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**Notice of Valuation of Residual Value of the following callable bull/bear contracts (“CBBCs”)
issued by
UBS AG
(incorporated with limited liability in Switzerland)
Sponsor
UBS Securities Asia Limited
Announcement**

UBS AG (the “**Issuer**”), acting through its London branch, gives notice that under the terms and conditions of the CBBCs (the “**Conditions**”), following the occurrence of the Mandatory Call Event (“**MCE**”) in respect of the following 4 CBBCs occurred at time specified (“**MCE Time**”) in the continuous trading session on date specified (“**MCE Date**”), the Residual Value has been determined as follows:

Stock Code	Style	Type	Category	Mandatory Call Event (MCE) Time	MCE Date	Underlying	Issue Size	Year	No. Of CBBC(s) Per Entitlement	Entitlement	Board Lot	Strike Price	Maximum / Minimum Trade Price	Residual Value per CBBC	Residual Value per Board Lot
61892	European (Cash Settled)	Bull	R	09:30:13	16 May 2012	China Life Insurance Company Limited	100,000,000	2012	10	1 Share	1,000	HKD 17.88	HKD 18.4	HKD 0.052	HKD 52
60367	European (Cash Settled)	Bull	R	09:33:00	16 May 2012	China Merchants Bank Co., Ltd.	50,000,000	2012	10	1 Share	5,000	HKD 13.38	HKD 14.6	HKD 0.122	HKD 610
69059	European (Cash Settled)	Bull	R	11:36:38	16 May 2012	China Petroleum & Chemical Corporation	100,000,000	2011 - 2012	10	1 Share	20,000	HKD 7.10	HKD 7.37	HKD 0.027	HKD 540
61813	European (Cash Settled)	Bull	R	11:50:09	16 May 2012	China Mobile Limited	100,000,000	2012	100	1 Share	5,000	HKD 82.00	HKD 83.85	HKD 0.0185	HKD 92.5

For Bear CBBCs, the Residual Value per Board Lot is determined by the Issuer by reference to the following formula:

$$\frac{\text{Entitlement} \times (\text{Strike Price} - \text{Maximum Trade Price}) \times \text{One Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

For Bull CBBCs, the Residual Value per Board Lot is determined by the Issuer by reference to the following formula:

$$\text{Entitlement} \times (\text{Minimum Trade Price} - \text{Strike Price}) \times \text{One Board Lot}$$

Number of CBBC(s) per Entitlement

Subject to Settlement Disruption Event, all eligible CBBC holders will receive the Residual Value no later than 21 May 2012, which is the third CCASS Settlement Day following the end of the MCE Valuation Period.

Capitalised terms not defined in this announcement have the meaning given to them in the Conditions.

Hong Kong, 16 May 2012