

Media release

Media Release: January 5, 2012

UBS DECLARES COUPON PAYMENTS ON SEVEN ETRACS EXCHANGE TRADED NOTES

- THREE LINKED TO ALERIAN MLP INDEXES
- ONE LINKED TO THE WELLS FARGO MLP INDEX
- TWO LINKED TO THE WELLS FARGO BUSINESS DEVELOPMENT COMPANY INDEX
- ONE LINKED TO THE FISHER-GARTMAN RISK INDEX

New York, January 5, 2012 – UBS Investment Bank today announced coupon payments for seven ETRACS exchange traded notes (the "ETNs"), all traded on the NYSE Arca. Three of the ETNs are linked to Alerian MLP Indexes: ETRACS Alerian MLP Infrastructure ETN (Ticker: MLPI), ETRACS 2x Monthly Leveraged Long Alerian MLP Infrastructure ETN (Ticker: MLPL) and ETRACS Alerian Natural Gas MLP Index ETN (Ticker: MLPG). One ETN is linked to the Wells Fargo MLP Index: ETRACS Wells Fargo MLP ETN (Ticker: MLPW). Two of the ETNs are linked to the Wells Fargo Business Development Company Index: ETRACS Wells Fargo Business Development Company ETN (Ticker: BDCL) and ETRACS 2x Leveraged Long Wells Fargo Business Development Company ETN (Ticker: BDCL). And finally, one ETN linked to The Fisher-Gartman Risk Index: ETRACS Fisher-Gartman Risk On ETN (Ticker: ONN).

The table below summarizes the relevant coupon information for the seven ETNs:

| NYSE Arca Ticker | Name | Coupon Valuation Date | Ex-Date | Record Date | Payment Date | Coupon Amount per Note | Current Yield (annualized)* |
|------------------|---|-----------------------|------------|-------------|--------------|------------------------|-----------------------------|
| MLPI | ETRACS Alerian MLP Infrastructure ETN | 12/30/2011 | 01/11/2012 | 01/13/2012 | 01/24/2012 | \$0.4060 | 4.91% |
| MLPL | ETRACS 2x Monthly Leveraged Long Alerian MLP Infrastructure ETN | 12/30/2011 | 01/11/2012 | 01/13/2012 | 01/24/2012 | \$0.9593 | 9.43% |
| MLPG | ETRACS Alerian Natural Gas MLP Index ETN | 12/29/2011 | 01/11/2012 | 01/13/2012 | 01/24/2012 | \$0.4202 | 5.66% |
| MLPW | ETRACS Wells Fargo MLP ETN | 12/23/2011 | 01/11/2012 | 01/13/2012 | 01/24/2012 | \$0.3457 | 5.08% |
| BDCL | ETRACS Wells Fargo Business Development Company ETN | 12/30/2011 | 01/11/2012 | 01/13/2012 | 01/24/2012 | \$0.4654 | 9.16% |
| BDCL | ETRACS 2x Leveraged Long Wells Fargo Business Development Company ETN | 12/30/2011 | 01/11/2012 | 01/13/2012 | 01/24/2012 | \$0.8197 | 18.74% |
| ONN | ETRACS Fisher-Gartman Risk On ETN | 12/30/2011 | 01/11/2012 | 01/13/2012 | 01/24/2012 | \$0.2510 | 1.00% |

* "Current Yield" equals the current Coupon Amount annualized and divided by the closing price of the ETNs on December 30, 2011 or, if the

closing price is not available on December 30, 2011, the previous available closing price, and rounded to two decimal places for ease of analysis. The Current Yield is not indicative of future coupon payments, if any, on the ETNs. You are not guaranteed any coupon or distribution amount under the ETNs.

About ETRACS

For further information about ETRACS ETNs, go to <http://www.etracs.com>.

Exchange Traded Access Securities ETNs ("ETRACS ETNs"), are exchange-traded notes, an innovative class of investment products offering access to markets and strategies that may not be readily available to investors, and offer unique diversification opportunities in a number of different sectors. ETRACS ETNs may offer:

- Access to asset classes with historically low correlations to more traditional asset classes
- Convenience of an exchange-traded security
- Transparent exposure to a published index

ETRACS ETNs are senior unsecured notes issued by UBS AG ("UBS"), are traded on NYSE Arca, and can be bought and sold through a broker or financial advisor. **An investment in ETRACS ETNs is subject to a number of risks, including the risk of loss of some or all of the investor's principal, and is subject to the creditworthiness of UBS. We urge you to read the more detailed explanation of risks described under "Risk Factors" in the prospectus supplement for the ETRACS ETN.**

There are 41 ETRACS ETNs:

| ETRACS ETN Name | Ticker |
|---|--------|
| Master Limited Partnerships | |
| Alerian MLP Infrastructure | MLPI |
| 2x Monthly Leveraged Long Alerian MLP Infrastructure | MLPL |
| 1x Monthly Short Alerian MLP Infrastructure TR* | MLPS |
| Alerian Natural Gas MLP | MLPG |
| Wells Fargo MLP Index | MLPW |
| Business Development Companies | |
| Wells Fargo Business Development Company Index | BDCS |
| 2x Monthly Leveraged Wells Fargo Business Development Company Index | BDCL |
| Alpha Strategies | |
| Long-Short S&P 500 VIX Futures | XVIX |
| Natural Gas Futures Contango ETN | GASZ |
| Oil Futures Contango ETN | OILZ |
| Hybrid | |
| S&P 500 Gold Hedged | SPGH |
| Fisher-Gartman Risk On ETN | ONN |
| Fisher-Gartman Risk Off ETN | OFF |
| Commodities | |
| CMCI TR | UCI |
| CMCI Agriculture TR | UAG |
| CMCI Energy TR | UBN |
| CMCI Food TR | FUD |
| CMCI Gold TR | UBG |
| CMCI Industrial Metals TR | UBM |
| CMCI Livestock TR | UBC |
| CMCI Long Platinum ER* | PTM |
| CMCI Short Platinum ER | PTD |
| CMCI Silver TR | USV |
| DJ-UBS Commodity Index TR | DJCI |
| Equities | |
| Next Generation Internet ETN | EIPO |
| Monthly 2xLeveraged Next Generation Internet ETN | EIPL |
| Long ISE Solid State Drive Index | SSDD |
| 2xLeveraged Long ISE Solid State Drive Index | SSDL |
| Monthly 2xLeveraged ISE Cloud Computing TR | LSKY |
| Volatility | |
| Long-Short S&P 500 VIX Futures | XVIX |
| Long 1-Month S&P 500 VIX Futures | VXAA |

| | |
|-----------------------------------|------|
| Long 2-Month S&P 500 VIX Futures | VXBB |
| Long 3-Month S&P 500 VIX Futures | VXCC |
| Long 4-Month S&P 500 VIX Futures | VXDD |
| Long 5-Month S&P 500 VIX Futures | VXEE |
| Long 6-Month S&P 500 VIX Futures | VXFF |
| Short 1-Month S&P 500 VIX Futures | AAVX |
| Short 2-Month S&P 500 VIX Futures | BBVX |
| Short 3-Month S&P 500 VIX Futures | CCVX |
| Short 4-Month S&P 500 VIX Futures | DDVX |
| Short 5-Month S&P 500 VIX Futures | EEVX |
| Short 6-Month S&P 500 VIX Futures | FFVX |

*TR=Total Return and ER=Excess Return

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Media Enquiries

New York: Michelle A. Lee

+1 212 333 3810

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