



Information Circular: UBS AG

To: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

From: NASDAQ / BX / PHLX Listing Qualifications Department

Date: June 11, 2012

Exchange-Traded Notes

Symbol **CUSIP #**

UBS AG FI Enhanced Big Cap Growth ETN

FBG 90267L508

Information on the Notes

UBS AG ("UBS" or the "Issuer") has issued leveraged Exchange Traded Notes ("ETNs" or "Notes" or "Securities") linked to the linked to the Russell 1000 Growth Index Total Return (the "Index"). The maturity date is June 13, 2022. The Notes do not pay interest and were priced at \$25 each.

The Notes are unsubordinated, unsecured debt securities of the Issuer. The Notes provide two times leveraged exposure to the performance of the Index, reduced by (i) the Index Adjustment Factor based on 3-Month USD LIBOR and a spread of 0.13% per annum (applied to the full leveraged exposure of the Securities) and (ii) the Redemption Fee upon exercise of investors' right to require UBS to redeem your Securities. If an Early Redemption Event occurs, the Securities will be redeemed and a Redemption Fee will also apply.

The Index is a sub-group of the Russell 1000 Index and measures the composite price performance of stocks of 1,000 companies incorporated in the U.S. and its territories. All 1,000 stocks are traded on a major U.S. exchange and are the 1,000 largest securities that form the Russell 3000 Index. The Russell 3000 Index is composed of the 3,000 largest U.S. companies as determined by market capitalization and represents approximately 98% of the U.S. equity market. The Russell 1000 Index consists of the largest 1,000 companies included in the Russell 3000 Index and represents approximately 92% of the total market capitalization of the U.S. equity market. The Russell 1000 Index is designed to track the performance of the large-capitalization segment of the U.S. equity market.

For each Security, unless earlier redeemed, called or accelerated, investors will receive at maturity a cash payment equal to the Cash Settlement Amount as of the Final Valuation Date. If the amount so calculated is less than zero, the payment at maturity will be zero. On the Maturity Date, there will be no Redemption Fee payable.

On any Business Day on or after June 8, 2014 through and including the fourth scheduled Trading Day preceding the Final Maturity Date (the "Call Settlement Date"), UBS may at its option redeem all, but not less than all, issued and outstanding Securities. To exercise the UBS Call Right, UBS must provide notice to the holders of the Securities not less than ten

calendar days prior to the Call Settlement Date. In the event UBS exercises this right, investors will receive a cash payment equal to the Cash Settlement Amount, which will be calculated as described herein and paid on the Call Settlement Date. If the amount so calculated is less than zero, the payment upon exercise of the UBS Call Right will be zero. Upon exercise of the UBS Call Right, there will be no Redemption Fee payable.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this preliminary prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The Securities are intended for sophisticated investors. Accordingly, the Securities should be purchased only by knowledgeable investors who understand the potential consequences of investing in leveraged investments. Investors should actively and frequently monitor their investments in the Securities, even intra-day.

The Cash Settlement Amount is, on the Maturity Date, Call Settlement Date upon a UBS Call Right or Acceleration Date upon an Early Redemption Event, a cash payment equal to (a) the product of (i) the Principal Amount times (ii) the Index Factor as of the Valuation Date minus (b) the Redemption Fee, if applicable.

If (i) the Index Level at any time (including any intraday level) is less than a specified level, which as of the Initial Trade Date is 70% of the Starting Level, or (ii) the Intraday Indicative Value of the Securities is \$5.00 or less (an "Early Redemption Event" and such day, the "Acceleration Date"), all issued and outstanding Securities will be automatically accelerated and mandatorily redeemed by UBS and investors will receive a cash payment on the Acceleration Settlement Date equal to the Cash Settlement Amount. On acceleration due to an Early Redemption Event, there will be a Redemption Fee payable. The "Acceleration Settlement Date" will be the third Business Day following the Acceleration Date.

Index Factor:

$$1 + (\text{Index Performance Ratio})$$

Index Performance Ratio:

On any Valuation Date:

(a) the Leverage Factor multiplied by the (b) Index Return minus the Index Adjustment Factor.

Where:

The "Leverage Factor" is equal to 2 on the Initial Trade Date.

The "Index Return" is:

$$\frac{\text{Ending Level} - \text{Starting Level}}{\text{Starting Level}}$$

The "Index Adjustment Factor" is a rate equal to 3-month USD LIBOR + 0.13% calculated on the basis of the actual number of calendar days elapsed in each quarterly period divided by

360 and compounded quarterly during the term of the Securities and is applied to the full leveraged exposure of the Securities.

The Starting Level is the closing Index Level on the Initial Trade Date.

Ending Level:

(i) for the Maturity Date or upon exercise of the UBS Call Right, the average of the closing Index Levels determined for the three preceding scheduled Trading Days ending on and including the applicable Valuation Date, (ii) on exercise of investors' right to require UBS to redeem the Securities, the closing Index Level on the Valuation Date that the redemption conditions are met, or alternatively, the Index Constituent VWAP for the Trading Day that follows satisfaction of the redemption conditions, as further described in the prospectus; or (iii) if an Early Redemption Event occurs, the closing Index Level or the Index Constituent VWAP for the designated time intervals specified in the prospectus. In all cases the computation of Ending Level may be delayed upon to the occurrence of a Market Disruption Event.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading in the Notes on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading in the Notes on BX is on a UTP basis and is subject to BX equity trading rules. Trading in the Notes on PHLX's PSX system is on a UTP basis and is subject to PHLX rules. The Notes will trade on NASDAQ from 7:00 a.m. until 8:00 p.m. Eastern Time. The Notes will trade on BX from 8:00 a.m. until 7:00 p.m. Eastern Time. The Notes will trade on PSX from 9:00 a.m. until 5:00 p.m. Eastern Time. For trading during each market's pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Notes during these sessions, when the underlying index's value or similar value may not be disseminated.

NASDAQ will halt trading in the Notes in accordance with NASDAQ Rule 4120. BX will halt trading in the Notes in accordance with BX Equity Rule 4120. PHLX will halt trading in the Notes in accordance with PHLX Rule 3100. The grounds for a halt under each of these rules include a halt by the primary market because the value of the underlying index or a similar value is not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ, BX and PHLX will also stop trading the Notes if the primary market delists the Notes.

Trading of the Notes on NASDAQ is subject to the provisions of NASDAQ Rule 2310. Trading of the Notes on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the Notes to customers should make a determination that the securities are suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules and BX Conduct Rules.

Members and member organizations recommending transactions in the Notes to customers should make a determination that the recommendation is suitable for the customer, as provided by PHLX Rule 763.

Nasdaq members, BX members and PHLX members and member organizations should also review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Information Circular is not a statutory prospectus. NASDAQ members, BX members and PHLX members and member organizations should consult the registration statement or prospectus for the Notes for additional information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Listing Qualifications, at 301.978.8088
- NASDAQ / BX/ PSX Market Sales at 800.846.0477