

UBS AG, ACTING THROUGH ITS LONDON BRANCH

(Incorporated with limited liability in Switzerland)

NOTICE TO WARRANTHOLDERS

- To : (1) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 22000 UB ECW140627);
- (2) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 22800 UB ECW140627);
- (3) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 23800 UB ECW140627);
- (4) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 22000 UB EPW140627); AND
- (5) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 22600 UB EPW140627).

Notice is hereby given by UBS AG ("**UBS AG**" or the "**Issuer**") acting through its London Branch in respect of:

- (a) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 22000 UB ECW140627) (the "**HSI 22000 Call Warrants**");
- (b) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 22800 UB ECW140627) (the "**HSI 22800 Call Warrants**");
- (c) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 23800 UB ECW140627) (the "**HSI 23800 Call Warrants**", together with the HSI 22000 Call Warrants and the HSI 22800 Call Warrants, the "**HSI Call Warrants**");
- (d) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 22000 UB EPW140627) (the "**HSI 22000 Put Warrants**"); and
- (e) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 22600 UB EPW140627) (the "**HSI 22600 Put Warrants**", together with the HSI 22000 Put Warrants, the "**HSI Put Warrants**"),

(together, the "**Warrants**") on the following:

Terms defined or construed in the Supplemental Listing Documents dated 22 April 2014 in relation to the Warrants issued by UBS AG bear the same meaning and construction in this Notice.

EXPIRY OF WARRANTS

In accordance with the terms and conditions of each of the Warrants, the Warrants have expired today:

Warrant	Expiry Date	Strike Level	Conversion Ratio
HSI 22000 Call Warrants	27 June 2014	22,000	0.001
HSI 22800 Call Warrants	27 June 2014	22,800	0.001
HSI 23800 Call Warrants	27 June 2014	23,800	0.001
HSI 22000 Put Warrants	27 June 2014	22,000	0.001
HSI 22600 Put Warrants	27 June 2014	22,600	0.001

The Warrants are cash-settled warrants which entitle a Warrantholder to be paid a cash settlement amount (if positive) (the "**Cash Settlement Amount**") in accordance with the terms and conditions of each of the Warrants.

The Warrants may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by the Closing Level of the Index. In respect of the HSI Call Warrants, if the Closing Level of the Index is greater than the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is positive, all the HSI Call Warrants shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. In respect of the HSI Put Warrants, if the Strike Level is greater than the Closing Level of the Index and the Cash Settlement Amount (less any Exercise Expenses) is positive, all the HSI Put Warrants shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in the terms and conditions of the Warrants.

In respect of the HSI Call Warrants, in the event the Closing Level of the Index is less than or equal to the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all the HSI Call Warrants shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. In respect of the HSI Put Warrants, in the event the Strike Level is less than or equal to the Closing Level of the Index and the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all the HSI Put Warrants shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

As the Cash Settlement Amounts (less any Exercise Expenses) for the HSI 22000 Call Warrants and the HSI 22800 Call Warrants are positive, the HSI 22000 Call Warrants and the HSI 22800 Call Warrants are deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on 27 June 2014.

As the Cash Settlement Amounts (less any Exercise Expenses) for the HSI 23800 Call Warrants and the HSI Put Warrants are zero, the HSI 23800 Call Warrants and the HSI Put Warrants are deemed to have expired at 5:00 p.m. (Singapore time) on 27 June 2014 and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the HSI 23800 Call Warrants and the HSI Put Warrants.

Accordingly, a holder of a Warrant is entitled to receive (less any Exercise Expenses):

Warrant	Cash Settlement Amount per Warrant ¹
HSI 22000 Call Warrants	S\$0.19224571
HSI 22800 Call Warrants	S\$0.06332989
HSI 23800 Call Warrants	S\$0
HSI 22000 Put Warrants	S\$0
HSI 22600 Put Warrants	S\$0

which will be paid in the manner set out in the terms and conditions of each of the Warrants.

Issued by

UBS AG, ACTING THROUGH ITS LONDON BRANCH

27 June 2014

¹ Warrantholders will be paid the aggregate Cash Settlement Amount less any Exercise Expenses.