5yr Autocallable Notes on Euro Stoxx 50 Index, MSCI Taiwan Index and Russian Depositary Index

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Indicative Product Description

The Autocallable Note is a product that offers an attractive return if on any Observation Date all Underlyings close at or above a predefined Early Redemption Level. It can provide an enhanced return compared to a direct investment in the markets in slightly negative market conditions. The payout and an early redemption are conditional on the performance of the underlyings.

Summary of Indicative Product Terms

Issuer	**UBS AG, Jersey Branch (A2/A/A)**
Lead Manager	UBS AG Jersey
Strike Date	28 March 2013
Issue Date	04 April 2013
Expiration Date	28 March 2018
Redemption Date	06 April 2018, subject to early redemption
Tenor	5 years
Currency	Quanto USD
Issue Price	100.00% of nominal value
Capital Protection	None
Participation	100.00% participation in the worst performing underlying on the Expiration Date if barrier event occurs
Coupon	7.50% per semester (15.00% p.a.), payable only in case of an early redemption event
Barrier Event	If the worst performing underlying closes at or below the barrier level on the Expiration Date.
Early Redemption Event	If on any observation date all underlyings close at or above the early redemption level of 100% (including Expiration Date)
Early Redemption Observation Dates	Each semester (excluding first observation date after launch)
Underlyings	Euro Stoxx 50 Index (SX5E), MSCI Taiwan Index (TAMSCI) and Russian Depositary Index (RDXUSD)
ISIN	XS0899982044

Product Description

The Worst Of Autocallables are structured products belonging to the "Optimisation" category. Optimisation products offer solutions for investors with medium to higher risk tolerance, who seek to efficiently access a certain market or to potentially enhance their return.

The effective redemption date of this product and the conditional exit rate payment depend on the price of the worst performing underlying on the predefined observation dates. If no early redemption occurs and a barrier event has occurred, the payout is linked to the performance of the worst performing underlying on the Expiration Date (without currency impact):

1. **If on any observation date (including the Expiration Date) all underlyings close at or above the early redemption level**, you will receive 100.00% of the nominal value plus a coupon for each observation period since inception in cash, as per in Table 1.
2. **If an early redemption event has not occurred and**

a) if all underlyings have a closing level above the 50% barrier on the Expiration Date, you will receive 100.00% of the nominal value at Redemption Date

b) if any underlying closes at or below the 50% barrier level on the Expiration Date, you will receive for each Note a cash settlement equal to the final level of the worst performing underlying

Main benefits at a glance

- Autocall feature potentially shortens the tenor of the Note
- Early redemption feature provides a cash-out opportunity at regular intervals
- Enhanced returns compared to a direct investment in slightly negative market conditions

Main risks at a glance

- Redemption potentially linked to the negative underlying performance if the barrier is touched or breached at expiry
- In case of an Early Redemption Event, the potential return is limited to the exit rate payment
- You are fully exposed to the default risk of the issuer

Investment Rationale

The Note is a structured product belonging to the "Optimisation" category. It is suitable for investors who are moderately bullish on all underlying instruments, but also want to enhance return thanks to a high autocall coupon. The Autocallable Notes provide early call opportunities. Upon autocall, the Note will be early redeemed with 100.00% of the nominal amount plus a rebate in the form of a variable coupon equal to n*7.50% per semester (excluding first semester after strike date), n being the observation at which it is early redeemed.

In addition, the Notes come with a knock-in feature which provides conditional protection (if not early called) (the "Knock-in feature"). This product description aims to explain only those Notes with knock-in and autocall features.

Table 1—Illustration of Autocall

Semi-Annually Observation Date (excluding first semester after strike date)	Early Redemption Level	Early Redemption Coupon
1st	100.00%	15.00%
2nd	100.00%	22.50%
3rd	100.00%	30.00%
4th	100.00%	37.50%
5th	100.00%	45.00%
6th	100.00%	52.50%
7th	100.00%	60.00%
8th	100.00%	67.50%
9th	100.00%	75.00%

Scenario Analysis

Return on Investment (ROI) on the redemption date

Assumptions: No early redemption prior to expiration date, autocall level 100.00%, barrier level 50.00%, absolute downside participation 100.00% (100.00% participation if barrier event occurs)

Worst Performing Index on the expiration date	Redemption amount if barrier event occurs*	Redemption amount if barrier event does not occur*
Change		
100.00%	na	175.00%
50.00%	na	175.00%
20.00%	na	175.00%
0.00%	na	175.00%
-20.00%	na	100.00%
-40.00%	na	100.00%
-50.00%	50.00%	na
-100.00%	0.00%	na

Note: For illustrative purposes only // * In percentage of Notional

Scenario 1: Early Redemption with coupon

If on any semi-annual observation date (observation dates starting from 12M and including Expiration Date), the worst performing underlying closes at or above its autocall level, the Note will be redeemed immediately, and you will get back your principal plus a coupon according to table 1.

Scenario 2: Redemption at maturity with capital reimbursement

As long as all underlyings do not have a closing level at or below the barrier on the Expiration Date and no early redemption event occurred, you will receive 100.00% of the nominal invested even if the worst performing underlying closes below the autocall level on the Expiration Date. Besides, if the worst performing underlying closes above its autocall level, you will receive 100.00% of the nominal invested plus a coupon of 75.00%.

Scenario 3: Full Downside Risk (Barrier touched)

There is no protection against falling prices if the worst performing underlying has a closing level at or below the barrier on the Expiration Date. You will be fully exposed to the negative performance of the worst performing underlying. In a worst case scenario, this position becomes worthless and you would lose all of the invested capital.

Product Suitability

Market View

You expect all underlyings to increase up to the Expiration Date and do not expect the price to fall substantially during the lifetime of the product. In any case, you expect that no barrier event occurs. In addition, you accept that the product redeems early if all underlyings close at or above the early redemption level on any of the observation dates, paying back 100% of the Nominal in cash plus an autocall coupon.

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

You have a maximum investment horizon of 5 years and are willing to accept a potential early redemption.

Risk Tolerance

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

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 all underlyings.

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

Risks

Product-specific Risks

You are aware that if at least one underlying closes at expiry at or below the barrier level at, the capital is at risk. You may lose some or all of the invested capital, as you are fully exposed to any decline in the level of all underlyings.

You will not receive the benefit of dividends or other income that may be paid on the underlyings.

Should the product be redeemed early, you are exposed to a reinvestment risk.

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 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 underlyings if certain market disruption events, index adjustments, tax redemptions, corporate events or other circumstances affecting normal activities occur (please see term sheet 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

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

Therefore, the product may trade considerably below 100.00% during the lifetime of the product even without the underlyings trading at or below the barrier level.

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Investment Banking

Corporate Broker of the Year
Acquisitions Monthly, 2010

Best M&A Deal
Global Finance, 2011

Best M&A House—Switzerland
Euromoney, 2011

Best M&A House, Asia
Euromoney, 2011

Best TMT Sector Adviser of the Year
Acquisitions Monthly, 2008–2010

Equities

No.1 for European Equity Trading Quality
Greenwich Associates, 2010-2012

No.1 for Pan-European Equity & Equity-Linked Sales
Thomson Reuters Extel, 2002-2012

Best Equity House—Switzerland
Euromoney, 2010–2011

Top 2 All-Europe Research Team,
Institutional Investor, 2002-2013

Pan European Equity House
Thomson Reuters Extel, 2004 - 2012

Fixed Income, Foreign Exchange and Precious Metals

No.1 Dealer—Gold & Silver Spot
Risk, 2011, 2012, 2013

Best Post Trade Services
Profit & Loss, 2010–2011

No.2 FX House for Banks
Euromoney, 2010–2011

UBS Delta: Most Innovative Actuarial Software
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