

## UBS Exchange Traded Tracker (USD)

Linked to **S&P 400 Midcap Total Return Index**  
 Issued by **UBS AG, London Branch**  
 Cash Settlement, Open End



SSPA/EUSIPA Name: Tracker Certificate (1300)

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ss of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA (This paragraph is relevant to public offerings in Switzerland only).

### Final Product Description for marketing purpose

The UBS Exchange Traded Tracker (ETT) provides exposure to an index underlying through a single stock exchange transaction and tracks its performance on a one-to-one basis. The UBS-ETT comprises cost efficiency, open-ended index tracking and daily exchange liquidity.

#### Summary of Final Product Terms

<b>Issuer (Rating)</b>	<b>UBS AG, London Branch (Aa3/A/A)</b>
Lead Manager	UBS Limited
Pricing / Strike Date	25 April 2012
Payment Date	03 May 2012
Tenor	Open ended, subject to being called by the Issuer and/or subject to being exercised by the investor
Denomination / Conversion Ratio	10 Units refer to 1 underlying
Issue Price	<b>USD 130.74</b>
Capital Protection	None
Settlement	Cash (USD)
Exchange	SIX Swiss Exchange (SIX)
Management Fees	0.00% p.a. (with an annual right of the issuer to adjust the Management Fees)
Public Offering in	CH, from 03.05.2012:AT, DE, ES, LI, LU, SE
Selling Restrictions	USA, US persons, HK, Singapore, Europe (in EEA jurisdictions unless locally registered); see term sheet for details
Valor / ISIN	18475560 / CH0184755608

Underlying (Bloomberg)	Underlying Reference Price
<b>S&amp;P 400 Midcap Total Return Index (SPTRMDCP)</b>	1'307.406

<b>Underlying Description</b>	Standard and Poor's Midcap 400 Index is a capitalization-weighted index which measures the performance of the mid-range sector of the U.S. stock market.
Index Sponsor	Standard & Poor's
	<a href="http://www.standardandpoors.com">http://www.standardandpoors.com</a>

#### Product Description

The ETT is a structured product belonging to the "Participation" category. Participation products offer solutions for investors with medium to higher risk tolerance who seek to efficiently access a certain market or to potentially outperform an underlying taking into account the conversion ratio.

The issuer has the right, but not the obligation, to call the product for early redemption by giving notice to that effect according to the issuer's call right disclosed in the term sheet. The redemption is effective 6 months after the notification of the issuer.

You have an annual right, for the first time on January 15, 2013, to exercise this product according to the investor's exercise right disclosed on the term sheet. The redemption is effective 1 year after the exercise of the investor.

### Main benefits at a glance

- Efficient and easy access to the underlying
- The underlying is diversified
- The underlying is a total return index
- Unlimited participation in the underlying over your investment horizon
- Daily liquidity at the SIX Swiss Exchange under normal market conditions

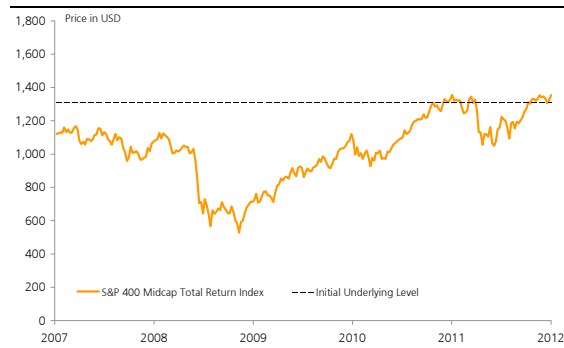
### Main risks at a glance

- You may lose a significant part of all your capital invested – ETTs are not capital protected
- You are fully exposed to the default risk of the issuer (Issuer risk)

### Investment Rationale

ETTs provide easy and efficient access with unlimited participation in the underlying. ETTs allow for simple and flexible trading in the secondary market. ETTs are not capital protected, and thus you have to be able to bear equity risk with a potential loss amounting to all of your capital invested.

### Historical performance of the underlying



For illustrative purposes only; Source UBS  
Past performance is not an indication of future performance.

### Scenario Analysis

#### Return on Investment (ROI) on the redemption date

Assumption: Underlying Level 1'307.406 at the time of purchase

Underlying		ROI
Price	Chg %	
1961.11	+50.00%	+50%
1830.37	+40.00%	+40%
1699.63	+30.00%	+30%
1568.89	+20.00%	+20%
1438.15	+10.00%	+10%
1307.41	0.00%	0%
1176.67	-10.00%	-10%
1045.92	-20.00%	-20%
915.18	-30.00%	-30%
784.44	-40.00%	-40%
653.70	-50.00%	-50%

For illustrative purposes only; Source: UBS  
Transaction costs and management fee are not included

#### Scenario 1: Unlimited Upside Participation

If the underlying trades at or above your reference price, you will benefit from an unlimited upside performance of the underlying over your investment horizon.

#### Scenario 2: Full Downside Risk

You do not have any protection and therefore are fully exposed to the downside if the underlying trades below your reference price. In a worst case scenario this position becomes worthless and you would lose all of the invested capital.

## Product Suitability

### Market View

You expect the underlying to increase over your investment horizon.

You wish to have exposure to USD. If the currency of the product is different from your reference currency, the return may increase or decrease as a result of currency fluctuations.

### Investment Horizon

Depending on the objective of your investment you might have a short- to medium-term investment horizon.

While the ETT has an unlimited tenor (open end), it can be called by the issuer (Redemption after 6 months) and/or put by the investor once a year (Redemption one year later) as disclosed in the term sheet.

### Risk Tolerance

You are an experienced investor and are familiar with both structured products and equity markets.

You **do not** require predetermined, regular coupon income as your objective is appreciation of assets in the long term.

You **do not** require capital protection and you are conscious of making an investment that is exposed to the full downside of the underlying.

You should hold this product as part of a diversified portfolio and avoid any significant concentration risk in regards to the underlying and/or the issuer.

## Risks

### Product Specific Risks

You are aware that you are fully exposed to any decline in the level of the underlying and may lose some or all of your invested capital.

### Credit Risk

**All structured products are subject to the creditworthiness of the issuer and/or guarantor (if applicable). You bear the credit risk of UBS AG.**

Valuation: Should the quality and/or the credit rating of the issuer deteriorate over the lifetime of the investment, the value of the product may be affected. Whilst a fall in value alone would not impact any redemption amount paid on the redemption date, it could affect the proceeds of an early redemption or sale in the secondary market.

Default: You are fully exposed to the default risk of the issuer.

### Liquidity / Early Termination

The lead manager intends, but is not obliged, to provide a daily secondary market at SIX Swiss Exchange (SIX) under normal market conditions. The assessment of normal market conditions and the provision of a secondary market are at the issuer / lead manager's discretion or follow rules of the exchange where listed, in case of listed notes. By selling in the secondary market you may receive less than the capital invested.

The product may contain terms and conditions that allow the issuer to determine or adjust in its absolute discretion the value of the underlying if certain market disruption events, index adjustments, tax redemptions, corporate events or other circumstances affecting normal activities occur (please see termsheet for details). Such terms and conditions may also allow the issuer to close the product at an amount determined by the calculation agent. This early termination amount is usually equivalent to the prevailing mark-to-market value.

### Market Risk

The pricing behaviour of the product, including the bid/ask spread, will be influenced not only by the level of the underlying but also by other risk factors such as interest rates, volatilities and credit quality of the issuer.

## Tax Treatment

**You as investor are liable for all current and future taxes and duties as a consequence of an investment in this product.** The taxation of this investment can be complex and depends on your individual tax profile as well as on the particular product. You must therefore seek your own tax advice from an external and reputable service provider on the consequences of holding this investment to maturity (including where the investment has been bought on the secondary market) and the consequences of redeeming or selling the investment before maturity. The following information only provides some of the potential tax consequences at the time of issue. Tax laws and practices of tax administrations may change on short notice, possibly with retroactive effect.

**This tax section does not constitute tax advice nor does UBS provide tax advice on any investment products.**

## Income Tax for Private Investors

The following information on income tax refers to private investors resident in one of the following countries holding this investment as private asset.

### Tax Residence in Germany

At the level of a German private investor (individual person), a gain resulting from the redemption, return or sale of the product belonging to the private assets, i.e. the gain from an increase of the product and - in case of foreign currency denomination of the product instead of EUR denomination - the gain from an increase of the foreign currency in relation to EUR (due to the conversion of both the purchase price and the redemption, return or sale price into EUR) will be subject to the flat rate taxation regime ("Abgeltungsteuer") at a flat rate of 25%, plus 5.5% solidarity surcharge thereon (leading to a total of 26.375%), and plus 8% or 9% church tax (where applicable) on the flat rate tax (according to the church affiliation and to the church tax rate in force in the German federal state of residence of the private investor). As in case of liability for church taxation the taxation for the rest is reduced, the overall tax burden - including church tax of 8% (Baden-Württemberg and Bayern) or 9% (all other German federal lands) - amounts to approx. 27.82% or to approx. 28%. The corresponding principles apply to recurring or non-recurring income received from the product.

Additionally, with regard to the taxation of gains on the foreign currency account from the foreign currency (i.e. not EUR) as own economic asset, the following criteria apply: If the product is not redeemed in EUR and the foreign currency credited to the foreign currency account, a subsequent sale of the currency within the relevant period could be subject to tax under the speculation-tax regime at the individual tax rate of up to 45% plus 5.5% solidarity surcharge thereon and, where applicable, plus church tax (not the flat rate taxation regime). Furthermore, if the product is issued in a foreign currency (i.e. not EUR) and the purchase of the product is charged to the foreign currency account, the purchase of the product could be seen as a sale of this currency. Any resulting gain realized from such sale of the currency within the relevant period could be subject to tax under the speculation-tax regime at the individual tax rate of up to 45% plus 5.5% solidarity surcharge thereon and, where applicable, plus church tax (not the flat rate taxation regime).

## Tax Residence in Switzerland

For private investors resident in Switzerland, an investment in this product is not subject to income tax.

## EU Savings Directive

### Information Exchange

The European Savings Directive (ESD) was introduced on July 1, 2005 by EU member states to achieve a minimum level of effective taxation of cross-border income in the form of interest payments to private investors resident within the EU. To achieve this, EU member states introduced an automatic exchange of information. This applies to all paying agents in EU member states other than in Austria or Luxembourg.

### EU Savings Tax

Some of the EU member states introduced a withholding tax as a transition measure. This regime has also been expanded to associated territories and certain countries outside the EU (among them Switzerland, Monaco, Jersey). These countries committed themselves to choose a withholding tax in combination with the possibility of information exchange. The retention rate is 35% from July 1, 2011.

### Paying Agents in Switzerland

The product is not subject to the EU savings tax (TK 9).

## Issuer Withholding Tax

The issuer is not required to deduct a withholding tax.

## Issuance/Turnover Duties

### Brokerage/Custody Account in Switzerland

Secondary market transactions are not subject to Swiss Stamp Duty.

### Structuring Payment

In order to remunerate UBS for its role as Product distributor, UBS may receive certain fees and/or non-monetary benefits from the product provider. Non-monetary benefits will typically take the form of research, training, education and sales support offered by product providers to our employees. Fees generally represent a discount to or a portion of the issue price of such products or may also represent a portion of the annual management fee and typically are within a range of 0%-2% p.a. (paid as a one-off payment or in instalments).

As the product's issuer/lead manager is UBS, in offering you this product the UBS Group will take the roles of both manufacturer (UBS Investment Bank) and distributor (UBS Wealth Management). Certain ancillary roles, such as those of the custodian and administrator, may also be performed by the UBS Group. This means that in effect, up to 100% of fees charged for the product will remain within the UBS Group and that any distribution fees earned by the distribution entities of the UBS Group represent an intra group reallocation of revenues.

The investor acknowledges that UBS may retain all or part of such fees and/or non-monetary benefits.

### Further Information

This product description is for information purposes only. The final terms and conditions will be finalised on the pricing date. Thereafter the price will be subject of the market movements. For detailed information about the terms and conditions as well as additional risk information please consult the final term sheet, the final terms and the prospectus provided by the issuer in English only.

This product is a structured product, i.e. a combination of two or more financial instruments of which at least one is a derivative. For more information on "structured products" please refer to the brochure "Special Risks in Securities Trading" (CH) or the risk warning documentation provided by UBS in your booking centre. Additional information on UBS Structured Products in general, the various product families as well as risks and opportunities can be found in designated UBS brochures (subject to local availability).

**CH:** This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the authorisation or supervision of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

#### Contact

Please contact your client advisor for further information.

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There is a possibility that costs, including taxes, related to transactions in connection with this financial instrument may arise for the investor that are not paid via UBS or imposed by it.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgment and advice from those advisers you consider necessary. Save as otherwise expressly agreed, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document is **for information and marketing purposes only** and should not be construed as an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Information Memorandum, Prospectus or other issuer documentation for the issue of the Certificates (the "Prospectus"). Prospectus available upon request.

In relation to any securities, currencies, financial instruments or other assets underlying the transaction to which the term sheet relates, values may fall as well as rise and past performance is not an indication of future performance.

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