

4 December 2015

News Release

UBS to buy back certain outstanding bonds in public tender offer

UBS offers to buy back certain outstanding bonds with an aggregate principal amount equivalent to approximately CHF 16 billion.

Zurich/Basel, 4 December 2015 – UBS announces today that UBS AG is making cash tender offers to purchase 17 issues of its senior and subordinated debt and covered bonds having an aggregate principal amount equivalent to approximately CHF 16 billion. The offers are subject to customary conditions and restrictions and are subject to increase or decrease as set out in the tender offer memorandum. The tender offer period will end on 15 December 2015, unless extended, re-opened or earlier terminated as provided in the tender offer memorandum. The specific series of securities covered by each offer will be specified in the formal announcement of each offer to be published today.

This transaction is consistent with our proactive approach to optimizing the Group's interest expense, while maintaining our strong liquidity, funding and capital position. We expect to record an expense in the fourth quarter of 2015 related to this transaction, which will be recognized as negative other income in Group Asset and Liability Management and will be treated as an adjusting item in determining the Group's "adjusted operating profit/ (loss) before tax". The repurchase of the bonds is expected to have an immaterial effect on our CET1 ratio. Subordinated bonds subject to the offers are currently eligible as Tier 2 capital with a remaining capital content under the BIS Basel III phase-in rules, but will not be eligible for Tier 2 capital treatment on a fully-applied basis beginning in 2019.

UBS AG

Investor contact

Switzerland: +41-44-234 41 00

Media contact

Switzerland: +41-44-234 85 00

UK: +44-207-567 47 14

Americas: +1-212-882 58 57

APAC: +852-297-1 82 00

www.ubs.com

This announcement does not constitute an offer or an invitation to participate in the tender offers described. The tender offers will be made by means of a tender offer memorandum. Each offer is made only to holders in the relevant jurisdictions specified in that offer and is not being made in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such offer or invitation or for there to be such participation under applicable laws.

Cautionary Statement Regarding Forward-Looking Statements

This release contains statements that constitute "forward-looking statements". While these statements represent UBS's expectation concerning future developments, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. In addition, these results could depend on other factors that we have previously indicated could affect our business and financial performance which are contained in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS's Annual Report on Form 20-F for the year ended 31 December 2014. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.