

12.00% p.a. CHF Kick-In GOAL

Linked to worst of Lonza / Meyer Burger / Swiss Re
Issued by UBS AG, London Branch



SVSP/EUSIPA Product Type: Barrier Reverse Convertible (1230)
Valor: 24465774 / SIX Symbol: KICHN

Indicative Terms

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA (this paragraph is relevant to public offerings in Switzerland only).

1. Description of the Product

Information on Underlying

Underlying(s)	Initial Underlying Level (indicative)	Strike Level (indicative)	Kick-In Level (indicative)	Conversion Ratio (indicative)
Lonza Group AG Bloomberg: LONN VX / Valor: 1384101	CHF 97.15	CHF 97.15 (100.00%)	CHF 62.18 - 67.03 (64.00% - 69.00%)	1:10.2934
Meyer Burger Technology AG Bloomberg: MBTN SW / Valor: 10850379	CHF 12.65	CHF 12.65 (100.00%)	CHF 8.10 - 8.73 (64.00% - 69.00%)	1:79.0514
Swiss Re AG Bloomberg: SREN VX / Valor: 12688156	CHF 79.45	CHF 79.45 (100.00%)	CHF 50.85 - 54.82 (64.00% - 69.00%)	1:12.5865

Product Details

Security Numbers	Valor: 24465774 / ISIN: CH0244657745 / WKN: US57FA
SIX Symbol	KICHN
Issue Size	up to CHF 3,000,000 (with reopening clause)
Denomination / Nominal	CHF 1,000
Issue Price	100% (percentage quotation)
Settlement Currency	CHF
Semi-Annual Payment (Coupon)	12.00% p.a., paid semi-annually in arrears. Coupon payment per Denomination will be CHF 60.00 on the relevant Coupon Payment Date(s). For Swiss and EU Savings tax purposes the Coupon payment is split into two components: 0.05% interest component 11.95% premium component
Quoting Type	Secondary market prices are quoted in percentage and clean; accrued interest is NOT included in the price.

Dates

Launch Date	26 May 2014
Subscription Period	Until 11 June 2014, 15:00 CET (Please note that Subscription Period might be closed earlier, if market conditions change or if maximum size is reached)
Pricing Date ("Pricing")	11 June 2014 (or when Subscription Period ends).
First SIX Trading Date (anticipated)	18 June 2014

Contact: UBS AG, P.O. Box, 8098 Zürich
Internet: www.ubs.com/keyinvest

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Payment Date (Issue Date)	18 June 2014
Coupon Payment Date(s)	18 December 2014 and 18 June 2015
Last Trading Day/Time	11 June 2015 / 17:15 CET
Expiration Date ("Expiry")	11 June 2015 (subject to Market Disruption Event provisions)
Redemption Date	18 June 2015 (subject to Market Disruption Event provisions)

Redemption

The Investor is entitled to receive from the Issuer on the Redemption Date either a delivery of the Underlying or an amount in the Settlement Currency, according to the following scenarios:

Scenario 1	If a Kick-In Event has NOT occurred , the Investor will receive 100% of the Nominal in cash.
Scenario 2	If a Kick-In Event has occurred and <ol style="list-style-type: none">1) If the Expiration Value of all Underlyings is at or above the respective Strike Level, the Investor will receive 100% of the Nominal in cash.2) If the Expiration Value of one or more Underlyings is below the respective Strike Level, the Investor will receive the Underlying with the worst performance since the Pricing Date, taking into account the relevant Conversion Ratio. The sum of all fractional entitlements to the Underlying, per Nominal, will be paid in cash, based on the Expiration Value. The coupon payment is due in any case.
Kick-In Event	A Kick-In Event shall be deemed to occur if, at any time on any Exchange Business Day during the period from and including the Pricing Date to and including the Expiration Date, the level of any of the Underlyings quoted by the Related Exchange is at or below the respective Kick-In Level, as reasonably determined by the Calculation Agent.
Expiration Value	Official closing value of the Underlying on the Expiration Date on the Related Exchange, as determined by the Calculation Agent.

Product Structure

The Kick-In GOAL worst-of style is a product that provides a fixed coupon and the redemption is linked to the performance of the worst performing Underlying.

As long as the Kick-In Level has never been touched or breached during the lifetime of the product, the Investor will in any event receive 100% of the Nominal in cash. Otherwise, the Investor will receive

- 100% of the Nominal in cash, if at Expiry all Underlyings close at or above the respective Strike Level; or
- a value reflecting the performance of the worst performing Underlying, if at Expiry one or more Underlyings close below the Strike Level.

The Coupon will be paid out in any scenario. The Product offers a relatively high coupon in return for not profiting from gains above the strike level and for taking the risk of a loss potential equivalent to a direct investment in the worst performing Underlying.

General Information

Issuer	UBS AG, London Branch
Issuer Rating	A2 Moody's / A S&P's / A Fitch
Lead Manager	UBS AG, Zurich (UBS Investment Bank)
Calculation Agent	UBS AG, London Branch
Paying Agent	UBS AG, Zurich
Related Exchange	Lonza: SIX Swiss Exchange / Meyer Burger: SIX Swiss Exchange / Swiss Re: SIX Swiss Exchange
Listing	Listing on SIX Swiss Exchange will be applied for.
Secondary Market	Daily price indications will be available on Reuters/Bloomberg; www.ubs.com/keyinvest and Telekurs from 09:15-17:15 CET.
Interest Calculation	30/360
Business Day Convention	Following Unadjusted
Business Day	Zurich

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Minimum Investment	CHF 1,000 (subject to Selling Restrictions)
Minimum Trading Lot	CHF 1,000
Clearing	SIX SIS, Euroclear, Clearstream (registered as intermediated securities with SIX SIS AG, in Switzerland)
Form of Deed	Uncertificated Securities
Governing Law / Jurisdiction	Swiss / Zurich
Adjustments	The terms of the Product may be subject to adjustments during its lifetime. Detailed information on such adjustments is to be found in the Product Documentation.

Tax Treatment Switzerland

Swiss Transfer Stamp Duty	The product does not qualify as a taxable security. Transactions are not subject to Swiss Stamp Duty. If shares are delivered to the investor at redemption, the delivery of the shares is in principle subject to the Swiss Stamp Duty.
Swiss Income Tax	For Swiss tax purposes this product is qualified as a combination of an option and a bond with the majority of the return consisting of coupon as opposed to discount or agio (non IUP). For private investors resident in Switzerland the interest component of the coupon and the increase of the bond floor (if any) are subject to income tax. The tax liability related to the increase of the bond floor crystallises at redemption and does not depend on the time of purchase. However, any gain derived from the option is considered as capital gain and is therefore for such investors not subject to income tax.
Swiss Withholding Tax	This product is not subject to the Swiss Issuer Withholding Tax. It depends on the jurisdiction of the issuer whether a foreign issuer withholding tax applies.
EU Savings Tax	For paying agents in Switzerland, the interest component of the coupon is subject to the EU Savings Tax (TK6).
Bilateral Agreements Switzerland – UK and Austria	For paying agents in Switzerland, the product is subject to the bilateral agreement on cooperation in the area of taxation of Switzerland with the United Kingdom or with Austria if it is held directly or indirectly by a relevant person resident in the United Kingdom or in Austria.

Additionally, any delivery of underlying might be subject to fees and/or non-Swiss stamp duty.

The tax information only provides a general overview over the Swiss tax consequences linked to this product based on the tax laws and the practice of the tax administration at the time of issue. Tax laws and the practice of tax administrations may change, possibly with retroactive effect.

Product Documentation

The Final Terms together with the 'General Terms and Conditions for Structured Products on Equity, Commodity and Index Underlyings', as amended from time to time ("General Terms and Conditions") shall form the entire documentation for this Product ("Product Documentation"), and accordingly the Final Terms should always be read together with the General Terms and Conditions. Definitions used in the Final Terms, but not defined therein shall have the meaning given to them in the General Terms and Conditions. Furthermore, the Final Terms shall serve as and fulfil the requirements of a 'Simplified Prospectus' in accordance with Art. 5 of the Swiss Federal Act on Collective Investment Schemes (CISA). In the event that the Product is listed (see above item 'Listing' under 'General Information'), the Product Documentation will be amended in accordance with the listing requirements of the relevant Exchange.

During the whole term of this Product, the Product Documentation can be ordered free of charge from the Lead Manager at P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com). In addition, for clients outside of the United Kingdom, the Product Documentation is available on the internet at www.ubs.com/keyinvest.

Notices in connection with this Product shall be validly given by publication in electronic media such as Reuters and/or Telekurs. In addition, any changes with regard to the terms of this Product shall be published on the internet at www.ubs.com/keyinvest.

Classification

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA (this paragraph is relevant to public offerings in Switzerland only).

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Furthermore, this Product does not benefit from any depositor protection under Art. 37b under the Swiss Federal Law on Banks and Savings Banks (Banking Act) or other forms of deposit insurance under any other law as might be applicable to this Product.

Prudential Supervision

UBS AG is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). In addition, its London Branch is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority and its Jersey Branch is authorised and regulated by the Jersey Financial Services Commission (JFSC).

2. Prospects of Profits and Losses

Market Expectation	Investors in this Product expect all Underlyings to trade flat to slightly negative or positive over the life of the Product. In any case the Investors expect that no Kick-In Event will occur.
Risk Tolerance	Investors in this Product should be experienced investors and familiar with both derivative products and the stock markets. Although the Investors benefit from a predefined, regular coupon payment, they must be willing to make an investment that is exposed to the full down-side risk of the worst performing Underlying.
Profit Potential	The profit potential is limited to the coupon payment.
Loss Potential	The Investors may lose some or all of the investment as they are fully exposed to the performance of the Underlying. A high coupon can indicate a higher risk, in that the rate of the coupon relative to the rate of the risk-free return indicates the overall risk of the product.

3. Significant Risks for Investors

For product specific risks please see above (2. Prospects of Profits and Losses)

Risk Factors relating to the Issuer

In addition to the market risk with regard to the development of the Underlying, each Investor bears the general risk that the financial situation of the Issuer could deteriorate. The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank *pari passu* with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The general assessment of the Issuer's creditworthiness may affect the value of the Products. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

The Issuer Ratings indicated in this document reflect the situation at the time of issuance and may be subject to changes. The actual Issuer Ratings at any given time can be seen on the Issuer's website (www.ubs.com) under "Analysts & Investors".

Secondary Market

The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential Investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price.

In special market situations, where the Issuer is completely unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer.

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Market Risk

The investor is exposed to market disruption events (such as 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. For a detailed description of such events and their effects please read the General Terms and Conditions.

Important Information

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which this document relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this document. UBS' trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

In certain circumstances UBS sells this Product to dealers and other financial institutions at a discount to the issue price or rebates to them for their account some proportion of the issue price. Further information is available on request.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Information Memorandum, Prospectus or other issuer documentation for the issue of the Products/Notes (the "Prospectus" or the product documentation).

UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This document shall not be copied or reproduced without UBS' prior written permission.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Products described herein, save where explicitly stated in the Product Documentation. The Products must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

There is a possibility that costs, including taxes, related to transactions in connection with this Product may arise for the Investor that are not paid by UBS or imposed by it.

Selling Restrictions

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.

The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. Investors in this Product should seek specific advice before on-selling this Product.

Europe - Any public offer of this Product within an EEA jurisdiction (EU member states plus Norway, Iceland and Liechtenstein) shall only be possible if compliant with the requirements of the EUPD and with the law of that jurisdiction.

If the prospectus either does not qualify as a prospectus published in accordance with the requirements of the EUPD or is not filed with or notified to the relevant Financial Supervisory Authority, this Product may not be offered or sold in EEA jurisdictions other than 1) in minimum denominations of, or total consideration per investor of at least, EUR 50,000 (or equivalent in other currencies), provided that the offer is only being made in one or more EEA jurisdiction that will not, before the end of the offer period for the Securities, have implemented the provision under the Directive 2010/73/EU (the "PD Amending Directive") that increases this minimum denomination (or total consideration per investor) to EUR 100,000; or 2) only to Qualified Investors; and/or (aggregated for all distributors) to less than 100 or, if the relevant EEA jurisdiction has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons that are not Qualified Investors per EEA jurisdiction. "Qualified Investors" are persons or entities as defined in the Prospectus Directive.

For information on public offering in EEA jurisdictions please see under section "General Information" above.

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Hong Kong - Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Products which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.

Singapore - This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this Product may not be circulated or distributed, nor may this Product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where this Product is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant of an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276 (4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276 (7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

UK - For the purpose of non-discretionary accounts, this Product should not be sold with a consideration of less than EUR 100,000 or equivalent.

USA - This Product may not be sold or offered within the United States or to U.S. persons.

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