strategies. All GEB members (with the exception of the Group CEO) are proposed by the Group CEO. The appointments are approved by the BoD.

The business address of the members of the GEB is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

### Members of the Group Executive Board

Sergio P. Ermotti	Group Chief Executive Officer
Markus U. Diethelm	Group General Counsel
John A. Fraser	Chairman and Chief Executive Officer Global Asset Management
Lukas Gähwiler	Chief Executive Officer UBS Switzerland, Chief Executive Officer Retail & Corporate
Carsten Kengeter	co-Chief Executive Officer Investment Bank
Ulrich Körner	Group Chief Operating Officer, Chief Executive Officer Corporate Center, Chief Executive Officer UBS Group EMEA
Philip J. Lofts	Group Chief Risk Officer
Robert J. McCann	Chief Executive Officer Wealth Management Americas, Chief Executive Officer UBS Group Americas
Tom Naratil	Group Chief Financial Officer
Andrea Orcel	co-Chief Executive Officer Investment Bank
Chi-Won Yoon	Chief Executive Officer UBS Group Asia Pacific
Jürg Zeltner	Chief Executive Officer UBS Wealth Management

No member of the GEB has any significant business interests outside UBS AG.

### Potential conflicts of interest

Members of the BoD and GEB may act as directors or executive officers of other companies (for current positions outside UBS AG (if any) please see above under “Members of the Board of Directors”) and may have economic or other private interests that differ from those of UBS AG. Potential conflicts of interest may arise from these positions or interests. UBS is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

### VI. Auditors

On 3 May 2012, the AGM of UBS AG re-elected Ernst & Young Ltd, Aeschengraben 9, 4002 Basel, Switzerland (“**Ernst & Young**”) as auditors for the Financial Statements of UBS AG and the Consolidated Financial Statements of the UBS Group for a further one-year term. Ernst & Young, is a member of the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland. Ernst & Young was also elected as auditors for the Financial Statements of UBS AG and the Consolidated Financial Statements of the UBS Group for 2010 and 2011.

### VII. Major Shareholders of the Issuer

Under the Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, as amended (the “**Swiss Stock Exchange Act**”), anyone holding shares in a company listed in Switzerland, or derivative rights related to shares of such a company, must notify the company and the SIX Swiss Exchange if the holding attains, falls below or exceeds one of the following thresholds: 3, 5, 10, 15, 20, 25, 33 1/3, 50, or 66 2/3% of the voting rights, whether they are exercisable or not.



The following are the most recent notifications of holdings in UBS AG's share capital filed in accordance with the Swiss Stock Exchange Act, based on UBS AG's registered share capital at the time of the disclosure:

- 30 September 2011: Norges Bank (the Central Bank of Norway), 3.04%;
- 12 March 2010: Government of Singapore Investment Corp., 6.45%;
- 17 December 2009: BlackRock Inc., New York, USA, 3.45%.

Voting rights may be exercised without any restrictions by shareholders entered into UBS's share register, if they expressly render a declaration of beneficial ownership according to the provisions of the Articles of Association. Special provisions exist for the registration of fiduciaries and nominees. Fiduciaries and nominees are entered in the share register with voting rights up to a total of 5% of all shares issued, if they agree to disclose upon UBS AG's request beneficial owners holding 0.3% or more of all UBS AG shares. An exception to the 5% voting limit rule exists for securities clearing organizations such as The Depository Trust Company in New York.

As of 30 June 2012, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.19%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (7.05%); Government of Singapore Investment Corp., Singapore (6.40%) and Nortrust Nominees Ltd., London (4.43%).

UBS holds UBS AG shares primarily to cover employee share and option programs. A smaller number is held by the Investment Bank for trading purposes, where the Investment Bank engages in its market-making activities in UBS AG shares and related derivative products. As of 30 June 2012, UBS held a stake of UBS AG's shares, which corresponded to less than 3.00% of UBS AG's total share capital. As of 31 December 2011, UBS had disposal positions relating to 467,465,923 voting rights, corresponding to 12.20% of the total voting rights of UBS AG. They consisted mainly (9.12%) of voting rights on shares deliverable in respect of employee awards and included the number of shares that may be issued, upon certain conditions, out of conditional capital to the Swiss National Bank ("**SNB**") in connection with the transfer of certain illiquid securities and other positions to a fund owned and controlled by the SNB.

Further details on the distribution of UBS AG's shares, also by region and shareholders' type, and on the number of shares registered, not registered and carrying voting rights as of 31 December 2011 can be found in the Annual Report 2011, on pages 199-203 (inclusive) of the English version.

#### **VIII. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses**

A description of UBS AG's and UBS Group's assets and liabilities, financial position and profits and losses for financial year 2010 is available in the Financial information section of the annual report of UBS AG as of 31 December 2010 ("**Annual Report 2010**"), and for financial year 2011 in the Financial information section of the Annual Report 2011. The Issuer's financial year is the calendar year.

With respect to the financial year 2010, reference is made to the following parts of the Annual Report 2010 (Financial information section, English version):

- (i) the Consolidated Financial Statements of UBS Group, in particular to the Income Statement on page 265, the Balance Sheet on page 267, the Statement of Cash Flows on pages 271-272 (inclusive) and the Notes to the Consolidated Financial Statements on pages 273-378 (inclusive), and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 380, the Balance Sheet on page 381, the Statement of Appropriation of Retained Earnings on page 382, the Notes to the Parent Bank Financial Statements on pages 383-399 (inclusive) and the Parent Bank Review on page 379, and

the sections entitled "Introduction and accounting principles" on page 254 and "Critical accounting policies" on pages 255-258 (inclusive).

With respect to the financial year 2011, reference is made to the following parts of the Annual Report 2011 (Financial information section, English version):

- (i) the Consolidated Financial Statements of UBS Group, in particular to the Income Statement on page 289, the Balance Sheet on page 291, the Statement of Cash Flows on pages 295-296 (inclusive) and the Notes to the Consolidated Financial Statements on pages 297-410 (inclusive); and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 414, the Balance Sheet on page 415, the Statement of Appropriation of Retained Earnings on page 416, the Notes to the Parent Bank Financial Statements on pages 417-434 (inclusive) and the Parent Bank Review on pages 411-413 (inclusive); and
- (iii) the section entitled "Introduction and accounting principles" on page 282.

The annual financial reports form an essential part of UBS's reporting. They include the audited Consolidated Financial Statements of UBS Group, prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the audited Financial Statements of UBS AG (Parent Bank), prepared in order to meet Swiss regulatory requirements and in compliance with Swiss Federal Banking Law. The Financial information section of the annual reports also includes certain additional disclosures required under US Securities and Exchange Commission regulations. The annual reports also include discussions and analysis of the financial and business results of UBS, its business divisions and the Corporate Center.

The Consolidated Financial Statements of UBS Group and the Financial Statements of UBS AG (Parent Bank) for financial years 2010 and 2011 were audited by Ernst & Young. The reports of the auditors on the Consolidated Financial Statements can be found on pages 262-263 (inclusive) of the Annual Report 2010 in English (Financial information section) and on pages 287-288 (inclusive) of the Annual Report 2011 in English (Financial information section). The reports of the auditors on the Financial Statements of UBS AG (Parent Bank) can be found on pages 400-401 (inclusive) of the Annual Report 2010 in English (Financial information section) and on pages 435-436 (inclusive) of the Annual Report 2011 in English (Financial information section).

Reference is also made to UBS's first and second quarter 2012 reports, which contain information on the financial condition and the results of operation of the UBS Group as of and for the quarter ended on 31 March 2012 and as of, for the quarter and for the six months ended on 30 June 2012. The interim financial statements are not audited.

Parts of the UBS Annual Report 2010, the Annual Report 2011 and the first and second quarter 2012 reports form an integral part of this Base Prospectus, and are therefore, to the extent indicated in the table "Documents incorporated by Reference" of this Base Prospectus, incorporated in this Base Prospectus.

## **1. Litigation and Regulatory Matters**

The Group operates in a legal and regulatory environment that exposes it to significant litigation risks. As a result, UBS (which for purposes of these sections 1. "Litigation and Regulatory Matters" and 2. "Other Contingent Liabilities" herein may refer to UBS AG and / or one or more of its subsidiaries, as applicable) is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such cases are subject to many uncertainties, and the outcome is often difficult to predict, including the impact on operations or on the financial statements, particularly in the earlier stages of a case. In certain circumstances, to avoid the expense and distraction of legal proceedings, UBS may, based on a cost-benefit analysis, enter into a settlement even though denying any wrongdoing. The Group makes provisions for cases brought against it when, in the opinion of management after seeking legal advice, it is probable that a liability exists, and the amount can be reliably estimated.

Listed below are legal proceedings, pending or threatened within the last twelve months until the date of this document, which may have or have had significant effects on UBS' financial position. In some cases UBS provides the amount of damages claimed, the size of a transaction or other information in order to assist investors in considering the magnitude of any potential exposure. UBS is unable to provide an estimate of the possible financial effect of particular claims or proceedings (where the possibility of an outflow is more than remote) beyond the level of current reserves established. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings which involve unique fact patterns or novel legal theories, which have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. In many cases a combination of these factors

impedes UBS's ability to estimate the financial effect of contingent liabilities. UBS also believes that such estimates could seriously prejudice its position in these matters.

#### 1. Municipal bonds

In 2011, UBS announced a USD 140.3 million settlement with the US Securities and Exchange Commission ("**SEC**"), the Antitrust Division of the US Department of Justice ("**DOJ**"), the Internal Revenue Service ("**IRS**") and a group of state attorneys general relating to the investment of proceeds of municipal bond issuances and associated derivative transactions. The settlement resolves the investigations by those regulators which had commenced in November 2006. Several related putative class actions, which were filed in Federal District Courts against UBS and numerous other firms, remain pending. However, approximately USD 63 million of the regulatory settlement will be made available to potential claimants through a settlement fund, and payments made through the fund should reduce the total monetary amount at issue in the class actions for UBS. In December 2010, three former UBS employees were indicted in connection with the Federal criminal antitrust investigation; those individual matters also remain pending.

#### 2. Auction rate securities

In 2008, UBS entered into settlements with the SEC, the New York Attorney General ("**NYAG**") and the Massachusetts Securities Division whereby UBS agreed to offer to buy back Auction Rate Securities ("**ARS**") from eligible customers, and to pay penalties of USD 150 million (USD 75 million to the NYAG and USD 75 million to the other states). UBS has since finalized settlements with all of the states. The settlements resolved investigations following the industry-wide disruption in the markets for ARS and related auction failures beginning in early 2008. The SEC continues to investigate individuals affiliated with UBS regarding the trading in ARS and disclosures. UBS has also been named in (i) several putative class actions; (ii) arbitration and litigation claims asserted by investors relating to ARS, including a pending consequential damages claim by a former customer for damages of USD 76 million; and (iii) arbitration and litigation claims asserted by issuers, including a pending litigation under state common law and a state racketeering statute seeking at least USD 40 million in compensatory damages, plus exemplary and treble damages and several arbitration claims filed in early 2012 alleging violations of state and federal securities law that seek compensatory and punitive damages, among other relief.

#### 3. Inquiries regarding cross-border wealth management businesses

Following the disclosure and the settlement of the US cross-border matter, tax and regulatory authorities in a number of countries have made inquiries and served requests for information located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. UBS is cooperating with these requests within the limits of financial privacy obligations under Swiss and other applicable laws. In France, a criminal investigation into allegations of illicit cross-border activity has been initiated with the appointment of a "Juge d'instruction".

#### 4. Matters related to the financial crisis

UBS is responding to a number of governmental inquiries and investigations and is involved in a number of litigations, arbitrations and disputes related to the financial crisis of 2007 to 2009 and in particular mortgage-related securities and other structured transactions and derivatives. In particular, the SEC is investigating UBS's valuation of super senior tranches of collateralized debt obligations ("**CDO**") during the third quarter of 2007 and UBS's structuring and underwriting of certain CDOs during the first and second quarters of 2007. UBS has provided documents and testimony to the SEC and is continuing to cooperate with the SEC in its investigations. UBS has also communicated with and has responded to other inquiries by various governmental and regulatory authorities concerning various matters related to the financial crisis. These matters concern, among other things, UBS's (i) disclosures and writedowns, (ii) interactions with rating agencies, (iii) risk control, valuation, structuring and marketing of mortgage-related instruments, and (iv) role as underwriter in securities offerings for other issuers.

UBS is a defendant in several lawsuits filed by institutional purchasers of CDOs structured by UBS in which plaintiffs allege, under various legal theories, that UBS misrepresented the quality of the collateral

underlying the CDOs. Plaintiffs in these suits collectively seek to recover several hundred million dollars in claimed losses, including one case in which plaintiffs claim losses of at least USD 331 million.

5. Lehman principal protection notes

From March 2007 through September 2008, UBS Financial Services Inc. ("**UBSFS**") sold approximately USD 1 billion face amount of structured notes issued by Lehman Brothers Holdings Inc. ("**Lehman**"), a majority of which were referred to as "principal protection notes," reflecting the fact that while the notes' return was in some manner linked to market indices or other measures, some or all of the investor's principal was an unconditional obligation of Lehman as issuer of the notes. Based on its role as an underwriter of Lehman structured notes, UBSFS has been named as a defendant in a putative class action asserting violations of disclosure provisions of the federal securities laws. It is vigorously defending the suit, and has filed an opposition, currently pending before the court, to plaintiffs' motion to certify the case as a class action. Firms that underwrote other non-structured Lehman securities have been named as defendants in the same purported class action, and those underwriters have entered into settlements. UBSFS has also been named in numerous individual civil suits and customer arbitrations, which proceedings are at various stages. The individual customer claims relate primarily to whether UBSFS adequately disclosed the risks of these notes to its customers. In 2011, UBSFS entered into a settlement with the US Financial Industry Regulatory Authority ("**FINRA**") related to the sale of these notes, pursuant to which UBSFS agreed to pay a USD 2.5 million fine and approximately USD 8.25 million in restitution and interest to a limited number of investors in the US.

6. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through 2007, UBS was a substantial underwriter and issuer of US residential mortgage-backed securities ("**RMBS**"). UBS has been named as a defendant relating to its role as underwriter and issuer of RMBS in a large number of lawsuits relating to approximately USD 42 billion in original face amount of RMBS underwritten or issued by UBS. Many of the lawsuits are in their early stages, and have not advanced beyond the motion to dismiss phase; others are in varying stages of discovery. Of the original face amount of RMBS at issue in these cases, approximately USD 9 billion was issued in offerings in which a UBS subsidiary transferred underlying loans (the majority of which were purchased from third-party originators) into a securitization trust and made representations and warranties about those loans ("**UBS-sponsored RMBS**"). The remaining USD 33 billion of RMBS to which these cases relate was issued by third parties in securitizations in which UBS acted as underwriter ("**third-party RMBS**"). In connection with certain of these lawsuits, UBS has indemnification rights against surviving third-party issuers or originators for losses or liabilities incurred by UBS, but UBS cannot predict the extent to which it will succeed in enforcing those rights.

These lawsuits include actions brought by the Federal Housing Finance Agency ("**FHFA**"), as conservator for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac and collectively with Fannie Mae, the "**GSEs**") in connection with the GSEs' investments in USD 4.5 billion in original face amount of UBS-sponsored RMBS and USD 1.8 billion in original face amount of third-party RMBS. These suits assert claims for damages and rescission under federal and state securities laws and state common law and allege losses of approximately USD 1.2 billion. The court denied UBS's motion to dismiss in May 2012, but the court has since granted UBS's motion to certify for appeal to the US Court of Appeals for the Second Circuit two legal issues that were the subject of UBS's motion to dismiss. The Second Circuit is now considering whether to accept the appeal. The case is proceeding into discovery and trial is currently scheduled for January 2014. The FHFA also filed suits in 2011 against UBS and other financial institutions relating to their role as underwriters of third-party RMBS purchased by the GSEs asserting claims under various legal theories, including violations of the federal and state securities laws and state common law. Most of these cases are also moving into discovery. UBS was previously named as a defendant in three lawsuits brought by insurers of RMBS claiming equitable and contractual subrogation rights and seeking recovery of insurance payments to RMBS investors on the basis that UBS and other RMBS underwriters aided and abetted misrepresentations and fraud by RMBS issuers. In April 2012, two of these lawsuits were dismissed; the remaining lawsuit is pending.

In 2011 a federal court in New Jersey dismissed on statute of limitations grounds a putative class action lawsuit that asserted violations of the federal securities laws against various UBS entities, among others, in connection with USD 2.6 billion in original face amount of UBS-sponsored RMBS. The plaintiff then filed an

amended complaint, which UBS has again moved to dismiss on statute of limitations grounds, among others.

As described in section 2. (“Other contingent liabilities”) below, UBS has also received demands to repurchase US residential mortgage loans as to which UBS made certain representations at the time the loans were transferred to the securitization trust.

In February 2012, Assured Guaranty Municipal Corp. (“**Assured Guaranty**”), a financial guaranty insurance company, filed suit against UBS Real Estate Securities Inc. (“**UBS RESI**”) in New York State Court asserting claims for breach of contract and declaratory relief based on UBS RESI’s alleged failure to repurchase allegedly defective mortgage loans with an original principal balance of at least USD 997 million that serve as collateral for UBS-sponsored RMBS insured by Assured Guaranty. Assured Guaranty also claims that UBS RESI breached representations and warranties concerning the mortgage loans and breached certain obligations under commitment letters. Assured Guaranty seeks unspecified damages that include payments on current and future claims made under Assured Guaranty insurance policies totaling approximately USD 308 million at the time of the filing of the complaint, as well as compensatory and consequential losses, fees, expenses and pre-judgment interest. In April 2012, UBS RESI moved to dismiss Assured Guaranty’s complaint.

In April 2012, Freddie Mac filed a notice and summons in New York Supreme Court initiating suit against UBS RESI for breach of contract and declaratory relief arising from alleged breaches of representations and warranties in connection with certain mortgage loans and UBS RESI’s alleged failure to repurchase such mortgage loans. Freddie Mac seeks specific performance of UBS RESI’s alleged loan repurchase obligations for at least USD 94 million in original principal balance of loans for which Freddie Mac had previously demanded repurchase; no damages are specified. The complaint for this suit has not yet been filed.

UBS also has tolling agreements with certain institutional purchasers of RMBS concerning their potential claims related to substantial purchases of UBS-sponsored or third-party RMBS.

#### 7. Claims related to UBS disclosure

A putative consolidated class action has been filed in the United States District Court for the Southern District of New York against UBS, a number of current and former directors and senior officers and certain banks that underwrote UBS’s May 2008 Rights Offering (including UBS Securities LLC) alleging violation of the US securities laws in connection with UBS’s disclosures relating to UBS’s positions and losses in mortgage-related securities, UBS’s positions and losses in auction rate securities, and UBS’s US cross-border business. In 2011, the court dismissed all claims based on purchases or sales of UBS ordinary shares made outside the US and defendants subsequently moved to dismiss the claims based on purchases or sales of UBS ordinary shares made in the US for failure to state a claim. UBS, a number of senior officers and employees and various UBS committees have also been sued in a putative consolidated class action for breach of fiduciary duties brought on behalf of current and former participants in two UBS Employee Retirement Income Security Act (“**ERISA**”) retirement plans in which there were purchases of UBS stock. In 2011, the court dismissed the ERISA complaint. In March 2012, the court denied plaintiffs’ motion for leave to file an amended complaint. Plaintiffs have appealed.

#### 8. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (“**BMIS**”) investment fraud, UBS AG, UBS (Luxembourg) SA and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including FINMA and the Luxembourg Commission de Surveillance du Secteur Financier (“**CSSF**”). Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds now face severe losses, and the Luxembourg funds are in liquidation. The last reported net asset value of the two Luxembourg funds before revelation of the Madoff scheme was approximately USD 1.7 billion in the aggregate, although that figure likely includes fictitious profit reported by BMIS. The documentation establishing both funds identifies UBS entities in various roles including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members. UBS (Luxembourg) SA and certain other UBS subsidiaries are responding to inquiries by Luxembourg investigating authorities, without however being named as parties in those investigations. In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims on behalf of the

funds against UBS entities, non-UBS entities and certain individuals including current and former UBS employees. The amounts claimed are approximately EUR 890 million and EUR 305 million, respectively. The liquidators have filed supplementary claims for amounts that the funds may possibly be held liable to pay the BMIS Trustee. These amounts claimed by the liquidator are approximately EUR 564 million and EUR 370 million, respectively. In addition, a large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff scheme. The majority of these cases are pending in Luxembourg, where appeals have been filed by the claimants against the 2010 decisions of the court in which the claims in a number of test cases were held to be inadmissible. In the US, the BMIS Trustee has filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. A claim was filed in 2010 against 23 defendants including UBS entities, the Luxembourg and offshore funds concerned and various individuals, including current and former UBS employees. The total amount claimed against all defendants in this action was not less than USD 2 billion. A second claim was filed in 2010 against 16 defendants including UBS entities and the Luxembourg fund concerned. The total amount claimed against all defendants was not less than USD 555 million. Following a motion by UBS, in 2011 the District Court dismissed all of the BMIS Trustee's claims other than claims for recovery of fraudulent conveyances and preference payments that were allegedly transferred to UBS on the ground that the BMIS Trustee lacks standing to bring such claims. The BMIS Trustee has appealed the District Court's decision. In Germany, certain clients of UBS are exposed to Madoff-managed positions through third-party funds and funds administered by UBS entities in Germany. A small number of claims have been filed with respect to such funds.

#### 9. Transactions with Italian public sector entities

In 2009, the City of Milan filed civil proceedings against UBS Limited, UBS Italia SIM Spa and three other international banks in relation to a 2005 bond issue and associated derivatives transactions entered into with Milan between 2005 and 2007. The primary allegation was that UBS Limited and the other international banks obtained hidden and/or illegal profits by entering into the derivative contracts with Milan. In addition, two current UBS employees and one former employee, together with employees from other banks, a former officer of Milan and a former adviser to Milan, are facing a criminal trial for alleged "aggravated fraud" in relation to the same bond issue and the execution, and subsequent restructuring, of the related derivative transactions. UBS Limited is also the subject of an administrative charge brought in the context of the criminal trial of the individuals of failing to have in place a business organizational model to avoid the alleged misconduct by employees, the sanctions for which could include a limitation on activities in Italy and/or fines. In March 2012, UBS Limited and UBS Italia SIM Spa finalized a settlement agreement with Milan which enabled Milan to terminate the interest rate swap component of the existing derivative transactions in consideration of Milan's release of all of its civil damages claims, including those filed in the criminal proceedings. Under the settlement, UBS Limited applied a discount to the cost of the transaction for Milan without any admission of liability. The settlement did not dispose of the ongoing criminal or administrative proceedings, nor did it dispose of a civil consumer group claim lodged in the criminal proceeding.

A number of transactions which UBS Limited and UBS AG respectively entered into with other public entity counterparties in Italy have also been called into question or become the subject of legal proceedings and claims for damages and other awards. These include derivative transactions with the Regions of Calabria, Tuscany, Lombardy and Lazio and the City of Florence. Florence and Tuscany have also attempted to invoke Italian administrative law remedies which purport to allow a public entity to challenge its own decision to enter into the relevant contracts and avoid their obligations thereunder. UBS is resisting these attempts. UBS has issued proceedings before the English courts in connection with a number of these transactions, seeking to obtain declaratory judgments as to the validity and enforceability of UBS's English law contractual arrangements with its counterparties and, to the extent relevant, the legitimacy of UBS's conduct in respect of those counterparties. In recent months, discussions have commenced with several of the Italian public sector entities in relation to these claims. In March 2012, an in-principle settlement was reached with the Region of Lombardy, subject to appropriate documentation. In April 2012, UBS AG and UBS Limited settled the existing disputes with the Region of Tuscany without any admission of liability. An application seeking the dismissal of a related criminal investigation has been filed with the Prosecutor.

#### 10. HSH Nordbank AG ("**HSH**")

HSH has filed an action against UBS in New York State court relating to USD 500 million of notes acquired by HSH in a synthetic CDO transaction known as North Street Referenced Linked Notes, 2002-4 Limited ("**NS4**"). The notes were linked through a credit default swap between the NS4 issuer and UBS to a

reference pool of corporate bonds and asset-backed securities. HSH alleges that UBS knowingly misrepresented the risk in the transaction, sold HSH notes with “embedded losses”, and improperly profited at HSH’s expense by misusing its right to substitute assets in the reference pool within specified parameters. HSH is seeking USD 500 million in compensatory damages plus prejudgment interest. The case was initially filed in 2008. In March 2012, a New York state appellate court dismissed HSH’s fraud claim and affirmed the trial court’s dismissal of its negligent misrepresentation claim and punitive damages demand. As a result, the claims remaining in the case are for breach of contract and breach of the implied covenant of good faith and fair dealing. HSH has sought permission to appeal the appellate court’s decision to the New York Court of Appeals.

#### 11. Kommunale Wasserwerke Leipzig GmbH (“**KWL**”)

In 2006 and 2007, KWL entered into a series of Credit Default Swap (“**CDS**”) transactions with bank swap counterparties, including UBS. UBS entered into back-to-back CDS transactions with the other counterparties, Depfa Bank plc (“Depfa”) and Landesbank Baden-Württemberg (“LBBW”), in relation to their respective swaps with KWL. Under the CDS contracts between KWL and UBS, the last of which were terminated by UBS in 2010, a net sum of approximately USD 138 million has fallen due from KWL but not been paid. Earlier in 2010, UBS issued proceedings in the English High Court against KWL seeking various declarations from the English court, in order to establish that the swap transaction between KWL and UBS is valid, binding and enforceable as against KWL. The English court ruled in 2010 that it has jurisdiction and will hear the proceedings and UBS issued a further claim seeking declarations concerning the validity of its early termination of the remaining CDS transactions with KWL. KWL withdrew its appeal from that decision and the civil dispute is now proceeding before the English court. UBS has added its monetary claim to the proceedings. KWL is defending against UBS’s claims and has served a counterclaim which also joins UBS Limited and Depfa to the proceedings. As part of its assertions, KWL claims damages of at least USD 68 million in respect of UBS’s termination of some of the CDS contracts, whilst disputing that any monies are owed to UBS pursuant to another CDS contract. UBS, UBS Limited and Depfa are defending against KWL’s counterclaims, and Depfa has asserted additional claims against UBS and UBS Limited.

In 2010, KWL issued proceedings in Leipzig, Germany against UBS, Depfa and LBBW, claiming that the swap transactions are void and not binding on the basis of KWL’s allegation that KWL did not have the capacity or the necessary internal authorization to enter into the transactions and that the banks knew this. Upon and as a consequence of KWL withdrawing its appeal on jurisdiction in England, KWL also withdrew its civil claims against UBS and Depfa in the German courts, and no civil claim will proceed against either of them in Germany. The proceedings brought by KWL against LBBW are now proceeding before the German courts. The Leipzig court has ruled that it is for the London court and not the Leipzig court to determine the validity and effect of a third party notice served by LBBW on UBS in the Leipzig proceedings.

The back-to-back CDS transactions were terminated in 2010. In 2010, UBS and UBS Limited issued separate proceedings in the English High Court against Depfa and LBBW seeking declarations as to the parties’ obligations under the back-to-back CDS transactions and monetary claims. UBS Limited contends that it is owed USD 83.3 million, plus interest, by Depfa. UBS contends that it is owed EUR 75.5 million, plus interest, by LBBW. Depfa and LBBW respectively are defending against the claims and have also issued counterclaims. Additionally Depfa has added a claim against KWL to the proceedings against it and KWL has served a defense.

In 2011, the former managing director of KWL and two financial advisers were convicted on criminal charges related to certain KWL transactions, including swap transactions with UBS and other banks.

In 2011, the SEC commenced an inquiry regarding the KWL transactions and UBS is providing information to the SEC relating to those transactions.

#### 12. Puerto Rico

In April 2012, UBS Financial Services Inc. of Puerto Rico (“**UBS PR**”) settled an administrative proceeding with the SEC related to disclosures and secondary market trading involving shares of closed-end funds sold by UBS PR during 2008 and 2009. Under the terms of the settlement, and without admitting or denying the findings, UBS PR will pay a penalty, disgorgement and prejudgment interest totaling USD 26.6 million. UBS PR also consented to a censure and a cease and desist from future violations of various provisions of the federal securities laws, and will hire an independent consultant to review UBS PR’s closed-end fund disclosures and trading policies and procedures. Separately, UBS PR and dozens of unrelated parties were

sued in Puerto Rico Superior Court in 2011 in a purported civil derivative action seeking to bring claims on behalf of the Employee Retirement System of Puerto Rico related to, among other things, the issuance of the bonds underwritten by UBS PR and the investment of the proceeds of those bond issuances. UBS PR's motion to dismiss that action is pending.

### 13. LIBOR

Numerous government agencies, including the SEC, the US Commodity Futures Trading Commission ("**CFTC**"), the DOJ and the UK Financial Services Authority ("**FSA**"), various state attorneys general in the US, and competition authorities in various jurisdictions are conducting investigations regarding submissions with respect to British Bankers' Association LIBOR (London Interbank Offered Rate) and other benchmark rates. These investigations focus on whether there were improper attempts by UBS (among others), either acting on its own or together with others, to manipulate LIBOR and other benchmark rates at certain times. In addition, the Swiss Competition Commission ("**WEKO**") has commenced an investigation of numerous banks and financial intermediaries concerning possible collusion relating to LIBOR and TIBOR (Tokyo Interbank Offered Rate) reference rates and certain derivatives transactions. In July 2012, following the announcement of a settlement by a UK-based bank with the FSA, CFTC and DOJ, the UK Government announced that there will be a Parliamentary inquiry into "transparency, conflicts of interest and the culture and professional standards of the financial services industry including the interaction with the criminal law"; and a narrower review by the FSA that concerns the LIBOR process. At the same time, the UK Serious Fraud Office announced that it has formally accepted the LIBOR matter for investigation.

UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and WEKO, in connection with potential antitrust or competition law violations related to submissions for Yen LIBOR and Euroyen TIBOR. WEKO has also granted UBS conditional immunity in connection with potential competition law violations related to submissions for Swiss franc LIBOR and certain transactions related to Swiss franc LIBOR. The Canadian Competition Bureau has granted UBS conditional immunity in connection with potential competition law violations related to submissions for Yen LIBOR. As a result of these conditional grants, UBS will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in the jurisdictions where it has conditional immunity or leniency in connection with the matters it reported to those authorities, subject to its continuing cooperation. However, the conditional leniency and conditional immunity grants UBS has received do not bar government agencies from asserting other claims and imposing sanctions against UBS. In addition, as a result of the conditional leniency agreement with the DOJ, UBS is eligible for a limit on liability to actual rather than treble damages were damages to be awarded in any civil antitrust action under US law based on conduct covered by the agreement and for relief from potential joint-and-several liability in connection with such civil antitrust action, subject to UBS satisfying the DOJ and the court presiding over the civil litigation of its cooperation. The conditional leniency and conditional immunity grants do not otherwise affect the ability of private parties to assert civil claims against UBS.

In 2011, the Japan Financial Services Agency ("**JFSA**") commenced an administrative action against UBS Securities Japan Ltd ("**UBS Securities Japan**") based on findings by the Japan Securities and Exchange Surveillance Commission ("**SESC**") that (i) a trader of UBS Securities Japan engaged in inappropriate conduct relating to Euroyen TIBOR and Yen LIBOR, including approaching UBS AG, Tokyo Branch, and other banks to ask them to submit TIBOR rates taking into account requests from the trader for the purpose of benefiting trading positions; and (ii) serious problems in the internal controls of UBS Securities Japan resulted in its failure to detect this conduct. Based on the findings, the JFSA issued a Business Suspension Order requiring UBS Securities Japan to suspend trading in derivatives transactions related to Yen LIBOR and Euroyen TIBOR from 10 January to 16 January 2012 (excluding transactions required to perform existing contracts). The JFSA also issued a Business Improvement Order that requires UBS Securities Japan to (i) develop a plan to ensure compliance with its legal and regulatory obligations and to establish a control framework that is designed to prevent recurrences of the conduct identified in the JFSA's administrative action, and (ii) provide periodic written reports to the JFSA regarding the company's implementation of the measures required by the order. On the same day the JFSA also commenced an administrative action against UBS AG, Tokyo Branch, based on a finding that an employee of the Tokyo branch "continuously received approaches" from an employee of UBS Securities Japan regarding Euroyen TIBOR rate submissions, which was determined to be an inappropriate practice that was not reported to the branch's management. Pursuant to this administrative action, the JFSA issued an order under the Japan Banking Act which imposes requirements similar to those imposed under the Business Improvement Order directed to UBS Securities Japan.



A number of putative class actions and other actions are pending in federal court in Manhattan against UBS and numerous other banks on behalf of certain parties who transacted in LIBOR-based derivatives. The complaints allege manipulation, through various means, of the US dollar LIBOR rate and prices of US dollar LIBOR-based derivatives in various markets. Claims for damages are asserted under various legal theories, including violations of the US Commodity Exchange Act and antitrust laws. In April 2012, plaintiffs filed consolidated amended complaints which UBS and the other bank defendants moved to dismiss in June 2012. Since April 2012, two other putative class actions were filed in federal court in Manhattan against UBS and other banks. The substantive allegations of these new actions are almost identical to the allegations of the other actions except that these suits expressly allege causes of action based on the alleged manipulation of Yen LIBOR and Euroyen TIBOR in one case, and EURIBOR (Euro Interbank Offered Rate) in the other case. The new cases have not been transferred or consolidated with the others.

#### 14. SinoTech Energy Limited

Since 2011, multiple putative class action complaints have been filed and consolidated in federal court in Manhattan, against SinoTech Energy Limited ("**SinoTech**"), its officers and directors, its auditor at the time of its initial public offering ("**IPO**"), and its underwriters, including UBS. The second amended complaint filed in June 2012 alleges, with respect to the underwriters, that the registration statement and prospectus filed in connection with SinoTech's 2010 USD 168 million IPO of American Depositary Shares, of which UBS underwrote 70%, contained materially misleading statements and omissions, including allegations regarding the authenticity and accuracy of certain asset purchase contracts purportedly entered into between SinoTech and its vendors. Plaintiff asserts violations of the US federal securities laws and seeks unspecified compensatory damages, among other relief.

In 2012, SinoTech's securities were delisted by Nasdaq and their registration was revoked by the SEC. In April 2012, the SEC filed a complaint against SinoTech and three of its executives alleging certain improprieties arising out of actions that occurred subsequent to the initial public offering. UBS is not a party to the action nor is it referred to in the complaint.

#### 15. Swiss retrocessions

The Zurich High Court decided in January 2012, in a test case, that fees received by a bank for the distribution of financial products issued by third parties should be considered to be "retrocessions" unless they are received by the bank for genuine distribution services. Fees considered to be retrocessions would have to be disclosed to the affected clients and, absent specific client consent, surrendered to them. Both parties have appealed the decision to the Swiss Supreme Court. If the holding in this case is not reversed on appeal and is followed in other cases, UBS (like other banks in Switzerland) could be subject to significant reimbursement claims by certain clients for past fees.

#### 16. Unauthorized trading incident

FINMA and the FSA have been conducting a joint investigation of the unauthorized trading incident that occurred in the Investment Bank and was announced in September 2011. In addition, FINMA and the FSA have announced that they have commenced enforcement proceedings against UBS in relation to this matter.

In June 2012, a putative securities fraud class action was filed in federal court in Manhattan against UBS AG and certain of its former officers relating to the unauthorized trading incident. The lawsuit was filed on behalf of parties who purchased publicly traded UBS securities on any US exchange, or where title passed within the US, during the period 15 March 2011 through 15 September 2011. The complaint alleges that UBS misrepresented in its 2010 Annual Report that its controls and procedures were effective as of 31 December 2010, and that the falsity of that representation became apparent when UBS disclosed the unauthorized trading incident in September 2011, a disclosure that purportedly caused UBS's stock price to drop 10% in one day. Plaintiff seeks unspecified damages and interest, among other relief.

Besides the proceedings specified above under (1) through (16) no governmental, legal or arbitration proceedings, which may significantly affect UBS's financial position, are or have been pending during the last twelve months until the date of this document, nor is the Issuer aware that any such governmental, legal or arbitration proceedings are threatened.

## 2. Other Contingent Liabilities

### 2.1 Demands related to sales of mortgages and RMBS

For several years prior to the crisis in the US residential mortgage loan market, UBS sponsored securitizations of US residential mortgage-backed securities (RMBS) and was a purchaser and seller of US residential mortgages. A subsidiary of UBS, UBS RESI, acquired pools of residential mortgage loans from originators and (through an affiliate) deposited them into securitization trusts. In this manner, from 2004 through 2007 UBS RESI sponsored approximately USD 80 billion in RMBS, based on the original principal balances of the securities issued. The overall market for privately issued US RMBS during this period was approximately USD 3.9 trillion.

UBS RESI also sold pools of loans acquired from originators to third-party purchasers. These whole loan sales during the period 2004 through 2007 totaled approximately USD 19 billion in original principal balance.

UBS was not a significant originator of US residential loans. A subsidiary of UBS originated approximately USD 1.5 billion in US residential mortgage loans during the period in which it was active from 2006 to 2008, and securitized less than half of these loans.

When UBS acted as an RMBS sponsor or mortgage seller, it generally made certain representations relating to the characteristics of the underlying loans. In the event of a material breach of these representations, UBS was in certain circumstances contractually obligated to repurchase the loans to which they related or to indemnify certain parties against losses. UBS has been notified by certain institutional purchasers and insurers of mortgage loans and RMBS, including a GSE, of their contention that possible breaches of representations may entitle the purchasers to require that UBS repurchase the loans or to other relief. The table below summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 25 July 2012.

#### Loan repurchase demands by year received – original principal balance of loans\* <sup>1</sup>

<i>USD million</i>	2006-2008	2009	2010	2011	through 25 July 2012	<b>Total</b>
Actual or agreed loan repurchases / make whole payments by UBS	11.7	1.4	0.1			<b>13.2</b>
Demands resolved or expected to be resolved through enforcement of UBS's indemnification rights against third-party originators		77.4	1.8	45.0	571.8	<b>696.0</b>
Demands resolved in litigation	0.6	20.7				<b>21.3</b>
Demands in litigation			345.6	652.1	93.8	<b>1,091.5</b>
Demands rebutted by UBS but not yet rescinded by counterparty		3.2	1.8	368.5	149.0	<b>522.5</b>
Demands rescinded by counterparty	110.2	100.4	18.8	8.3		<b>237.7</b>
Demands in review by UBS		2.1	0.1	10.2	1.4	<b>13.7</b>
<b>Total</b>	<b>122.5</b>	<b>205.1</b>	<b>368.2</b>	<b>1,084.1</b>	<b>816.0</b>	<b>2,595.9</b>

\*Source: Quarterly report of UBS AG as of 30 June 2012, unaudited

<sup>1</sup> Loans submitted by multiple counterparties are counted only once.

UBS's balance sheet as of 30 June 2012 reflected a provision of USD 117 million based on UBS's best estimate of the loss arising from certain loan repurchase demands received since 2006 to which UBS has agreed or which remain unresolved. As described above, under section 1. "Litigation and regulatory matters", Freddie Mac filed a notice and summons in New York Supreme Court in April 2012 seeking specific performance of UBS RESI's alleged loan repurchase obligations for loans totaling at least USD 94 million in original principal balance; Assured Guaranty filed a lawsuit against UBS RESI in February 2012 relating to loan repurchase demands totaling approximately USD 997 million in original principal balance. Assured Guaranty made additional loan repurchase demands totaling approximately USD 391 million in original principal balance in June 2012, and it is not clear when or to what extent additional demands may be made by Assured Guaranty, Freddie Mac or others. UBS also cannot reliably estimate when or to what extent the provision will be utilized in connection with actual payments to resolve loan repurchase

demands, because both the submission of loan repurchase demands and the timing of resolution of such demands are uncertain.

Payments that UBS has made or agreed to make to date to resolve repurchase demands equate to approximately 62% of the original principal balance of the related loans. Most of the payments that UBS has made or agreed to make to date have related to so-called "Option ARM" loans; severity rates may vary for other types of loans or for Option ARMs with different characteristics. Actual losses upon repurchase will reflect the estimated value of the loans in question at the time of repurchase as well as, in some cases, partial repayment by the borrowers or advances by servicers prior to repurchase. It is not possible to predict future indemnity rates or percentage losses upon repurchase for reasons including timing and market uncertainties.

In most instances in which UBS would be required to repurchase loans or indemnify against losses due to misrepresentations, it would be able to assert demands against third-party loan originators who provided representations when selling the related loans to UBS. However, many of these third parties are insolvent or no longer exist. UBS estimates that, of the total original principal balance of loans sold or securitized by UBS from 2004 through 2007, less than 50% was purchased from surviving third-party originators. In connection with approximately 60% of the loans (by original principal balance) for which UBS has made payment or agreed to make payment in response to demands received in 2010, UBS has asserted indemnity or repurchase demands against originators. Only a small number of UBS's demands have been resolved, and UBS has not recognized any asset on its balance sheet in respect of the unresolved demands. Since 2011, UBS has advised certain surviving originators of repurchase demands made against UBS for which UBS would be entitled to indemnity, and has asserted that such demands should be resolved directly by the originator and the party making the demand.

UBS cannot reliably estimate the level of future repurchase demands, and does not know whether its rebuttals of such demands will be a good predictor of future rates of rebuttal. UBS also cannot reliably estimate the timing of any such demands.

As described above, under section "1. Litigation and regulatory matters", UBS is also subject to claims and threatened claims in connection with its role as underwriter and issuer of RMBS.

## **2.2 Banco UBS Pactual tax indemnity**

Pursuant to the 2009 sale of Banco UBS Pactual S.A. ("**Pactual**") by UBS to BTG Investments, LP ("**BTG**"), BTG has submitted a contractual indemnification claim to UBS in the amount of approximately USD 153 million, including interest and penalties. The claim pertains principally to several tax assessments issued by the Brazilian tax authorities against Pactual relating to the period from December 2006 through March 2009, when UBS owned Pactual. These assessments are being challenged in administrative proceedings. BTG has also provided notice to UBS of several additional Pactual-related inquiries by the Brazilian tax authorities that relate to the period of UBS's ownership.

## **3. Significant Changes in the Financial or Trading Situation of the Issuer**

There has been no significant change in UBS' financial or trading position since the reporting date of UBS's second quarter 2012 report (including unaudited consolidated financial statements) for the period ended on 30 June 2012.

## **IX. Material Contracts**

No material agreements have been concluded outside of the normal course of business which could lead to UBS being subjected to an obligation or obtaining a right, which would be of key significance to the Issuer's ability to meet its obligations to the investors in relation to the issued securities.

## **X. Documents on Display**

- The Annual Report of UBS AG as of 31 December 2010, comprising the sections (1) Strategy, performance and responsibility, (2) UBS business divisions and Corporate Center (3) Risk and treasury management, (4) Corporate governance and compensation, (5) Financial information (including the "Report of the Statutory Auditor and the Independent Registered Public Accounting Firm on the Consolidated Financial Statements" and the "Report of the Statutory Auditor on the Financial Statements");

- The Annual Report of UBS AG as of 31 December 2011, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the Statutory Auditor and the Independent Registered Public Accounting Firm on the Consolidated Financial Statements" and the "Report of the Statutory Auditor on the Financial Statements");
- The quarterly reports of UBS AG as of 31 March 2012 and 30 June 2012; and
- The Articles of Association of UBS AG, as the Issuer,

shall be maintained in printed format, for free distribution, at the offices of the Issuer for a period of twelve months after the publication of this document. In addition, the annual and quarterly reports of UBS AG are published on UBS' website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address. UBS AG's Articles of Association are also available on UBS' Corporate Governance website, at [www.ubs.com/governance](http://www.ubs.com/governance)."

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The Base Prospectus and all supplements thereto, shall be maintained in printed format, for free distribution, at the offices of the Issuer for a period of twelve months after the publication of this document and are published on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest), or a successor website.

In addition, the annual and quarterly reports of UBS AG are published on UBS' website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address.

Zurich, 16 August 2012

**UBS AG**

By:

  
(signed by Andrea Wittge)

By:

  
(signed by Stefanie Zaromitidis)