



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: July 21, 2011

Exchange-Traded Notes

	Symbol	CUSIP #
ETRACS Internet IPO ETN due July 19, 2041	EIPO	90268A774
Monthly 2xLeveraged ETRACS Internet IPO ETN due July 19, 2041	EIPL	90268A766

Information on the Notes

UBS AG (the "Issuer") has issued Exchange Traded Access Securities ("ETRACS" or "ETNs" or "Notes") linked to the performance of the UBS Internet IPO Index (the "Index"). The maturity date for each ETN is July 19, 2041. The ETNs were priced at \$25 each and do not guarantee any return of principal.

The ETRACS Internet IPO ETN due July 19, 2041 (the "1x Securities") provides exposure to the performance of the Index, reduced by the Accrued Tracking Fee (as described below) based on a rate of 0.65% per annum. The Monthly 2xLeveraged ETRACS Internet IPO ETN due July 19, 2041 (the "2x Securities") provides a monthly compounded two times leveraged exposure to the performance of the Index, reduced by (i) the Accrued Tracking Fee based on a rate of 0.65% per annum and (ii) the Accrued Financing Charges (as described below). Investing in the ETNs involves significant risks. Investors may lose some or all of their principal at maturity or call, upon acceleration or upon early redemption if, with respect to the 1x Securities, the return of the Index is not sufficient to offset the negative effect of the Accrued Fees, less the Redemption Fee, if applicable, or, with respect to the 2x Securities, the leveraged return of the Index is not sufficient to offset the negative effect of the Accrued Fees, less the Redemption Fee, if applicable. In addition, the 2x Securities are two times leveraged with respect to the Index and, as a result, will benefit from two times any beneficial, but will be exposed to two times any adverse, performance of the Index. Investors will receive a cash payment at maturity, upon exercise by UBS of its call right or upon early acceleration, based on, with respect to the 1x Securities, the performance of the Index less the Accrued Fees, or, with respect to the 2x Securities, the leveraged performance of the Index less the Accrued Fees, as described herein. Investors will receive a cash payment upon early redemption based on, with respect to the 1x Securities, the performance of the Index less the Accrued Fees, or, with respect to the 2x Securities, the leveraged performance of the Index less the Accrued Fees, less, in each case, the Redemption Fee. Payment at maturity or call, upon acceleration or upon early redemption is subject to the creditworthiness of UBS. In addition, the actual and perceived creditworthiness of UBS will affect the market value, if any, of the ETNs prior to maturity, call, acceleration or early redemption.

The Index is intended to measure the performance of a subset of Internet-related companies listed on the New York Stock Exchange ("NYSE") or The Nasdaq Stock Market, Inc. ("NASDAQ") that satisfy specified market capitalization and other eligibility requirements. The Index provides exposure specifically to those Internet-related companies that have been publicly traded for less than three years.

For each ETN, unless earlier redeemed, called or accelerated, investors will receive at maturity a cash payment equal to (a) the product of (i) the Current Principal Amount times (ii) the Index Factor as of the last Trading Day in the Final Measurement Period, minus (b) the Accrued Fees as of the last Trading Day in the Final Measurement Period. For each series of ETN, we refer to this cash payment as the "Cash Settlement Amount." If the amount so calculated is less than zero, the payment at maturity for that series of ETN will be zero.

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