

## PROSPECTUS



### **UBS AG, acting through its Jersey Branch**

*(incorporated with limited liability in Switzerland)*  
(the "Issuer")

### **Euro Note Programme**

#### **Issue of NGN 2,000,000,000 12.00 per cent. Notes due 2017 Series 10958 (the "Notes")**

This document (which expression shall include all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to the Notes and has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive as a prospectus (the "**Prospectus**") for the purposes of the Prospectus Directive.

This Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market of the Irish Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

**Investing in the Notes involves risks. See "Risk Factors" beginning on page 3.**

**This Prospectus includes details of the long-term credit ratings assigned to the Issuer by Standard & Poor's Credit Market Services Europe Limited ("S&P"), Moody's Investors Service Limited ("Moody's") and Fitch Ratings Limited ("Fitch"), each of which is a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the "CRA Regulation") and included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. The Notes will not be rated.**

In general, European regulated investors are restricted under the CRA Regulation from using a credit rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension, change or withdrawal at any time by the assigning rating agency.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold, pledged or

otherwise transferred in the United States or to U.S. persons (as defined in Regulation S) except in a transaction that is exempt from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. In addition, Notes issued in reliance on Regulation S during the 40-day period beginning on the date of the completion of the distribution of the Notes will only be issued to a person that is neither a U.S. person nor holding such Notes for the account or benefit of a U.S. person. Terms in the previous sentence have the meaning given to them in Regulation S.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive each, a "**Relevant Member State**", will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or UBS Limited (the "**Dealer**") to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Dealer to publish or supplement a prospectus for such offer.

## **UBS Limited**

25 September 2012

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer does not intend to provide post-issuance information.

The Dealer has not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability is accepted by the Dealer as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer.

Neither this Prospectus nor any further information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by the Issuer or the Dealer that any recipient of this Prospectus or any other information supplied in connection with the Notes should subscribe for or purchase the Notes. Each investor contemplating subscribing for or purchasing the Notes should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer by or on behalf of the Issuer or the Dealer to subscribe for or purchase the Notes.

Unless otherwise specified, references in this Prospectus to the "**Prospectus Directive**" refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and all references to the 2010 PD Amending Directive refer to Directive 2010/73/EU provided, however, that all references in this Prospectus to the "**Prospectus Directive**" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State. References to "\$", "**dollars**", "**US\$**", "**USD**" and "**US dollars**" are to the lawful currency of the United States of America. References to "**NGN**" and "**Nigerian Naira**" are to the lawful currency of the Republic of Nigeria. References to "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of the Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro as amended.

The distribution of this Prospectus and the offer, distribution or sale of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Dealer represents that this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Notes or a distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or the Notes come must inform themselves about, and observe, any such restrictions.

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## OVERVIEW

### Information relating to the Notes

The Notes, which will be in registered form and constitute Series number 10958, are to be issued on 25 September 2012 (the "**Issue Date**"). The aggregate principal amount of Notes issued will be NGN 2,000,000,000 in denominations of NGN 40,000,000. The Issue Price of the Notes is 100 per cent. of their principal amount. The Notes will be redeemed on 25 September 2017 (subject to adjustment in accordance with the terms and conditions of the Notes (the "**Conditions**") (the "**Maturity Date**") at 100 per cent. of their principal amount. The Principal Paying Agent in relation to the Notes is The Bank of New York Mellon, acting through its London Branch. Application will be made to admit the Notes to listing on the Official List of the Irish Stock Exchange and to trading on its regulated market.

All payments in respect of the Notes will be made in US dollars. Interest on the Notes accrues at a rate of 12.00 per cent. per annum, payable quarterly on 25 March, 25 June, 25 September and 25 December in each year (in each case subject to adjustment in accordance with the Conditions) during the period from the Issue Date to the Maturity Date. However, any adjustments to Valuation Dates and Interest Payment Dates will not apply for the purposes of determining the amount of interest payable in Nigerian Naira in respect of the Notes.

Payments under the Notes will be made without withholding or deduction for or on account of Jersey or Switzerland taxes, except as may be required by law, in which case additional amounts will be paid, subject as mentioned in the Conditions.

Notwithstanding the above, it is recommended that prospective investors check their individual tax position and consult with their independent tax advisers.

The Notes are being offered outside the United States in accordance with Regulation S under the Securities Act, and may not be offered, sold, pledged or otherwise transferred in the United States or to U.S. persons (as defined in Regulation S) except in a transaction that is exempt from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. There are also other restrictions on the sale of Notes and the distribution of offering material relating to them in a number of other jurisdictions including the United Kingdom.

The terms and conditions applicable to the Notes will be those incorporated by reference into this Prospectus, as amended and supplemented by the Issue Terms, and the section in this Prospectus entitled "*Terms and Conditions of the Notes*". The Notes, the Deed of Covenant by which they are constituted and the Agency Agreement to which they are subject are governed by English law.

Certain documents relating to the Issuer's Euro Note Programme and the Notes may be inspected during normal business hours at the registered office of the Issuer.

## **RISK FACTORS**

Prospective investors in the Notes should read the entire Prospectus, including all information incorporated by reference herein. This section describes the risks which the Issuer, as of the date of this Prospectus, considers to be relevant for the purposes of deciding to invest in the Notes. Words and expressions defined in the "*Terms and Conditions of the Notes*" incorporated by reference in this Prospectus or elsewhere in this Prospectus (including in any information incorporated by reference herein) have the same meanings in this section.

Investing in the Notes involves certain risks. Prospective investors should consider the following:

The risk factors set out under the heading "*Risk Factors*" on pages 11 to 15 of the Base Prospectus (as defined in "*Incorporation by Reference*" below) are incorporated herein by reference. In addition, investors should consider, among other things, the following risk factors.

### ***Investment in the Notes is subject to exchange rate risks***

Currency exchange rates can be volatile and unpredictable. The value of NGN against the USD and other foreign currencies fluctuates from time to time and is affected by political, economic, social and other changes in Nigeria and international political and economic conditions, speculation as well as many other factors. Rates of exchange between the NGN and USD have varied significantly over time and historical trends do not necessarily indicate future fluctuations in rates and should not be relied upon as indicative of future trends.

The Issuer will make all payments of interest and principal in respect of the Notes in USD. As a result, the amount of these USD payments may vary with the changes in the prevailing NGN exchange rates in the marketplace. If the value of NGN depreciates against the USD or other foreign currencies, the value of the investment made by a holder of the Notes in USD or any other foreign currency terms will decline, the effective yield on the Notes (in USD or any other foreign currency terms) may decrease below the interest rate on the Notes and the amount payable on an Interest Payment Date or at the Redemption Payment Date may be less than the investor's initial investment amount in USD, resulting in a loss to the investor. Depreciation of the NGN against the USD may also adversely affect the market value of the Notes.

### ***Investment in the Notes is subject to currency risk***

If it becomes impossible to convert NGN from or to another freely convertible currency, or transfer NGN between accounts in Nigeria, or the general NGN exchange market becomes illiquid, or any NGN clearing and settlement system for participating banks in Nigeria is disrupted or suspended, whether as a result of Inconvertibility Event or Market Disruption Event (each, as defined in the Conditions) any payment under the Notes may be delayed for significant periods or under certain circumstances indefinitely. Sales in the secondary market may result in significant or total losses.

### ***Investment in the Notes is subject to interest rate risks***

The Notes will carry a fixed interest rate. Consequently, the trading price of the Notes will vary with the fluctuations in the NGN interest rates. If holders of the Notes propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

### ***Payments with respect to the Notes may be made only in the manner designated in the Notes***

All payments to investors in respect of the Notes will be made solely in USD and subject to the mechanisms of calculation and settlement as set out in the Conditions (as defined herein). The Issuer cannot be required to make payment by any other means (including in any other currency).

### ***Investment in the Notes is subject to market conditions***

Investors in the Notes should be aware that, in view of the prevailing and widely reported global credit market conditions (which continue at the date hereof), the secondary market for Notes and instruments of this kind may be illiquid. The Issuer cannot predict when or whether these circumstances will change. The investors therefore should be willing to hold the Notes to maturity.

The investor is also exposed to market disruption events (including trading disruption, exchange disruption and early closure of the relevant exchange), adjustments and early termination which could have an impact on the redemption amount through delay in payment or change in value.

## INCORPORATION BY REFERENCE

Terms used herein but not otherwise defined shall have the meanings given to them in the base prospectus relating to the Issuer's Euro Note Programme (the "**Programme**") dated 27 June 2012 (as supplemented from time to time) (the "**Base Prospectus**") and as supplemented by the base prospectus supplement dated 30 August 2012 (the "**Base Prospectus Supplement**") and approved by the Central Bank and incorporated by reference herein pursuant to Article 11 of the Prospectus Directive.

The following information contained in the Base Prospectus shall be incorporated into and form part of this Prospectus. Page references are to pages in the Base Prospectus.

<u>The section entitled:</u>	<u>Page Reference</u>
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In addition, the following documents shall be incorporated in, and form part of, this Prospectus:

- (i) the Issuer's Annual Report on Form 20-F for the year ended 31 December 2010, which the Issuer filed with the United States' Securities and Exchange Commission (the "**SEC**") on 15 March 2011, as amended by Amendment No. 1 to the Issuer's Annual Report on Form 20-F/A for the year ended 31 December 2010 (the "**Form 20-F/A**"), which the Issuer filed with the SEC on 10 November 2011 (together, the "**Annual Report 2010**"), and the Issuer's Annual Report on Form 20-F for the year ended 31 December 2011, which the Issuer filed with the SEC on 15 March 2012 (the "**Annual Report 2011**"); and
- (ii) the Issuer's submissions on Form 6-K, but not including any such submissions consisting of legal opinions filed with the SEC on 22 March 2012, 26 March 2012, 2 May 2012, 3 May 2012, 24 May 2012, 6 July 2012 and 31 July 2012,

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document which is incorporated by reference herein expressly or impliedly modifies or supersedes such earlier statement. Any documents incorporated by reference in the Base Prospectus and the financial statements do not form part of this Prospectus.

To the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in this Prospectus.

There has been no material adverse change in the prospects of the Issuer since 31 December 2011 and no significant change in the financial or trading position of the UBS Group since 30 June 2012.

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which it is aware) during the 12 months before the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of it or it and its subsidiaries taken as a whole, except as disclosed in the sections from the Base Prospectus, which are incorporated by reference into this Prospectus, as detailed above.

The Issuer will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Prospectus and any document incorporated by reference in this Prospectus. Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.

Electronic version of the Base Prospectus is available at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_a890c495-56db-4ebb-b30d-576c794048ac.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_a890c495-56db-4ebb-b30d-576c794048ac.pdf);

electronic version of the Base Prospectus Supplement is available at [http://www.ise.ie/debt\\_documents/Supplements\\_9e20b3ee-6241-4fb4-ac28-389bf15f9779.PDF](http://www.ise.ie/debt_documents/Supplements_9e20b3ee-6241-4fb4-ac28-389bf15f9779.PDF);  
electronic versions of the Annual Report 2010 and Annual Report 2011 are available at [http://www.ubs.com/global/en/about\\_ubs/investor\\_relations/other\\_filings/sec.html](http://www.ubs.com/global/en/about_ubs/investor_relations/other_filings/sec.html); and electronic  
versions of the Forms 6-K incorporated by reference are available at  
<http://www.ise.ie/app/announcementDetails.aspx?ID=11283551>  
and  
<http://www.ise.ie/app/announcementDetails.aspx?ID=11283552>.

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the " *General Terms and Conditions* " set out in the Base Prospectus as amended or supplemented by (i) the terms set out in this section "*Terms and Conditions of the Notes*" and (ii) the Issue Terms (the "**Issue Terms**") set out below (terms used in such provisions being deemed to be defined as such for the purposes of the Base Prospectus) (the "**Conditions**"). Any references to "this document" in the Issue Terms section of this Prospectus shall be deemed to refer to the Issue Terms. Any references to the "Final Terms" in the Base Prospectus for the purpose of the Notes shall be deemed to refer to the Issue Terms set out in this Prospectus.

The Notes will be fully paid-up and delivered on the Issue Date (as specified in the Issue Terms).

### Condition 1

*The definition of "Calculation Agent" in Condition 1 (Definitions) shall be amended as follows:*

"**Calculation Agent**" means UBS AG, acting through its London Branch."

*The following definitions shall be inserted in Condition 1 (Definitions):*

"**Disruption Event**" means either or both of an Inconvertibility Event or a Market Disruption Event;

"**Inconvertibility Event**" means in the determination of the Calculation Agent, acting in good faith and commercially reasonable manner, the occurrence of any action, event or circumstance whatsoever which from a legal or practical perspective has the direct or indirect effect of hindering, limiting, restricting or making impossible:

- (i) the convertibility of NGN into Settlement Currency in Nigeria through customary legal channels; or
- (ii) the delivery of:
  - A. Settlement Currency from accounts inside Nigeria to accounts outside Nigeria; or
  - B. NGN between accounts inside Nigeria or to or for the benefit of a person that it is not resident in Nigeria (including, without limitation, the imposition of any delay, increased costs or discriminatory rates of exchange).

"**Market Disruption Event**" means in the determination of the Calculation Agent, acting in good faith and a commercially reasonable manner, the occurrence of any event, other than an Inconvertibility Event, as a result of which the Calculation Agent is unable to determine the USD equivalent of the Fixed Coupon Amount or Redemption Amount (as the case may be), which event shall include without limitation:

- (i) a natural or man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond the Issuer's control; or
- (ii) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) or the issuance of any order or decree;

"**Nigeria**" means the Republic of Nigeria;

"**Price Source Disruption**" means it becomes impossible to obtain the Settlement Rate on the Valuation Date.

"**Reference Dealer Poll Rate**" means the currency exchange rate (expressed as the amount of NGN for one USD) determined by the Calculation Agent on the basis of firm quotations, for the sale of NGN and purchase of USD for a non-resident party, provided by four Reference Market Dealers as purchaser of NGN and seller of USD (where USD is payable outside Nigeria) in an amount corresponding to the relevant Interest Amount or Redemption Amount (as the case may be) at 10:00 a.m. (London time) (or such other time as the Calculation Agent shall decide in good faith and commercially reasonable manner) on the relevant Valuation Date in accordance with the following:

- (i) if three or four quotations are provided by the Reference Market Dealers, the highest and lowest of the quotations shall be discarded and the Calculation Agent shall calculate the currency exchange rate to be the arithmetic mean of the remaining quotations (rounded to the nearest four decimal points, with 0.00005 per cent. being rounded up).
- (ii) if fewer than three quotations are provided by the Reference Market Dealers, the currency exchange rate for the related Valuation Date shall be determined by the Calculation Agent acting in good faith and commercially reasonable manner. Copies of all quotes obtained by the Calculation Agent will be provided by the Calculation Agent to the Issuer upon request. The currency exchange rate may be such that the resulting USD amount is zero and in such event no USD or NGN amount will be payable.

**"Reference Market Dealers"** means leading dealers, banks or banking corporations which deal in NGN, selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner;

**"Scheduled Valuation Date"** means each day falling two Business Days prior to each Scheduled Interest Payment Date as specified in the Issue Terms, as applicable;

**"Settlement Rate"** means the currency exchange rate expressed as the amount of Nigerian Naira per one US Dollar for settlement in two Business Days reported by the Financial Market Dealers Association of Nigeria, which is published at [www.fmda.com.ng](http://www.fmda.com.ng), not later than 10:00 a.m., Lagos time, on the relevant Valuation Date being the first Business Day after the date on which such rate is determined ("**NGN01**"). This rate will also be published on Reuters page NIFEX01. If such rate is not published on the relevant Valuation Date, the Settlement Rate for that Valuation Date will be determined in accordance with the Reference Dealer Poll.

**"Unscheduled Holiday"** means that a day is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Lagos two Business Days prior to the Scheduled Valuation Date.

**"Valuation Date"** means the Scheduled Valuation Date, or a day which is:

- (i) the first Business Day following any Unscheduled Holiday, where a Scheduled Valuation Date has not occurred as a result of any Unscheduled Holiday and there is no Disruption Event continuing;
- (ii) the first Business Day (which is not an Unscheduled Holiday) following the day on which the Disruption Event ceases to exist, where there has occurred and is continuing a Disruption Event; or
- (iii) the first Business Day following the Scheduled Valuation Date which is neither an Unscheduled Holiday nor subject to a Disruption Event,

provided that, if the Valuation Date has not occurred on or before the 14th consecutive calendar day after such Scheduled Valuation Date (any such period being a "**Deferral Period**"), the next Business Day or the next day after the Deferral Period that would have been a Business Day but for the Unscheduled Holiday, as the case may be, shall be deemed to be the Valuation Date.

## **Condition 2**

*Paragraph (a)(i) (General) of Condition 2 (Form and Denomination) shall be amended as follows:*

"(a) *General*

- (i) The Aggregate Nominal Amount of the Notes is specified in the Issue Terms. The Notes are available in the Specified Denominations specified in the Issue Terms. All payments in relation to the Notes will be made in United States Dollars ("**USD**") (the "**Settlement Currency**") converted from Nigerian Naira ("**NGN**") at the applicable Settlement Rate as determined in accordance with Condition 9(d)(i)."

## Condition 6

*The following shall be added to the end of paragraph (a) (Interest – Fixed Rate) of Condition 6 (Interest):*

"(a) *Interest – Fixed Rate*

Each Interest Payment Date is subject to:

- (i) adjustment in accordance with the "**Modified Following Business Day Convention**" so that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day; and
- (ii) in any case, the Interest Payment Date shall be two Business Days after the relevant Valuation Date, *provided* however that any adjustments to Valuation Dates and Interest Payment Dates shall not apply for the purposes of determining the amount of interest payable in Nigerian Naira in respect of the Notes."

## Condition 7

*Paragraph (a) (Final Redemption) of Condition 7 (Redemption and Purchase) shall be amended as follows:*

"(a) *Final Redemption*

Unless previously redeemed, or purchased and cancelled, Notes shall be redeemed by the Issuer at the Redemption Amount as specified in, or determined in the manner specified in, the Issue Terms on the Maturity Date specified in the Issue Terms, adjusted in accordance with the Modified Business Day Convention and in any case, the date on which the Redemption Amount is to be paid shall be two Business Days after the relevant Valuation Date. "

Paragraph (i) (*Early Redemption Amounts*) of Condition 7 (*Redemption and Purchase*) shall be amended as follows:

"(i) *Early Redemption Amounts*

The Early Redemption Amount in respect of each Note shall be the GHS amount determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and converted from NGN into USD at the applicable Settlement Rate in accordance with Condition 9(d)(i)."

## Condition 9

*Paragraph (d)(i) (Payments – General Provisions) of Condition 9 (Payments) shall be amended as follows:*

"(d) *Payments – General Provisions*

- (i) Each amount due (whether in respect of principal, interest or otherwise) in respect of the Notes will be converted from NGN to USD at the applicable Settlement Rate and made in USD by cheque drawn on, or by transfer to an account maintained by the payee with, a bank in a Relevant Financial Centre for US dollars. Each Interest Payment Date and payments in respect of the Notes will be subject in all cases to any applicable issuing and paying provisions in the Agency Agreement and any applicable laws and regulations. The Settlement Rate may be such that the resulting USD amount is zero and in such event no USD or NGN amount will be payable by the Issuer to Noteholders. For the avoidance of doubt, the resulting amount cannot in any circumstances be less than zero."

## ISSUE TERMS

1. Issuer: UBS AG, acting through its Jersey branch
2. Series Number: 10958
3. Currency or Currencies: The Notes are denominated in NGN but all amounts due in respect of the Notes will be converted from NGN to USD by applying the applicable Settlement Rate and paid in USD
4. Aggregate Nominal Amount: NGN 2,000,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: NGN 40,000,000  
(ii) Calculation Amount: NGN 40,000,000
7. Issue Date: 25 September 2012
8. Maturity Date: 25 September 2017
9. Interest Basis: 12.00% Fixed Rate  
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. Status of the Notes: Senior
14. Method of distribution: Non-syndicated

### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Applicable
  - (i) Rate of Interest: 12.00 per cent. per annum payable quarterly in arrears
  - (ii) Interest Payment Date(s): 25 March, 25 June, 25 September and 25 December in each year commencing on 25 December 2012, up to and including the Maturity Date (each a "**Scheduled Interest Payment Date**"), adjusted in accordance with Condition 6(a).
  - (iii) Fixed Coupon Amount: NGN 1,200,000 per Calculation Amount, to be converted from NGN to USD by applying the applicable Settlement Rate and paid in USD
  - (iv) Broken Amount: Not Applicable
  - (v) Day Count Fraction: 30/360

(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Index/Credit-Linked Note Provisions:	Not Applicable
19.	Dual Currency note Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

20.	Redemption Amount:	NGN 40,000,000 per Calculation Amount, to be converted from NGN to USD by applying the applicable Settlement Rate (as defined in Condition 9(d)(i)) and paid in USD
21.	Tax Redemption Amount:	A NGN amount determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, to be converted from NGN to USD by applying the applicable Settlement Rate and paid in USD
22.	Optional Redemption (Call):	Not Applicable
23.	Optional Redemption (Put):	Not Applicable
24.	Optional Redemption Amount:	Not Applicable
25.	Optional Redemption Date:	Not Applicable
26.	Minimum/Higher Redemption Amount:	Not Applicable
27.	Other Redemption details:	Not Applicable
28.	Final Redemption Amount of each Note:	NGN 40,000,000 per Calculation Amount, to be converted from NGN to USD by applying the applicable Settlement Rate and paid in USD
29.	Early Redemption Amount:	As per Condition 7(i)
	Early Redemption Amount(s) of each Note payable on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

30.	Form of Notes:	Registered Notes:  Unrestricted Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg
31.	New Global Note:	No
32.	Business Days:	Lagos, London and New York

33.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
34.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
35.	Redenomination applicable:	No
36.	Exchangeability applicable:	No
37.	Other final terms or special conditions:	Not Applicable

#### **DISTRIBUTION**

38.	(i) If syndicated, names and address of Managers and underwriting commitments:	Not Applicable
	(ii) Date of Subscription Agreement:	Not Applicable
	(iii) Stabilising Manager (if any):	Not Applicable
39.	If non-syndicated, name	UBS Limited
40.	Total commission and concession:	Not Applicable
41.	U.S. Selling Restrictions:	Reg. S Compliance Category
42.	Non-exempt Offer:	Not Applicable
43.	Additional selling restrictions:	Not Applicable

## **PART B – OTHER INFORMATION**

### **1. LISTING**

- (i) Listing Ireland
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from the Issue Date.

### **2. RATINGS**

Ratings: The long term senior debt of the Issuer has been rated:

Standard & Poor's Credit Market Services Europe Limited: A

Moody's Investors Service Limited: A2

Fitch Ratings Limited: A

The Notes will not be rated.

A rating is not a recommendation by any rating organisation to buy, sell or hold Notes and may be subject to revision or withdrawal at any time by the assigning rating organisation.

Each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Limited is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

### **4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- (i) Reasons for the offer See "Use of Proceeds" wording in Base Prospectus
- (ii) Estimated net proceeds: NGN 2,000,000,000 (payable in US dollars at USD 12,641,625.71)

(iii) Estimated total expenses related to the admission to trading: €5,000

5. **FIXED RATE NOTES ONLY – YIELD**

Indication of yield: 12.00 per cent. per annum

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **OPERATIONAL INFORMATION**

CUSIP: Not Applicable

ISIN Code: XS0831066039

Common Code: 083106603

Swiss Valor: 19313405

Intended to be held in a manner which would allow Eurosystem eligibility: No

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the Depositary Trust Company and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

## REGISTERED OFFICES OF UBS AG

### **Aeschenvorstadt 1**

4002 Basel  
Switzerland

### **Bahnhofstrasse 45**

8001 Zurich  
Switzerland

### **DEALER**

#### **UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP

### **AGENT**

#### **The Bank of New York Mellon,**

acting through its London Branch  
One Canada Square  
London E14 5AL

### **REGISTRARS**

#### **U.S. Bank Trust National Association**

100 Wall Street  
New York NY 10005

#### **The Bank of New York Mellon**

**(Luxembourg) S.A.**  
Vertigo Building – Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

### **TRANSFER AGENT**

#### **The Bank of New York Mellon,**

acting through its London Branch  
One Canada Square  
London E14 5AL

### **IRISH LISTING AGENT**

#### **Arthur Cox Listing Services Limited**

Arthur Cox Listing Services Limited  
Earlsfort Centre, Earlsfort Terrace  
Dublin 2

### **LEGAL ADVISERS**

*To the Dealer as to English law*

#### **Clifford Chance LLP**

10 Upper Bank Street  
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### **AUDITORS**

#### **To UBS AG**

#### **Ernst & Young Ltd**

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