

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Rules") and is published for the purpose of giving information with regard to us and obtaining a listing of the Warrants on the Stock Exchange. We accept full responsibility for the accuracy of the information contained in the Listing Documents (as defined below) and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in such Listing Documents misleading.

Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in this document and, where necessary, seek professional advice, before they invest in the Warrants.

The Warrants constitute our general unsecured contractual obligations and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Warrants, you are relying upon our creditworthiness and have no rights under the Warrants against the index compiler of the Index.

Supplemental Listing Document for Warrants

issued by



UBS AG

(incorporated with limited liability in Switzerland)

acting through its London Branch

Sponsor

UBS SECURITIES ASIA LIMITED

Key terms

Warrants	
Stock code	16817
Issue size	300,000,000 Warrants
Style	European style cash settled
Type	Call
Index	Hang Seng Index
Board Lot	10,000 Warrants
Issue Price per Warrant	HKD 0.250
Strike Level	21,800.00
Cash Settlement Amount per Board Lot (if any) payable at expiry	$\frac{(\text{Closing Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$
Closing Level	The average of quotations of the Index compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) five minute intervals from five minutes after the start of, and up to five minutes before the end of, the continuous trading session of the Stock Exchange, and (ii) the close of trading on the Stock Exchange on the Valuation Date (rounded down to the nearest whole number), subject to our right to determine the closing level in good faith upon the occurrence of a Market Disruption Event (as defined in the Conditions) on the Valuation Date, as described further in Condition 4(F).
Index Currency Amount	HKD 1.00
Divisor	8,000
Launch Date	3 February 2012
Issue Date	9 February 2012
Listing date*	Expected to be 10 February 2012 (" Dealing Commencement Date ")
Valuation Date[#]	28 December 2012
Expiry Date[#]	28 December 2012

* If the day specified is not a trading day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions (“Trading Day”), the immediately succeeding Trading Day.

If the day specified is not a Index Business Day, the immediately succeeding Index Business Day.

You must read the above together with our base listing document dated 6 April 2011 (as supplemented by any addenda to be issued from time to time), in particular, Part D entitled “Terms and Conditions of Cash Settled Index Warrants” set out in Appendix 1 of our base listing document (“**Conditions**”).

IMPORTANT INFORMATION

The Warrants are structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.

What is this document about?

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire the Warrants. It is possible that there may have been dealings in the Warrants since the Launch Date.

What documents should I read before investing in the Warrants?

You must read this document together with our base listing document dated 6 April 2011 (as supplemented by an addendum dated 24 November 2011 and any addenda to be issued from time to time) (together, the **"Listing Documents"**). The Listing Documents are accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents.

What are our credit ratings?

Our long term debt ratings are:

Rating agency	Rating as of the Launch Date
Moody's Investors Service, Inc., New York	Aa3
Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies Inc	A
Fitch Ratings Ltd., London	A

Rating agencies usually receive a fee from the issuers that they rate.

When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Warrants;
- ratings of issuers may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and
- a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the Launch Date are for reference only. Any downgrading of our ratings could result in a reduction in the value of the Warrants.

The Warrants are not rated.

Are we regulated by any bodies referred to in Rule 15A.13(2) or (3)?

We are a licensed bank regulated by the Hong Kong Monetary Authority. We are also regulated by, among others, the Swiss Financial Market Supervisory Authority and the Financial Services Authority of United Kingdom.

Are we subject to any litigation?

Save as disclosed in the Listing Documents, we and our subsidiaries are not aware of any litigation or claims of material importance pending or threatened against us or them.

Authorisation of the Warrants

The issue of the Warrants was authorised by our board of directors on 19 September 2001.

Has our financial position changed since last financial year-end?

There has been no material adverse change in our financial or trading position since 31 December 2010.

Do I need to pay any transaction cost?

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.003 per cent in respect of each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Warrants. The levy for the investor compensation fund is currently suspended. You do not need to pay any stamp duty in respect of the Warrants.

Where can I inspect the relevant documents?

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) until the Expiry Date at the offices of UBS Securities Asia Limited:

- our 2010 annual report for the period ended 31 December 2010 and our fourth quarter 2011 financial report for the quarterly period ended 31 December 2011;
- consent letter of the Auditors;
- each of the Listing Documents (in separate English and Chinese versions); and
- the instrument executed by us on 10 April 2006.

The Listing Documents are also available on the website of the Stock Exchange at www.hkex.com.hk.

各上市文件亦可於聯交所網站(www.hkex.com.hk) 瀏覽。

Have the auditors consented to the inclusion of their report to the Listing Documents?

Our auditors (**"Auditors"**) have given and have not withdrawn their written consent to the inclusion of their report dated 3 March 2011 and/or the references to their name in our base listing document, in the form and context in which they are included. Their report was not prepared exclusively for incorporation into our base listing document. The Auditors do not have our shares or shares in our subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any of its subsidiaries.

Selling restrictions

The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the **"Securities Act"**), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

The offer or transfer of the Warrants is also subject to the selling restrictions specified in our base listing document.

How can I get information about UBS AG?

You may visit www.ubs.com to obtain information about us. You must read the section headed "Additional information relating to us" which contains further information relating to us after the date of our base listing document. That section supplements the information set out in our base listing document.

Capitalised terms and inconsistency

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. Terms used in this document apply to the Warrants described on the cover page.

If this document is inconsistent with our base listing document, this document prevails.

OVERVIEW OF WARRANTS

What is a derivative warrant?

A derivative warrant linked to an index is an instrument which derives its value from the index. It may provide leveraged return to you (but conversely, it could also magnify your losses).

How and when can I get back my investment?

The Warrants are European style cash settled derivative warrants linked to the Index. European style warrants can only be exercised on the expiry date. The Warrants will be automatically exercised on the Expiry Date, entitling the holder to a cash amount called the “**Cash Settlement Amount**” (if positive) according to the terms and conditions in the Listing Documents.

You will receive the Cash Settlement Amount less any Exercise Expenses at expiry. **If the Cash Settlement Amount is equal to or less than the Exercise Expenses, the Warrants will expire worthless on the Expiry Date.**

How do the Warrants work?

The potential payoff at expiry for the Warrants is calculated by us by reference to the difference between the Strike Level and the Closing Level of the Index.

A call Warrant is suitable for an investor holding a bullish view of the level of the Index during the term of the Warrant.

A call Warrant will be exercised if the Closing Level of the Index is greater than its Strike Level. The more the Closing Level is above the Strike Level, the higher the payoff at expiry. If the Closing Level is at or below the Strike Level, the investor in the call Warrant will lose all of his investment.

What are the factors determining the price of a derivative warrant?

The price of a warrant generally depends on the level of the underlying index. However, throughout the term of the warrants, their price will be influenced by a number of factors, including:

- the strike level of the warrants;
- the volatility of the level of the index (being a measure of the fluctuation in the level of the index);
- the time remaining to expiry: a warrant is generally more valuable the longer the remaining life of the warrants;
- interest rates;
- expected dividend payments on any components comprising the index;
- the supply and demand for the warrants; and
- our creditworthiness.

What is my maximum loss?

The maximum loss in warrants will be limited to your investment amount plus any transaction cost.

Can I sell the Warrants before maturity?

Yes. We have made an application for listing of, and permission to deal in, the Warrants on the Stock Exchange. All necessary arrangements have been made to enable the Warrants to be admitted into the Central Clearing and Settlement System (“**CCASS**”). Issue of the Warrants is conditional upon listing being granted. From the Dealing Commencement Date, you may sell or buy the Warrants on the Stock Exchange.

The Liquidity Provider will make a market in the Warrants by providing bid and/or sell prices. See the section headed “**Liquidity**” of this document for further information.

How can I get information about the Warrants and the Index after issue?

You may visit the Stock Exchange website at www.hkex.com.hk to obtain information on the Warrants or any notice given by us or the Stock Exchange in relation to the Warrants. You may go to the website at www.hsi.com.hk to obtain updated information about the Index.

We have included references to websites in this document to indicate how further information may be obtained. Information appearing on those websites does not form part of the Listing Documents. You should conduct your own web searches to ensure that you are viewing the most up-to-date information.

INFORMATION ON THE INDEX

The information on the Index set out below is extracted from or based on publicly available information and, in particular, information from the Index Compiler. We do not give any representation whatsoever as to the truth, accuracy, completeness, adequacy or reasonableness of any of the information contained therein whether as at the date of this document or any other time, save that we have taken reasonable care to correctly extract, summarise and/or reproduce such information.

Index Compiler Hang Seng Indexes Company Limited. The Index is managed and compiled by the Index Compiler, which is a wholly-owned subsidiary of Hang Seng Bank Limited.

Dissemination of the Index level The Index level is disseminated through the website of the Index Compiler at <http://www.hsi.com.hk> and various information vendors. You should contact your stockbroker for further information.

Index disclaimer The Index is published and compiled by the Index Compiler pursuant to a licence from Hang Seng Data Services Limited. The mark and name Hang Seng Index are proprietary to Hang Seng Data Services Limited. The Index Compiler and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Index by UBS AG in connection with the Warrants (the “**Product**”), **BUT NEITHER THE INDEX COMPILER NOR HANG SENG DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE INDEX IS GIVEN OR MAY BE IMPLIED.** The process and basis of computation and compilation of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by the Index Compiler without notice. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE INDEX COMPILER OR HANG SENG DATA SERVICES LIMITED (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE INDEX BY UBS AG IN CONNECTION WITH THE PRODUCT; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF THE INDEX COMPILER IN THE COMPUTATION OF THE INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE PRODUCT OR ANY OTHER PERSON DEALING WITH THE PRODUCT AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST THE INDEX COMPILER AND/OR HANG SENG DATA SERVICES LIMITED** in connection with the Product in any manner whatsoever by any broker, holder or other person dealing with the Product. Any broker, holder or other person dealing with the Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on the Index Compiler and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and the Index Compiler and/or Hang Seng Data Services Limited and must not be construed to have created such relationship.

OTHER KEY TERMS, LIQUIDITY AND SETTLEMENT

You must read this summary together with our base listing document, in particular, the Conditions.

Summary of other key terms	
Form of the Warrants	The Warrants will be represented by a global certificate in the name of HKSCC Nominees Limited. We will not issue definitive certificates for the Warrants. You may arrange for your broker to hold the Warrants in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the Warrants to be held in such account. You will have to rely on the records of CCASS and/or the statements you receive from your brokers as evidence of your beneficial interest in the Warrants.
Index Exchange	The Stock Exchange of Hong Kong Limited
Exchange Rate	Not applicable
First Exchange Rate	Not applicable
Interim Currency	Not applicable
Second Exchange Rate	Not applicable
Settlement Currency	The Warrants will be settled at expiry in Hong Kong Dollars
Stock Exchange	The Stock Exchange of Hong Kong Limited. No application has been made to list the Warrants on any other exchange.

Liquidity	
Liquidity Provider	<p>Stock code: 16817</p> <p>Name of Liquidity Provider: UBS Securities Hong Kong Limited</p> <p>Address: 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong</p> <p>Broker ID Number: 9619</p>

The Liquidity Provider is our affiliate and is regulated by the Stock Exchange and the Securities and Futures Commission. It will act as our agent in providing quotes.

Quotes	<p>You can request a quote by calling the Liquidity Provider at:</p> <p>telephone number: + 852 2971 6628.</p> <p>The Liquidity Provider will respond within ten minutes and the quote will be displayed on the Stock Exchange's designated stock page for the Warrants.</p>
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Maximum spread between bid and offer prices	25
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Factors for determining the bid and offer prices	The Liquidity Provider will consider factors, including, without limitation, the Strike Level, the prevailing level of the Index, the volatility of the Index, prevailing interest rates, the dividend yield of any securities comprising the Index and the time left to the expiry of the Warrants.
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Minimum quantity for which liquidity will be provided	10 Board Lots
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Circumstances under which the Liquidity Provider may not be able to, and shall not be obliged to, provide liquidity	<ul style="list-style-type: none"> (i) during the first five minutes of each morning trading session or the first five minutes after trading commences for the first time on any trading day; (ii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange from time to time; (iii) when the Warrants are suspended from trading for any reason; (iv) when there are no Warrants available for market making, in which event, only a bid price will be available. Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Warrants available for market making; (v) during the 5 Business Days immediately preceding the Expiry Date; (vi) if there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
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- (vii) if the stock market experiences exceptional price movement and volatility;
- (viii) if a Market Disruption Event occurs;
- (ix) when the ability of the Liquidity Provider acting on our behalf to source a hedge or unwind an existing hedge is materially affected by the prevailing market condition; and
- (x) if the theoretical value of the Warrants is less than HKD 0.01. If the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available.

Settlement

Settlement date upon a transfer	The Warrants may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of Warrants takes place on the Stock Exchange, settlement must currently be made not later than two trading days.
Exercise	The Warrants will be automatically exercised on the Expiry Date in integral multiples of the Board Lot if the Cash Settlement Amount is positive; otherwise, you will lose all of your investment. We will deliver the Cash Settlement Amount (if any) net of any Exercise Expenses to HKSCC Nominees Limited, which will then distribute such amount to the securities account of your broker or to your CCASS Investor Participant securities account (as the case may be).
Exercise Expenses	You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable.
Settlement Date upon automatic exercise at expiry	Within 3 Business Days after the Expiry Date.

RISK FACTORS

You must read these risk factors together with the risk factors set out in our base listing document.

Warrants may expire worthless

Unlike stocks, the Warrants have a limited life and will expire at the Expiry Date. In the worst case, the Warrants may expire with no value. The Warrants are only suitable for experienced investors who have a positive view on the performance of the Index during the term of the Warrants and are willing to accept the risk that they may lose all their investment.

The Warrants can be volatile

Prices of the Warrants may rise or fall rapidly. You should carefully consider, among other things, the following factors before dealing in the Warrants:

- (i) the prevailing trading price of the Warrants;
- (ii) the level and volatility of the Index;
- (iii) the time remaining to expiry;
- (iv) the probable range of the Cash Settlement Amount;
- (v) the interest rates and expected dividend payments on any securities comprising the Index;
- (vi) the liquidity of futures contracts relating to the Index;
- (vii) any related transaction cost; and
- (viii) our creditworthiness.

Time decay

The value of a Warrant is likely to decrease over time. Therefore, the Warrants should not be viewed as products for long term investments.

There is no assurance that the value of the Warrants will correlate with movements of the level of the Index

The value of the Warrants may not correspond with the movements in the level of the Index. If you buy the Warrants with a view to hedge against your exposure to any futures contract, it is possible that you could suffer loss in your investment in that futures contract and the Warrants.

The Listing Documents are not the sole basis for making an investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the Warrants or any futures contracts relating to the Index.

Adjustment related risk

The occurrence of certain events (including, without limitation, succession of Index or Index Compiler, modification and cessation of calculation of the Index) may entitle us to adjust the terms and conditions of the Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the Index. Any adjustment or decision not to make any adjustment may adversely affect the value of the Warrants. Please refer to Condition 6 for details about adjustments.

Possible limited secondary market

The Liquidity Provider may be the only market participant for the Warrants and therefore the secondary market for the Warrants may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the Warrants prior to expiry.

Change of calculation methodology or failure to publish the Index

If there is a material change in the calculation of the Index level or a failure to publish the Index level, we may determine the Index level on the basis of the method last in effect prior to such change or failure.

Conflict of interest

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the Index or issue or update research reports on the Index. Such activities, information and/or research reports may involve or affect the Index and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the Warrants. We have no obligation to disclose such information and may issue research reports and engage in any such activities without regard to the issue of the Warrants.

In the ordinary course of our business, we and our subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more transactions with respect to the Index or related derivatives. This may indirectly affect your interests.

Global registered form

The Warrants are issued in global registered form and is held on your behalf within the Central Clearing and Settlement System. You will not receive any definitive certificate and your name will not be registered in the register of the Warrants. You will have to rely on your broker and the statements you receive from it as evidence of your interest in the Warrants.

ADDITIONAL INFORMATION RELATING TO US

Fourth Quarter 2011 Report

We released our fourth quarter 2011 report for the quarterly period ended on 31 December 2011 on 7 February 2012. You may visit our website at http://www.ubs.com/1/e/investors/quarterly_reporting/2011.html to access our fourth quarter 2011 report.

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