

INFORMATION MEMORANDUM



UBS AG

(Incorporated with limited liability in Switzerland)
(acting through its London Branch)

**USD4,750,000 8-year 16% Target Redemption with 100% Guaranteed Return On Investment
Notes due 2015
(redemption linked to basket of 20 stocks)**

Issue Price as of the closing date: 100 per cent.

The USD4,750,000 8-year 16% Target Redemption with 100% Guaranteed Return On Investment Notes due 2015 (the “Notes”) relating to a basket of 20 stocks (further details of which are set out in the terms and conditions herein (the “Shares”)) each with a denomination of USD100 were issued by UBS AG (acting through its London Branch) (the “Issuer”) on 13 April 2007.

Expressions used in this Information Memorandum shall have the meanings given to them in the conditions of the Notes (the “Conditions”) which are set out herein.

Unless previously redeemed or purchased and cancelled as provided in the Conditions, each Note will be redeemed at the Redemption Amount on the Redemption Settlement Date, subject as provided in Condition 4.

The Notes are represented by a Global Security (the “Global Security”) which was deposited with a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”) on 13 April 2007 (the “Closing Date”). Notes in definitive form will not be issued, except in the circumstances described in Condition 2(b). The Notes are in registered form.

Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market.

Prospective purchasers should carefully consider the risks of an investment in the Notes and be aware that these Notes are only suitable for sophisticated investors who are capable of evaluating and bearing such risks. In particular, prospective purchasers should note that the Coupon Amount and Early Redemption Amount are linked to the price of the Shares. The Early Redemption Amount may be less than the principal amount of the Notes and may be zero and the Coupon Amount may be zero. See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Notes.

DOCUMENTS INCORPORATED BY REFERENCE.

The unaudited financial statements for the 3-month period ended 31 March 2007 of the Issuer and the following document(s), filed by the Issuer with the United States Securities and Exchange Commission pursuant to Section 13 of the U.S Securities Exchange Act of 1934 (“the Exchange Act”) are incorporated herein by reference: the Annual Report (US Version) on Form 20-F for the year ended 31 December 2006 of the Issuer which can be obtained on the Issuer’s website at www.ubs.com and which are also available free of charge at the offices of the Listing Agent.

Dated 9 July 2007

This Information Memorandum may only be used for the purposes for which it has been published.

This Information Memorandum includes particulars for the purpose of giving information with regard to the issue by the Issuer of the Notes. The Issuer accepts responsibility for the information contained in this Information Memorandum regarding the Issuer and the Notes. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information provided herein with respect to the Shares of the Companies and the Companies is taken from publicly available information. Such information has not been independently verified by the Issuer. The Issuer accepts responsibility for the accurate reproduction of such information but neither the Issuer nor any of its Affiliates makes any further representation or warranty relating thereto.

No person is authorised to give any information or to make any representation not contained in this Information Memorandum in connection with the issue and sale of the Notes and any information or representation not contained herein must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that the information herein is correct as at any time subsequent to the date hereof.

Any prospective purchaser of the Notes should consult with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that it deems it necessary and should make its own investment, hedging and trading decisions (including decisions regarding the suitability of this investment) based upon its own judgment and upon advice from such advisers as it deems necessary. The Issuer has not given investment advice or any recommendation. Any purchase of the Notes may involve a high risk of loss. Payments to be made by the Issuer under the Notes are dependent upon the performance of the Shares. There exists no guarantee or other protection for holders in respect of the performance of the Shares. The Issuer will not owe any person any duties or responsibilities whatsoever except for such duties or responsibilities as are set out in the terms and conditions of the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and have not been and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person (as defined herein).

The distribution of this Information Memorandum and the offer of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. In this regard, see further “Offering and Sale”.

All references in this Information Memorandum to “USD” refer to the currency of the United States of America and references to “CHF” refer to the currency of Switzerland.

Holders of the Notes should be aware that details of any transactions in relation to the Notes will be disclosed to the Securities and Futures Commission of the Republic of China. By this notice Holders agree to such disclosure and release UBS AG and its affiliates and subsidiaries from any duty of disclosure of Holders.

RISK FACTORS

The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in this Information Memorandum and, in particular, the considerations set forth below.

Taxation

Each Holder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of such Holder's Notes. The Issuer will not pay any additional amounts to Holders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or the Paying Agent.

Credit Risk

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Notes.

Provision of information

Neither the Issuer nor any of its Affiliates makes any representation as to the credit quality of the Company. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Company. None of such persons is under any obligation to make such information available to Holders.

Business relationships

The Issuer or any of its Affiliates may have existing or future business relationships with the Company (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising there from without regard to the consequences for a Holder.

No claim against the Company

A Note will not represent a claim against the Company and, in the event of any loss, a Holder will not have recourse under a Note to the Company.

Legality of purchase

Neither the Issuer nor any of its Affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

Independent review and advice

Each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

No reliance

A prospective purchaser may not rely on the Issuer or any of its Affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

No secondary market

Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market. However, there can be no assurance that a secondary market in the Notes will develop and no secondary market is expected to develop in respect of the Notes. Moreover, even if a secondary market in the Notes does develop, there can be no assurance that it will continue. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes.

PURCHASERS SHOULD BE AWARE THAT UNDER THE CONDITIONS OF THE NOTES THE ISSUER OR ANY AFFILIATE MAY PURCHASE THE NOTES AT ANY TIME. SUCH NOTES MAY BE HELD, RESOLD, OR CANCELLED. PURCHASERS SHOULD NOT THEREFORE MAKE ANY ASSUMPTION AS TO THE NUMBER OF NOTES IN ISSUE AT ANY ONE TIME.

THE EARLY REDEMPTION AMOUNT IN RESPECT OF ANY OF THE NOTES MAY BE LESS THAN THE PRINCIPAL AMOUNT AND MAY BE ZERO.

CONDITIONS OF THE NOTES

The following terms and conditions, subject to amendment, have been endorsed on the Global Security:

UBS AG, London Branch as issuer (the “**Issuer**”) has issued USD4,750,000 in principal amount of 8-year 16% Target Redemption with 100% Guaranteed Return On Investment Notes due 2015 linked to a basket of 20 stocks (the “**Notes**”).

1. Definitions

In these Conditions:

“Business Day” means a day (other than Saturday and Sunday) on which banks and foreign exchange markets are open for business in New York.

“Calculation Agent” means UBS AG, London Branch acting as calculation agent of the Notes.

“Closing Price” means, subject to Condition 7, in respect of a Share and a Scheduled Trading Day, the official closing price of such Share as published by the relevant Exchange for that day, or if such price is not published for whatever reason, the value of a Share as of the actual closing time of the relevant Exchange on that Scheduled Trading Day in the good faith estimation of the Calculation Agent.

“Coupon Payment Dates” means in respect of each Observation Date, the 5th Business Day after that Observation Date currently expected to be [October 15, 2007, April 14, 2008, October 14, 2008, April 13, 2009, October 13, 2009, April 13, 2010, October 13, 2010, April 13, 2011, October 13, 2011, April 13, 2012, October 15, 2012, April 15, 2013, October 15, 2013, April 14, 2014, October 14, 2014 and April 13, 2015.](#)

“Disrupted Day” means, in respect of a Share, a Scheduled Trading Day on which the relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which there is, during the one hour prior to the actual closing time of the relevant Exchange or Related Exchange, a Trading Disruption or an Exchange Disruption in respect of that Share which is (in the determination of the Calculation Agent) material, or there is a closure of the relevant Exchange or Related Exchange prior to its Scheduled Closing Time with less than one hour’s (which shall exclude, where relevant, any time period when the relevant Exchange or Related Exchange is closed between the end of the morning trading session and the start of the afternoon trading session) notice prior to the actual time of closure or the deadline for inputting orders to execute trades at the closing time of the relevant Exchange or Related Exchange (such closure an “Early Closure”).

“Exchange” means New York Stock Exchange Inc., London Stock Exchange, Xetra electronic trading system, Tokyo Stock Exchange, The Korea Exchange, Continuous Market (SIBF), Milan Stock Exchange, The Stock Exchange of Hong Kong Limited and their respective successors, if any. The Exchange “relevant” to a Share is the exchange on which the Share is listed, traded or publicly quoted.

“Exchange Disruption” means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Share on the relevant Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on the relevant Related Exchange.

“Hedge Transactions” means any securities, futures or derivatives transactions entered into by the Issuer or its affiliates with any party in any jurisdiction, including, without limitation, an entity affiliates, related to or controlled by the issuer or any entity through which the Issuer or its affiliates

purchase and/or hold interests in Shares or other relevant securities or contracts to hedge the Issuer's position under the Notes.

"Initial Spot Price" means, in respect of each Share, the Closing Price of the Share as of April 13, 2007 (the "Initial Determination Date") provided that if such day is not a Scheduled Trading Day for a Share, the next following Scheduled Trading Day for such Share. If such Initial Determination Date is a Disrupted Day for a Share then the Initial Determination Date for such Share shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the 8 Scheduled Trading Days immediately following the day originally scheduled to be the Initial Determination Date is a Disrupted Day, in which case that 8th Scheduled Trading Day shall be the Initial Determination Date for such Share, notwithstanding the fact that it is a Disrupted Day, and the Calculation Agent shall determine the Closing Price of the affected Share as of that Initial Determination Date based on its good faith estimate of the value of that Share as of the closing time of the relevant Exchange on that 8th Scheduled Trading Day. For the avoidance of doubt, the Closing Price(s) of the unaffected Share(s) shall be determined on the Scheduled Initial Determination Date.

"Maturity Date" means the 16th Observation Date currently expected to be April 6, 2015.

"Observation Dates" means [October 9, 2007, April 7, 2008, October 6, 2008, April 6, 2009, October 6, 2009, April 6, 2010, October 6, 2010, April 6, 2011, October 6, 2011, April 6, 2012, October 9, 2012, April 8, 2013, October 7, 2013, April 7, 2014, October 6, 2014 and April 6, 2015](#) respectively, provided that in respect of a Share if any such day is not a Scheduled Trading Day for such Share then the relevant Observation Date shall be the next following Scheduled Trading Day for such Share, provided further that, if any date so determined falls on a Disrupted Day in respect of any Share, the Observation Date for such Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Share, unless each of the eight Scheduled Trading Days immediately following the relevant Scheduled Observation Date is a Disrupted Day relating to that Share. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Observation Date for that Share, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Closing Price of that Share as of that Observation Date based on its good faith estimate of the value for that Share as of the actual closing time on the relevant Exchange on that eighth Scheduled Trading Day. For the avoidance of doubt, the Closing Price(s) of the unaffected Share(s) shall be determined on the Scheduled Observation Date. In respect of each relevant Scheduled Observation Date, the Coupon Payment Date and/or the Redemption Settlement Date and/or the Corresponding Redemption Date are determined by reference to the last occurring Observation Date.

"Principal Amount" means the principal amount of each Note, being USD100.

"Redemption Settlement Date" means, the fifth Business Day after the Maturity Date (currently expected to be [April 13, 2015](#)).

"Related Exchange" means, in respect of a Share, the principal exchange (if any) on which options or futures contracts relating to the Share are traded or quoted, as determined by the Calculation Agent.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Initial Determination Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Determination Date.

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

“Scheduled Trading Day” means, in respect of a Share, a day on which each relevant Exchange and each relevant Related Exchange are scheduled to be open for their respective regular trading sessions.

"Shares" means the shares in the common stock of the companies (the "Companies" and each a "Company") as set out below and references to a "Share" are to the common stock as referred to herein of a particular Company:

Company	Bloomberg Code
Apache Corp	APA UN
BASF AG	BAS GY
BP PLC	BP/ LN
Chevron Corp	CVX UN
E.ON AG	EOA GY
Endesa SA	ELE SM
Enel SPA	ENEL IM
Exxon Mobil Corp	XOM UN
Halliburton Co	HAL UN
Hong Kong & China Gas Co. Ltd./The	3 HK
Hongkong Electric Holdings Ltd	6 HK
Iberdrola SA	IBE SM
Kansai Electric Power Co. Inc./The	9503 JT
Korea Electric Power Corp.	015760 KS
National Grid PLC	NG/ LN
Repsol YPF SA	REP SM
Schlumberger Ltd	SLB UN
S-Oil Corp	010950 KS
Tokyo Electric Power Co. Inc./The	9501 JT
Yokogawa Electric Corp.	6841 JT

and the "Basket" is comprised of all the above Shares.

"Target Redemption Coupon Rate" means 16%, without adjustment.

"Trade Date" means [March 30, 2007](#).

"Trading Disruption" means, in respect of a Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the relevant Exchange, or (ii) in futures or options contracts relating to the Share on the relevant Related Exchange.

“USD” means the lawful currency of the United States of America.

2. Form and Transfer

- (a) The Notes will upon issue be represented by a Global Security which has been deposited with a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear", references to which term shall include any successor clearing system) and Clearstream Banking, société anonyme ("Clearstream", references to which term shall include any successor clearing system).

- (b) Individual certificates each evidencing a Holder's holding of Notes ("individual certificates") will not be issued except where either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so. In such circumstances the Issuer will appoint a registrar to keep a register of Holders and cause sufficient individual certificates to be issued to persons with interest in the Notes represented by the Global Security who have produced such information that is satisfactory to the Paying Agent and the Issuer and who have given written instructions ordering the issue of the relevant individual certificates, and the Issuer will make such amendments to the terms and conditions of the Notes as the Issuer shall deem appropriate.
- (c) Interests in the Notes may only be transferred in accordance with the rules and procedures for the time being of Euroclear and Clearstream. All transactions involving the Notes (including transfers), in the open market or otherwise, must be effected through an account at Euroclear or Clearstream (each a "Clearing System").
- (d) Title to each Note will pass upon registration of the transfer in the books of the relevant Clearing System. The holder of a Note (the "Holder") will be the registered holder of the same shown in the records maintained by the relevant Clearing System. Any certificate or other document issued by Euroclear or Clearstream as to the principal amount of Notes standing to the account of any Holder shall be conclusive and binding for all purposes, save in the case of manifest error.
- (e) The Notes may only be transferred in principal amounts of USD100 or in integral multiples thereof.

3. Status

The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank and shall rank equally among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

4. Redemption

(a) Final Maturity

To the extent not previously redeemed or purchased and cancelled as provided below, each Note will be redeemed by the delivery of the Redemption Amount on the Redemption Settlement Date.

(b) Redemption Amount

The cash amounts (the "Redemption Amount") to be delivered in full redemption of each Note outstanding at maturity will be equal to the Principal Amount.

(c) Redemption for Taxation Reasons

If the Issuer is required to pay any additional amounts under Condition 10(b) (whether Condition 10(c) is applicable or not), then the Issuer may set a date for the early redemption of the Notes (the "Early Redemption Settlement Date") and upon the Issuer giving not less than 30 days' notice to the Holders of the election to early redeem, the Notes may be redeemed by delivering on the Early Redemption Settlement Date a USD amount equal to the value in USD of a Note as at the Early Redemption Date as determined by the Calculation

Agent in its absolute discretion based on, inter alia, the relevant Closing Price on or about the Early Redemption Date. The date by reference to which such cash amount deliverable upon an early redemption of the Notes in accordance with this Condition 4(c) (the "Early Redemption Date") shall be specified in the notice.

(d) Mandatory Early Redemption

If, on any Observation Date (except the 16th Observation Date) (i.e. such date being the "Knock-out Observation Date"), the sum of (A) the Variable Coupon Rate (as defined in Condition 6) in respect of that Observation Date and (B) the sum of the Variable Coupon Rates in respect of each preceding Observation Date, is equal to the Target Redemption Coupon Rate, each Note outstanding will be redeemed on the Corresponding Redemption Date at its Principal Amount plus the product of the total Interest for each Calculation Period and Principal Amount on the Corresponding Redemption Date but the Coupon in respect of the Knock-out Observation Date as determined in accordance with Condition 6 will remain to be payable on the 5th Business Day after the Knock-out Observation Date.

"Corresponding Redemption Date" means the day that is 3 Business Days after the effective date of a written irrevocable notice delivered by a Holder to the Issuer in accordance with Condition 14 to elect for the occurrence of a Corresponding Redemption Date in relation to the Notes held by such Holder provided that (1) the holder is only entitled to give such notice after the occurrence of the Knock-out Observation Date and (2) if, in relation to a Note, no such notice is given prior to the Maturity Date then such a notice shall be deemed to be given on the Maturity Date.

"USD 6 month LIBOR" means, regarding the first Calculation Period, the rate for deposits in USD for a period of 6 months which appears on the Telerate Page 3750 at 11.00 am London time, on the Scheduled Knock-out Redemption Date (if such day is not a London Banking Day, the next following London Banking Day) and the rate shall apply to each days in the first Calculation Period; and for the subsequent Calculation Period(s), the rate for deposits in USD for a period of 6 months which appears on the Telerate Page 3750 at 11.00 am London time, on the relevant Reset Date and the rate shall apply to each day in the corresponding Calculation Period. If such rate does not appear on the Telerate Page 3750, the rate for that Reset Date will be determined on the basis of the rates at which deposits in USD are offered by the four major banks in the London interbank market at approximately 11.00 a.m., London time, on the day that is the Reset Date, to prime banks in the London interbank market for a period of 6 months commencing on that Reset Date and in an amount of the outstanding aggregate Principal Amount. The Calculation Agent will request the principal London office of each of the four major banks in the London interbank market to provide a quotation of its rate. If at least two quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in New York, selected by the Calculation Agent, at approximately 11.00 a.m., New York time, on that Reset Date for loans in USD to leading European banks for a period of 6 months commencing on that Reset Date and in an amount of the outstanding aggregate Principal Amount;

"Calculation Period" means, in respect of the first Calculation Period, the period from and including the Scheduled Knock-out Redemption Date to (and excluding) the first day of an integral multiple of 6 calendar months immediately after the Scheduled Knock-out Redemption Date (provided that if it is not a Business Day, the next following Business Day) and for the subsequent Calculation Periods, the period from and including the first day of an integral multiple of 6 calendar months after the Scheduled Knock-out Redemption Date to and excluding the first day of the next following integral multiple of 6 calendar months (provided that if it is not a Business Day, the next following Business Day) and the last period shall end on and excluding the relevant Corresponding Redemption Date;

“Day” means the actual number of days in each of the Calculation Periods;

“London Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

“Interest” means $(\text{USD 6 month LIBOR}) \times \text{Days}/360$;

“Reset Date” means, the first day of each Calculation Period (if is not a London Banking Day, the next following London Banking Day).

“Scheduled Knock-out Redemption Date” means the 5th Business Day after the Knock-out Observation Date.

5. Payments

Payments in respect of the Notes will be made to against presentation and (except in the case of payment of Coupon Amounts unless the Notes are at the same time being redeemed) surrender of the Global Security to or to the order of the Paying Agent subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10. If any day for payment in respect of the Notes is not a Business Day and a day on which (a) banks are open for business and carrying out transactions in USD in the place of presentation and (b) the Clearing Systems are open for business, transfer instructions shall not be given or cheques shall not be sent in respect of payments to be made under the Notes until the next following day that is a Business Day and a day on which (a) banks are open for business and carrying out transactions in USD in the place of presentation and (b) the Clearing Systems are open for business provided no interest or other amounts shall be payable in respect of such postponement or any late presentation.

If individual certificates are issued pursuant to Condition 2(b), after such issuance, all payments in respect of the Notes shall be made through a Paying Agent by transfer to an USD account maintained by the payee with a bank in New York if the details of such account is kept in the Register, or if no such account details are available, by USD cheques drawn on a bank in New York mailed to the relevant Holder (at the Holder’s risks) at its address as recorded in the Register, and in the case of redemption payment in respect of the Notes, such payment shall only be made against the surrender of the relevant individual certificates at the office of a Paying Agent, and no interest shall accrue for any delay in the receipt of redemption payment if and to the extent that such delay is due to the Holder being late in surrendering the relevant individual certificates or the due date for the payment not being a business day in place of presentation and surrender; or if a cheque mailed in accordance with these Conditions arrive after the due date for payment. The Holders entitled to any payment hereunder are the persons shown on the Register to be holders of Notes at the close of business on the 7th day before the due date of payment.

6. Coupons

On each Coupon Payment Date a coupon equal to the applicable Coupon Amount shall be payable on each Note outstanding.

The "Coupon Amount" applicable to each Coupon Payment Date in respect of an Observation Date shall be a USD amount equal to (without adjustment):

Variable Coupon Rate x Principal Amount

Where:

The "Variable Coupon Rate" in respect of (i) the 1st Observation Date, shall be the lesser amount of (a) the Target Redemption Coupon Rate and (b) the Contingent Coupon Rate in respect of that Observation Date; (ii) an Observation Date other than the 1st and the 16th Observation Date, shall be the lesser amount of (a) the Target Redemption Coupon Rate less the sum of the Variable Coupon Rates in respect of each Observation Date prior to that Observation Date and (b) the Contingent Coupon Rate in respect of that Observation Date; (iii) in respect of the 16th Observation Date, shall be the Target Redemption Coupon Rate less the sum of the Variable Coupon Rates from all the previous Observation Dates; provided in each case that this results in a Variable Coupon Rate containing an amount that is less than 0.0001%, such amount shall instead be included as 0.0001%.

"Contingent Coupon Rate" means, in respect of the 1st Observation Date, the greater of (i) 6% and (ii) the product of (a) 120% and (b) the Laggard Rate of Return in respect of that Observation Date; and in respect of each subsequent Observation Date (other than the 16th Observation Date), the product of (a) 120% and (b) the Laggard Rate of Return in respect of that Observation Date, provided that where this results in a negative number then the Contingent Coupon Rate in respect of that Observation Date shall be deemed to be zero.

"Rate of Return" of any Share in respect of the 1st Observation Date means the absolute value of {the Closing Price of that Share in respect of that Observation Date divided by the Initial Spot Price of that Share, minus 1} and, in respect of each subsequent Observation Date, means the absolute value of {the Closing Price of that Share in respect of that Observation Date divided by the Closing Price of that Share in respect of the Observation Date prior to that Observation Date, minus 1}.

"Laggard Rate of Return" in respect of an Observation Date means the Rate of Return of the Laggard Share in respect of that Observation Date.

"Laggard Share" in respect of an Observation Date means, having determined the Rate of Return of each Share in the Basket in respect of that Observation Date, the Share with the lowest Rate of Return in respect of that Observation Date provided that if more than one Share has such lowest value, the Calculation Agent shall be in its sole discretion determine which of such Shares shall be the Laggard Share.

Notwithstanding any of the foregoing, if, in respect of an Observation Date (other than the 16th Observation Date), the Variable Coupon Rate in respect of that Observation Date is equal to the Target Redemption Coupon Rate less the sum of all Variable Coupon Rates in respect of all the previous Observation Dates, the Variable Coupon Rate in respect of each subsequent Observation Date shall be deemed to be zero.

7. Adjustments and Extraordinary Events

If the Calculation Agent determines in its discretion that an event (including any stock split, consolidation, rights issue, extraordinary dividend, stock dividend, merger event, tender offer, nationalisation or insolvency) has occurred which has a diluting, concentrative or any other effect on the Shares, then following each such event, the Calculation Agent shall determine, in its discretion the corresponding adjustments to the terms and conditions of the Notes (including but not limited to adjusting the Closing Price of any Share, the Initial Spot Prices, and/or replacement of a Share with a new share or other securities and/or assets), which is appropriate to account for the diluting, concentrative or other effect of the relevant event and the Issuer shall effect such adjustments as of a date determined by it.

Where a Share is suspended for a prolonged period of time (in the sole determination of the Calculation Agent), delisted or is to be delisted, the Calculation Agent shall replace the Share with the shares of another company ("New Share"), provided that such company shall be, to the extent possible, from the same industry as the issuer of the affected Share and of similar market capitalization. The New Share shall replace the affected Share as of a date determined solely by the Calculation Agent, and the Initial Spot Price of the New Share shall be adjusted (from the observed value) to reflect the performance of the affected Share (comparing the Closing Price of the affected Share with its Initial Spot Price) as of the time of replacement. The New Share shall be used for the purpose of determining the Variable Coupon Rate as of the Observation Date immediately after the date of replacement.

8. Determination and Notification of Redemption Amount

- (a) All calculations, adjustments and determinations hereunder by the Issuer or the Calculation Agent shall (save in the case of manifest error) be final and binding on the Holders. The Issuer and the Calculation Agent shall not have any responsibility for any errors or omissions in the calculation and determination of the Closing Price of the Shares or for any determination made as a result of such errors or omissions.
- (b) The Issuer shall notify the Holders of the calculation of the Redemption Amount and of the occurrence of a Disrupted Day.

9. Purchase

- (a) The Issuer or any of its affiliates may at any time purchase one or more of the Notes at any price in the open market, by tender, by private treaty or otherwise. If a Note is purchased by the Issuer or its affiliate it may be cancelled, held or resold or otherwise dealt with.
- (b) Should any Note be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Paying Agent upon payment by the claimant of such expenses in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require.

10. Taxation

- (a) All sums payable by the Issuer pursuant to these Conditions will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other government charges of any nature ("Taxes") imposed by or on behalf of the United States, Hong Kong, Japan, Korea, Italy, Spain, Germany, the United Kingdom or Switzerland or any authority thereof or therein having power to impose Taxes.
- (b) If the Issuer is required to deduct or withhold any Taxes then the Issuer will pay such additional amounts as will result in the Holders receiving the amounts they would have received if no withholding or deduction of Taxes had been required ("Additional Amounts").
- (c) The Issuer will not be required to pay any Additional Amounts pursuant to this Condition in relation to a Note which is presented for payment (i) by or on behalf of a Holder which is liable to such Taxes on the Note as a result of having some connection with the jurisdiction imposing the Tax other than its mere ownership or possession of the Note or (ii) more than 30 days after the Relevant Date except to the extent that the Holder would have been underlying

to receive the Additional Amounts if it had presented the Note for payment on the last day of the 30-day period.

- (d) "Relevant Date" means the date on which the payment first becomes due. If the full amount of the moneys payable on the due date has not been received by the Paying Agent on or before the due date, then "Relevant Date" means the date on which notice to the effect that the full amount of the money due has been received by the Paying Agent is published in accordance with these Conditions.
- (e) Any reference in these Conditions to amounts payable by the Issuer pursuant to these Conditions includes (i) any Additional Amounts payable pursuant to this Condition 10 and (ii) any sum payable pursuant to an obligation taken in addition to or in substitution for the obligation in this Condition 10.

11. Invalidity and Modification

- (a) Should any of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.
- (b) The Issuer may modify the Conditions without the consent of the Holders for the purposes of curing any ambiguity or correcting or supplementing any provision contained herein in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders but failure to give, or non-receipt of, such notice will not affect the validity of such modification.

12. Governing Law

The Notes are governed by and construed in accordance with the laws of England. The Courts of England shall have the non-exclusive jurisdiction in respect of disputes involving the Notes.

13. Agents

The initial Paying Agent is UBS AG, London Branch (a "Paying Agent") at its specified office being 100 Liverpool Street, London EC2M 2RH (Attn: Equity Warrant Operations). On or prior to the commencement of the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market the Issuer shall, so long as it is required by the rules of the exchange, appoint an additional Paying Agent acting at an office ("specified office") in Luxembourg (or such other location as the rules of the exchange may require), and the name, address of the specified office of such Paying Agent shall be set out in the listing document relating to the Notes.

The Issuer reserves the right at any time to vary or terminate the appointment of the Agents and to appoint other or additional agents provided that there will always be (i) a Paying Agent and a Calculation Agent; and (ii) so long as the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market and the rules of the exchange so require, a Paying Agent having a specified office in Luxembourg. Notice of any such termination or appointment and of any changes in the specified office of the Agents will be given to the Holders in accordance with these Conditions.

The Agents are acting solely as agent of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, any Holder.

14. Notices

(a) To the Issuer or the initial Paying Agent

All notices to the Issuer or the initial Paying Agent (including any Early Redemption Notice) must be given in writing to the 52nd Floor, 2 International Finance Centre, 8 Finance Street, Central, Hong Kong (Attn: Hong Kong Trade Support, fax no. (852) 2971-8012). A notice to the Issuer and the initial Paying Agent is effective upon actual receipt.

(b) To the Holders

Any notice to the Holders will be deemed to have been duly given to the Holders if the notice is given to Euroclear and Clearstream for onward transmission to Holders provided that if and so long as any Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market and the rules of such exchange so require, such notice shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the d'Wort) and no notice shall be treated as given until such publication is made. Notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

(c) To Euroclear or Clearstream

Notice may be given to Euroclear or Clearstream by tested telex or by physical delivery in accordance with the following details.

To Euroclear	Euroclear Bank S.A./N.V. (as operator of the Euroclear system) Boulevard du Roi Albert II, I 1210 Brussels Belgium
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To Clearstream	Clearstream Banking, société anonyme 67 Boulevard Grand-Duchesse Charlotte Luxembourg-Ville, Luxembourg
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(d) Notices to be given

Upon the occurrence of a Disrupted Day on a day originally scheduled to be an Observation Date, a notice will be given to the Holders of such occurrence, and any postponement of the Observation Date, or, if applicable, Redemption Settlement Date or Coupon Payment Date. Notice will also be given to the Holders upon the occurrence of any Relevant Event with details of the event and any corresponding adjustments. In the event of any modifications to the Conditions pursuant to Condition 11(b), notice will be given to the Holders with details of the modifications. So long as the Notes are admitted to listing on Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market and the rules of the exchange so require, the Luxembourg Stock Exchange will be notified of (i) the occurrence of the aforementioned events (ii) the Coupon Amount/Coupon Payment Date relating to each Observation Date and (iii) the occurrence of Mandatory Early Redemption in Condition 4(d) and will receive a copy of the notice to be given to the Holders. So long as the Notes are rated by an international rating agency selected at the discretion of the Issuer, and such rating

agency so requires, it will be notified of the occurrence of the aforementioned events and will receive a copy of the notice to be given to the Holders.

15. Benefit of Agreement

References to the Issuer include references to their successors, including, without limitation, an entity which assumes the rights and obligations of the relevant party by operation of the law of the jurisdiction of incorporation or domicile of such party.

A person who is not a Holder shall have no right under the Contract (Rights of Third Parties) Act 1999 to enforce any of its terms.

16. Further Issues

The Issuer may, from time to time without the consent of the Holders, issue further notes having the same terms and conditions as the Notes so as to form a single series and be fungible with the Notes.

17. Prescription

Claims in respect of payments in respect of the Notes will become null and void unless the Note is presented for payment or delivery within a period of five years after the date upon which payment or delivery thereon becomes due.

INFORMATION RELATING TO THE COMPANY AND THE SHARES

Apache Corp

The registered office is located at One Post Oak Central Suite 100, 2000 Post Oak Boulevard, Houston, TX 77056, United States.

The underlying shares are common shares and are listed on the New York Stock Exchange, Inc.

BASF AG

The registered office is located at Carl-Bosch-Strasse 38, 67056 Ludwigshafen, Germany.

The underlying shares are common shares and are listed on the Xetra electronic trading system.

BP PLC

The registered office is located at 1 St. James Square, London, SW1Y 4PD, United Kingdom.

The underlying shares are common shares and are listed on the London Stock Exchange plc.

Chevron Corp

The registered office is located at 6001 Bollinger Canyon Road, San Ramon, CA 94583, United States.

The underlying shares are common shares and are listed on the New York Stock Exchange, Inc.

E.ON AG

The registered office is located at E On Platz 1, 40479 Duesseldorf, Germany.

The underlying shares are common shares and are listed on the Xetra electronic trading system.

Endesa SA

The registered office is located at Ribera del Loira 60, 28042 Madrid, Spain.

The underlying shares are common shares and are listed on the Continuous Market (SIBE).

Enel SPA

The registered office is located at Viale Regina Margherita, 125/137, 00198 Rome, Italy.

The underlying share are common shares are listed on the Milan Stock Exchange.

Exxon Mobil Corp

The registered office is located at 5959 Las Colinas Boulevard, Irving, TX 75039, United States.

The underlying shares are common shares and are listed on the New York Stock Exchange, Inc.

Halliburton Co

The registered office is located at 5 Houston Center, 1401 McKinney, Suite 2400, TX 77010, United States.

The underlying shares are common shares and are listed on the New York Stock Exchange, Inc.

Hong Kong & China Gas Co. Ltd./The

The registered office is located at 23/F, 363 Java Road, North Point, Hong Kong.

The underlying shares are common shares and are listed on the Hong Kong Stock Exchange.

Hongkong Electric Holdings Ltd

The registered office is located at Hongkong Electric Centre, 44 Kennedy Road, Hong Kong (SAR).

The underlying shares are common shares and are listed on The Hong Kong Stock Exchange.

Iberdrola SA

The registered office is located at 8 Cardenal Gardoqui, 48008 Bilbao, Spain.

The underlying shares are common shares and are listed on the Continuous Market (SIBE).

Kansai Electric Power Co. Inc./The

The registered office is located at 3-6-16 Nakanoshima, Kita-ku, Osaka City, Osaka 530-8270, Japan.

The underlying shares are common shares and are listed on the Tokyo Stock Exchange, Inc.

Korea Electric Power Corp.

The registered office is located at 167 Samseong-dong, Gangnam-gu, Seoul, 135-791, Republic of (South) Korea.

The underlying shares are common shares and are listed on the Korea Exchange.

National Grid PLC

The registered office is located at 1-3 Strand, London, WC2N 5EH, United Kingdom.

The underlying shares are common shares and are listed on the London Stock Exchange plc.

Repsol YPF SA

The registered office is located at Paseo de la Castellana 278, 28046 Madrid, Spain.

The underlying shares are common shares and are listed on the Continuous Market (SIBE).

Schlumberger Ltd

The registered office is located at 5599 San Felipe, 17 th Floor, Houston, TX 77056, United States.

The underlying shares are common shares and are listed on the New York Stock Exchange, Inc.

S-Oil Corp

The registered office is located at 60 Yeouido-dong, Yeoungdeungpo-gu, Seoul, 150-763, Republic of (South) Korea.

The underlying shares are common shares and are listed on the Korea Exchange.

Tokyo Electric Power Co. Inc./The

The registered office is located at 1-1-3 Uchisaiwaicho, Chiyoda-ku, Tokyo, 100-011, Japan.

The underlying shares are common shares and are listed on the Tokyo Stock Exchange, Inc.

Yokogawa Electric Corp.

The registered office is located at 2-9-32 Naka-machi, Musashino, Tokyo, 180-8750, Japan.

The underlying shares are common shares and are listed on the Tokyo Stock Exchange, Inc.

INFORMATION RELATING TO UBS AG

Overview

UBS AG and subsidiaries ("**UBS**" or "**UBS AG**") is one of the world's leading financial firms, serving a discerning international client base. Its business, global in scale, is focused on growth. As an integrated firm, UBS creates added value for clients by drawing on the combined resources and expertise of all its businesses. UBS is the leading global wealth management business, a global investment banking and securities firm with a strong institutional and corporate client franchise, a key asset manager and the market leader in Swiss commercial and retail client banking. On 31 March, 2007, UBS employed around 80,000 people. With headquarters in Zurich and Basel, Switzerland, UBS operates in over 50 countries and from all major international centers.

UBS is one of the best-capitalised financial institutions in the world, with a BIS Tier1¹ ratio of 11.7 per cent invested assets of CHF 3,112 billion, equity attributable to UBS shareholders of CHF 51,606 million and market capitalisation of roughly CHF 149,157 million on 31 March, 2007.

UBS is among the few globally active major banks that have a first-class rating. The rating agencies Standard & Poor's Inc. ("**Standard & Poor's**"), Fitch Ratings ("**Fitch**") and Moody's Investors Service Inc. ("**Moody's**") have assessed the creditworthiness of UBS, i.e. the ability of UBS to fulfil payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing, in a timely manner. The ratings from Fitch and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. Standard & Poor's currently rates UBS's creditworthiness with AA+, Fitch with AA+ and Moody's with Aa2.²

1. Corporate Information

The legal and commercial name of the company is UBS AG. The company was incorporated under the name SBC AG on 28 February, 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December, 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June, 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CH-270.3.004.646-4.

UBS AG is incorporated and domiciled in Switzerland and operates under Swiss Code of Obligations and Swiss Federal Banking Law as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors.

The addresses and telephone numbers of UBS two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41-44-234 11 11; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41-61-288 20 20.

UBS shares are listed on the SWX Swiss Exchange and traded through virt-x which is majority owned by the SWX Swiss Exchange. They are also listed on the New York Stock Exchange and on the Tokyo Stock Exchange.

¹ Tier 1 capital comprises share capital, share premium, retained earnings including current year profit, foreign currency translation and minority interests less accrued dividends, net long positions in own shares and goodwill.

² Long-term rating, as of 31 March, 2007.

According to Article 2 of the Articles of Association of UBS AG ("**Articles of Association**") the purpose of UBS is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, service and trading activities in Switzerland and abroad.

2. Business Overview

2.1 Business Groups and Corporate Center

UBS is managed through three Business Groups and its Corporate Center, each of which is described below. A full description of their strategies, structure, organisation, products, services and markets can be found in the UBS Handbook 2006/2007, in the English version on pages 28-56 (inclusive).

Global Wealth Management & Business Banking

With more than 140 years of experience, the global wealth management business provides a comprehensive range of products and services individually tailored for wealthy clients around the world. Our client advisors provide a full range of wealth management services to clients -- from asset management to estate planning and from corporate finance advice to art banking. In the US, the business is one of the leading wealth managers. Business Banking Switzerland is the market leader in Switzerland, providing a complete set of banking and securities services for individual and corporate clients.

Global Asset Management

The Global Asset Management business is one of the world's leading investment managers, providing traditional and alternative and real estate investment solutions to private, institutional and corporate clients, and through financial intermediaries. It is one of the largest global institutional asset managers, the second largest mutual fund manager in Europe, and the largest in Switzerland.

Investment Bank

UBS's Investment Bank is one of the world's investment banking and securities firms, providing a full range of products and services to corporate and institutional clients, governments, financial intermediaries and alternative asset managers. Its investment bankers, salespeople and research analysts, supported by its risk and logistics teams, deliver advice and execution to clients all over the world. The Investment Bank also works with financial sponsors and hedge funds and indirectly meets the needs of private investors through both UBS's own wealth management business and through other private banks.

Corporate Center

Corporate Center creates value for shareholders and stakeholders by partnering with the Business Groups to ensure that the firm operates as an effective and integrated whole with a common vision and set of values. It helps UBS's businesses grow sustainably through its risk, financial control, treasury, communication, legal and compliance, human resources, strategy, off shoring and technology functions.

2.2 Industrial Holdings

The Industrial Holdings segment consists of UBS's private equity investments. UBS's strategy is to de-emphasize and reduce exposure to this asset class while capitalizing on orderly exit opportunities as they arise.

2.3 Competition

UBS faces stiff competition in all business areas. Both in Switzerland and abroad, the Bank competes with asset management companies, commercial, investment and private banks, brokerages and other financial services providers. Competitors include not only local banks, but

also global financial institutions, which are similar to UBS in terms of both size and services offered.

In addition, the consolidation trend in the global financial services sector is introducing new competition, which may have a greater impact on prices, as a result of an expanded range of products and services and increased access to capital and growing efficiency.

3. Organisational Structure of the Issuer

The objective of UBS's group structure is to support the business activities of the Company within an efficient legal, tax, supervisory and financial framework. Neither the individual Business Groups of UBS, Global Wealth Management & Business Banking, Global Asset Management, Investment Bank, nor the Corporate Center (the "**Business Groups**") are legally independent entities; instead, they perform their activities through the domestic and foreign offices of the parent bank, UBS AG.

Settlement of transactions through the parent bank allows UBS to fully exploit the advantages generated for all Business Groups through the use of a single legal entity. In cases where it is impossible or inefficient to process transactions via the parent, due to local statutory, tax or supervisory provisions or newly acquired companies, these tasks are performed on location by legally independent group companies. The major subsidiaries are listed in the UBS Financial Report 2006, in English, on pages 172-175 (inclusive).

4. Trend Information

There have been no major negative changes relating to the prospects of the Issuer since the last audited financial report from 2006.

5. Administrative, Management and Supervisory Bodies of the Issuer

UBS operates under a strict dual Board structure, as mandated by Swiss banking law. The functions of Chairman of the Board of Directors ("**Chairman**") and Group Chief Executive Officer ("**Group CEO**") are assigned to two different people, thus providing separation of powers. This structure establishes checks and balances and creates an institutional independence of the Board of Directors ("**BoD**") from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board ("**GEB**"). No member of one Board may be a member of the other.

The supervision and control of the executive management remains with the BoD. The Articles of Association and the Organisation Regulations of UBS AG, with their Appendices govern all details as to authorities and responsibilities of the two bodies. Please refer to www.ubs.com/corporate-governance.

The BoD consists of at least six and a maximum of 12 members. The term of office for members of the board is three years.

Details of the Executive Bodies of the Company

Board of Directors as of 31 March 2007

Marcel Ospel	Chairman	2008	
Stephan Haeringer	Executive Vice Chairman	2007	
Marco Suter	Executive Vice Chairman	2008	
Ernesto Bertarelli	Member	2009	He holds several board memberships. His company Serono International SA

			was sold to Merck KGaA on 5 January 2007.
Sir Peter Davis	Member	2007	Holds several board memberships.
Gabrielle Kaufmann-Kohler	Member	2009	Partner at the Schellenberg Wittmer law firm and Professor of international private law at the University of Geneva.
Dr. Rolf A. Meyer	Member	2009	Holds several board memberships.
Dr. Helmut Panke	Member	2007	As at the date of this Base Prospectus, he holds several board memberships. He was Chairman of the Board of Management of BMW AG, Munich between 2002 and September 2006.
Peter Spuhler	Member	2007	Owner of Stadler Rail AG, Switzerland
Peter R. Voser	Member	2008	Chief Financial Officer of The Royal Dutch Shell plc, London
Lawrence A. Weinbach	Member	2008	Partner of the Yankee Hill Capital Management LLC, Southport, CT, USA (since 2006)
Joerg Wolle	Member	2009	President and CEO of DKSH Holding Ltd.

Group Executive Board as of 31 March 2007

The GEB consists of nine members:

Peter A. Wuffli	Group Chief Executive Officer
Marcel Rohner	Deputy Group CEO and Chairman and CEO Global Wealth Management & Business Banking
John A. Fraser	Chairman and CEO Global Asset Management
Huw Jenkins	Chairman and CEO Investment Bank
Peter Kurer	Group General Counsel
Clive Standish	Group Chief Financial Officer
Walter Stuerzinger	Group Chief Risk Officer
Rory Tapner	Chairman and CEO Asia Pacific
Raoul Weil	Head of Wealth Management International

No member of the GEB has any significant business interests outside the Bank.

Board of Directors

The BoD is the most senior body of UBS. All the members of the BoD are elected individually by the Annual General Meeting for a term of office of three years. The BoD itself then appoints its Chairman, the Vice Chairmen and the various BoD Committees (Audit Committee, Compensation Committee, Nominating Committee and Corporate Responsibility Committee).

The BoD has ultimate responsibility for the mid- and long-term strategic direction of UBS, for appointments and dismissals at top management levels and the definition of the firm's risk principles and risk capacity. While the majority of the BoD members are always non-executive and independent, the Chairman and at least one Vice Chairman have executive roles in line with Swiss banking laws, and assume supervisory and leadership responsibilities. The BoD meets as often as business requires, and at least six times a year.

The business address of the members of the BoD is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

Group Executive Board

The GEB has business management responsibility for UBS. The Group CEO and the members of the GEB are appointed by the Board of Directors and are accountable to the Chairman and the Board for the firm's results. The GEB, and in particular the CEO, are responsible for the implementation and results of the firm's business strategies, for the alignment of the Business Groups to UBS's integrated business model, and for the exploitation of synergies across the firm.

The business address of the members of the GEB is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

Conflicts of interest

A description of outside interests of the members of the BoD and the GEB can be found in the UBS Handbook 2006/2007, in English, on pages 113-116 (inclusive) and pages 120-122 (inclusive), respectively. No conflicts exist between the private interests of the members of the BoD or the GEB and their obligations to the Issuer.

6. Auditors

On 18 April 2007, the UBS Annual General Meeting reelected Ernst & Young Ltd., Aeschengraben 9, 4002 Basel, Switzerland, as the Group and statutory auditor in accordance with company law and banking law provisions for a further one-year term. Ernst & Young Ltd., Basel, is a member of the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland.

7. Major Shareholders of the Issuer

The ownership of UBS shares is broadly disbursed. As at 31 December, 2006, Chase Nominees Ltd., London, was registered with a 8.81 per cent. holding (31 December, 2005: 8.55 per cent, 31 December, 2004: 8.76 per cent.) of total share capital held in trust for other investors. As at 31 December, 2006, the US securities clearing organisation DTC (Cede & Co.) New York, "The Depository Trust Company", held 13.21% per cent. (31 December, 2005: 9.95 per cent, 31 December, 2004: 5.77 per cent.) of total share capital in trust for other beneficiaries. Pursuant to UBS provisions on registering shares, the voting rights of nominees are limited to 5 per cent.. This regulation does not apply to securities clearing and settlement organisations. No other shareholder was registered with a holding in excess of 5 per cent. of total share capital.

Further details on the distribution of UBS shares, the number of registered and non-registered securities, voting rights as well as distribution by shareholder categories and geographical regions can be found in the UBS Handbook 2006/2007, in English, on pages 109 - 110 (inclusive).

8. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

A description of the Issuer's assets and liabilities, financial position and profits and losses is available in the Financial Reports of the Issuer for financial years 2005 and 2006, in English ("**Financial Reports**").

In the case of financial year 2005 reference is made to

- (i) the Financial Statements of UBS AG (Group), in particular to the Income Statement of UBS AG (Group) on page 74, the Balance Sheet of UBS AG (Group) on page 75, to the Statement of Cash Flows of the UBS AG (Group) on pages 78 - 79 (inclusive) and to the Notes to the Financial Statements on pages 80 - 190 (inclusive), and

- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement of UBS AG (Parent Bank) on page 194, the Balance Sheet of UBS AG (Parent Bank) on page 195, to the Statement of Appropriation of Retained Earnings of UBS AG (Parent Bank) on page 196, to the Notes to the Financial Statements on page 197 and to the Parent Bank Review on page 193, and
- (iii) the sections entitled "Accounting Standards and Policies" on pages 65 - 70 (inclusive) in the Financial Report 2005.

In the case of financial year 2006 reference is made to

- (i) the Financial Statements of UBS AG (Group), in particular to the Income Statement of UBS AG (Group) on page 82, the Balance Sheet of UBS AG (Group) on page 83, to the Statement of Cash Flows of the UBS AG (Group) on pages 86 - 87 (inclusive) and to the Notes to the Financial Statements on pages 88 - 214 (inclusive), and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement of UBS AG (Parent Bank) on page 218, the Balance Sheet of UBS AG (Parent Bank) on page 219, to the Statement of Appropriation of Retained Earnings of UBS AG (Parent Bank) on page 220, to the Notes to the Financial Statements on page 221 and to the Parent Bank Review on page 217, and
- (iii) the sections entitled "Accounting Standards and Policies" on pages 68 - 72 (inclusive) in the Financial Report 2006.

The Financial Reports form an essential part of UBS's reporting. They include the audited Consolidated Financial Statements of UBS, prepared in accordance with International Financial Reporting Standards ("IFRS"), a reconciliation to United States Generally Accepted Accounting Principles ("US GAAP"), and the audited financial statements of UBS AG, prepared according to Swiss banking law provisions. The Financial Reports also include discussions and analyses of the financial and business results of UBS and its Business Groups, as well as certain additional disclosures required under Swiss and US regulations.

The financial statements for UBS AG (Group) and its subsidiaries were audited by Ernst & Young Ltd., Basel, for financial years 2005 and 2006. The "Report of the Statutory Auditors" can be found on page 73 of the Financial Report for 2005 and on page 78 - 81 (inclusive) of the Financial Report for 2006.

Reference is also made to the English version of the Issuer's Quarterly Report for first quarter 2007, which includes information on the current financial condition and results of operation of the Issuer. The information contained in the report as of 31 March 2007 was not audited by the Issuer's auditor.

8.1 Legal and Arbitration Proceedings

The Issuer and other UBS Group companies operate in a legal and regulatory environment that exposes them to potentially significant litigation risks. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such cases are subject to many uncertainties, and their outcome often is difficult to predict, particularly in the earlier stages of a case. In certain circumstances, to avoid the expense and distraction of legal proceedings, UBS may based on a cost benefit analysis enter a settlement even though UBS denies any wrongdoing. UBS Group makes provisions for cases brought against it only when after seeking legal advice, in the opinion of management, it is probable that a liability exists, and the amount can be reasonably estimated. No provision is made for claims asserted against UBS Group that in the opinion of management are without merit and where it is not likely that UBS will be found liable.

As at 31 March 2007, UBS is involved in the following legal proceedings which could be material to the operating result of the Group in a given reporting period:

- (a) **Insight One:** In December 2006, the New York State Attorney General (NYAG) filed a civil complaint regarding InsightOne, UBS's fee-based brokerage program for private clients in the United States. The InsightOne program is a fee-based brokerage program, in which clients pay an asset-based fee for trading activity rather than commissions on a per trade basis and was designed to align more closely the interests of financial advisors and clients. UBS denies that the program was part of a scheme to disadvantage clients and intends to defend itself vigorously in this matter.
- (b) **Tax Shelter:** In connection with a criminal investigation of tax shelters, the United States Attorney's Office for the Southern District of New York (U.S. Attorney's Office) is examining UBS's conduct in relation to certain tax-oriented transactions in which UBS and others engaged during the years 1996-2000. Some of these transactions were a subject of the Deferred Prosecution Agreement which the accounting firm KPMG LLP entered into with the U.S. Attorney's Office in August 2005, and are at issue in *United States v. Stein*, S1 05 Cr. 888 (LAK). UBS is cooperating with the government's investigation.
- (c) **Municipal Bonds:** In November 2006, UBS and others received subpoenas from the U.S. Department of Justice, Antitrust Division, and the U.S. Securities and Exchange Commission. These subpoenas concern UBS's conduct relating to derivative transactions entered into with municipal bond issuers, and to the investment of proceeds of municipal bond issuances. UBS is cooperating in these investigations.
- (d) **HealthSouth:** UBS is defending itself in two purported securities class actions brought in the U.S. District Court of the Northern District of Alabama by holders of stock and bonds in HealthSouth Corp. UBS also is a defendant in HealthSouth derivative litigation in Alabama state court and has responded to an SEC investigation relating to UBS's role as a banker for HealthSouth.
- (e) **Bankruptcy Estate of Enron:** In November 2003, Enron brought adversarial proceedings against UBS and others in the U.S. Bankruptcy Court for the Southern District of New York seeking avoidance and recovery of payments that Enron made prior to filing for bankruptcy in connection with equity forward and swap transactions. The Bankruptcy Court dismissed UBS's motion for summary judgment in August 2005. Discovery is ongoing.
- (f) **Parmalat:** UBS is involved in a number of proceedings in Italy related to the bankruptcy of Parmalat. These proceedings include, inter alia, claw back proceedings against UBS Limited in connection with a structured finance transaction. Further, UBS is a defendant in two civil damages claims brought by Parmalat, of which one relates to the same structured finance transaction against UBS Limited, while the other against UBS AG relates to certain derivative transactions. In addition, UBS Limited and two UBS employees are the subject of criminal proceedings in Milan. Finally, UBS is a defendant in civil actions brought by individual investors in those criminal proceedings. All proceedings still are in an early stage. UBS denies the allegations made against itself and against its employees in these matters, and is defending itself vigorously.

8.2 Significant Changes in the Financial Situation of the Issuer

There have been no major negative changes relating to the financial position of UBS AG (Group) since the end of the last financial period for which audited financial statements have been published.

9. Material Contracts

No material agreements have been concluded outside of the normal course of business which could lead to UBS being subjected to an obligation or obtaining a right, which would be of key significance to the Issuer's ability to meet its obligations to the investors in relation to the issued securities.

10. Documents on Display

The Annual Report of UBS AG as at 31 December, 2005, comprising (i) the Annual Review 2005, (ii) the Handbook 2005/2006 and (iii) the Financial Report 2005 (including the "Report of the Group Auditors"), the Annual Report of UBS AG as at 31 December, 2006, comprising (i) the Annual Review 2006, (ii) the Handbook 2006/2007 and (iii) the Financial Report 2006 (including the "Report of the Group Auditors" and the "Report of the Statutory Auditors"), the Quarterly Report of UBS AG as at 31 March, 2007 and the Articles of Association of UBS AG Zurich/Basel, as the Issuer, shall be maintained in printed format, for free distribution, at the offices of the Issuer as well as at UBS Deutschland AG, Stephanstrasse 14 - 16, 60313 Frankfurt am Main, Federal Republic of Germany, for a period of twelve months after the publication of this document. In addition, the Annual and Quarterly Reports of UBS AG are published on the UBS website, at www.ubs.com/investors or a successor address.

11. Outlook - First Quarter 2007

While it is likely that the economic expansion in the US will slow down over the next few months, there is increasing evidence from global macroeconomic data – most notably from Europe and major emerging markets – that the rest of the world economy is in good shape. In particular, UBS does not expect the difficulties being experienced in the US mortgage market to have a negative long-term effect on a global scale.

UBS is convinced that clients will increasingly seek its advice, with financial markets just as challenging as ever. The deal pipeline remains strong and its business model and balanced global presence provide it with many opportunities.

Over the course of 2007, UBS will concentrate on consolidating the investments it initiated last year. UBS will also continue to manage capital, risk and costs in disciplined fashion – and in line with market developments. The performance of UBS' business – in common with the financial industry – tends to be stronger in the first quarter of the year than in the summer. In the past, UBS has repeatedly proven its strength in delivering strong returns throughout the business cycle, which makes UBS confident that 2007 will be another successful year of growth for UBS.

CAPITALISATION AND INDEBTEDNESS

The following table is derived from audited information. This table sets out the capitalisation and indebtedness of the UBS Group at 31 December 2006:

Capitalization of UBS

(in millions)				
For the period ended	31 December 2004	31 December 2005	31 December 2006	
	CHF	CHF	CHF	USD
Debt				
Short term debt issued (1)	97,188	157,634	156,370	128,229
Long term debt issued (1)	82,314	112,800	169,420	138,930
Total debt issued (1)	179,502	270,434	325,790	267,159
Minority interest (2)	5,426	7,619	6,089	4,993
Shareholders' equity	33,941	44,015	49,686	40,744
Total capitalization	218,869	322,068	381,565	312,897

(1) includes Money Market Paper and Medium Term Notes as per Balance sheet position based on remaining maturities (split in short and long term is available only quarterly)

(2) includes Trust preferred securities

As at the date of this Information Memorandum there has been no material change to the capitalisation, indebtedness, contingent liabilities or guarantees of UBS Group since 31 December 2006.

SELECTED FINANCIAL DATA

	Period ended 31 March 2007	Year ended 31 December 2006	Year ended 31 December 2005	Year ended 31 December 2004
CHF million				
Income Statement key figures				
Operating income.....	13,347	48,165	41,132	36,886
Operating expenses.....	9,091	33,498	28,455	26,844
Operating Profit before taxes	4,256	14,667	12,677	10,042
Net profit/(loss).....	3,285	11,881	10,206	7,887
	Period ended 31 March 2007	Year ended 31 December 2006	Year ended 31 December 2005	As at 31 December 2004
Balance Sheet key figures				
Total assets	2,572,945	2,396,511	2,058,348	1,737,171
Shareholders' equity	51,606	55,775	51,634	39,367
Market capitalisation	149,157	154,222	131,949	103,649

INCORPORATION OF INFORMATION ABOUT UBS

Documents incorporated by reference

The following documents are incorporated in and taken to form part of this Information Memorandum:

- (a) UBS's Annual Report (US Version) on Form 20-F for the year ended 31 December 2006, which UBS filed with the United States' Securities Exchange Commission (the "SEC") on 13 February 2007; and
- (b) the unaudited financial statements for the 3-month period ended 31 March 2007 of the Issuer.

The documents incorporated by reference will be available free of charge at the office of the Luxembourg Listing Agent.

Any statement contained in this Information Memorandum or in a document incorporated or deemed incorporated by reference into this Information Memorandum will be deemed to be modified or superseded for purposes of this Information Memorandum to the extent that a statement contained in any subsequent document modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this Information Memorandum, except as modified or superseded.

You may request a copy, at no cost, of any or all of the documents that are incorporated by reference into this Information Memorandum, excluding exhibits (other than those that we specifically incorporate by reference into the documents that you request) by contacting us, orally or in writing, at the following address:

UBS AG
Investor Relations G41B
P.O. Box
CH-8098 Zurich, Switzerland
Phone: ++41-44-234 41 00
Fax: ++41-44-234 34 15
E-mail: SH-investorrelations@ubs.com
Internet: www.ubs.com/investors

USE OF PROCEEDS

The Issuer will use the net proceeds from the issuance of the Notes, approximately USD4,750,000 for general corporate purposes.

OFFERING AND SALE

The Notes have been issued and subscribed by the Issuer and purchased by the investor at the issue price.

No action has been or will be taken by the Issuer that would permit a public offering of the Notes or possession or distribution of any offering material in relation to the Notes in any jurisdiction where action for these purposes is required. No offer, sale or delivery of the Notes, or distribution or publication of any offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer. All applicable provisions of the FSMA with respect to anything done in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with.

The Notes have not been offered or sold and may not be offered or sold in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong or to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance. In relation to the issue of the Notes, each purchaser represents and agrees that it has not issued and will not issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Notes which are sold into the United States shall be distributed through UBS Securities LLC acting as agent for the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Notes may not be offered or sold within the United States or to or for the benefit of any U.S. person (as defined under Regulation S under the Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. Each purchaser of Notes acknowledges that it has requested, and has received, information considered by it to be necessary in connection with its investment decision, (ii) it has not relied on UBS AG, London Branch or any person affiliated with UBS AG, London Branch in connection with its investigation of the accuracy and completeness of such information or its investment decision and (iii) no person has been authorised to give any information or to make any representation concerning UBS AG, London Branch or the Notes other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorised by UBS AG, London Branch or any person affiliated with UBS AG, London Branch. If it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

This document relating to the Notes has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS") under the Securities and Futures Act (Cap. 289) of Singapore (the "Securities and Futures Act"). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (1) to an institutional investor or other person falling within Section 274 of the Securities and Futures Act, (2) to a relevant person, or any person pursuant to Section 275 (1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

In the event where the Notes are subscribed to or purchased by each of the following relevant persons specified in Section 275 of the Securities and Futures Act:

- (a) a corporation (which is not an accredited investor) 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 is an accredited investor,

then the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes under Section 275 of the Securities and Futures Act except:

- (1) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
- (2) where no consideration is given for the transfer; or
- (3) by operation of law.

Each purchaser of the Notes confirms that it will not on-sell or distribute the Notes in the Republic of China ("Taiwan") to Taiwanese residents or entities incorporated in Taiwan other than in accordance with laws and regulations of Taiwan.

For EEA jurisdictions (EU member states plus Norway, Iceland and Liechtenstein) that have implemented the EU Prospectus Directive, the Global Security for these Notes DO NOT QUALIFY as a prospectus published in accordance with the requirements of the EU Prospectus Directive. Unless and until a prospectus has been published in accordance with the requirements of the EU Directive, these Notes may not be offered or sold in EEA jurisdictions that have implemented the EU Prospectus Directive other than 1) in minimum denominations of, or total consideration per investor of at least, EUR 50,000 (or equivalent in other currencies) or 2) only to Qualified Investors; and/or (aggregated for all distributors) to less than 100 offerees that are not Qualified Investors per EEA jurisdiction. A "Qualified Investor" is a legal entity that (i) is authorised or regulated to operate in the financial markets or has the sole purpose to invest in securities; or (ii) meets two of the following three criteria (as shown in its last annual or consolidated accounts): (a) an average number of at least 250 employees during the last financial year; (b) a total balance sheet of more than EUR 43,000,000; and (c) an annual net turnover of more than EUR 50,000,000.

The Notes may be offered or sold in Japan or to a resident of Japan (or to others for offering or resale, directly or indirectly, in Japan or to a resident of Japan) only pursuant to an exemption from the

registration requirements of, or otherwise in compliance with, the Securities and Exchange Law of Japan and other relevant laws, regulations and ministerial guidelines of Japan.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear and Clearstream with Common Code:028996632, ISIN: XS0289966326 and Telekurs:2964338.
2. If there is a permanent breakdown or failure of the Clearing Systems, the Issuer will provide definitive Notes to the Holders. In this event, the Issuer will forthwith appoint a registrar (the “**Registrar**”) to act through an office in Luxembourg, which may or may not be the Paying Agent in Luxembourg appointed pursuant to Condition 2(b). The Registrar will keep a register of Holders (the “**Register**”). All payments in respect of the Notes will be made through the Paying Agents, by transfer to a U.S. dollar account maintained by the payee with a bank in New York if the details of such account is kept in the Register, or if no such account details are available, by U.S. dollar cheques drawn on a bank in New York mailed to the relevant Holder (at the Holder’s risks) at its address as recorded in the Register. After the issue of definitive Notes, the Holders entitled to any payment under the Notes are the persons shown on the Register to be holders of Notes at the close of business on the 7th day before the due date of payment. Transfers of Notes in definitive form will take place by the deposit of the Notes, together with a duly completed transfer form (forms are available at the office of the Registrar) at the office of the Registrar, and are effective upon the entry of the relevant details in the Register. The Registrar will issue new definitive Notes to the transferee.
3. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes, and was authorised by the Issuer’s authorities on the Global Security issue date, being 13 April 2007.
4. There has been no material adverse change in the financial position of the Issuer or any of its subsidiaries since the last date of the period to which the latest audited financial statement relate (31 December 2006).
5. Neither the Issuer nor any of its subsidiaries is involved in any litigation, arbitration or administrative proceedings relating to claims, other than as disclosed herein, which are material in the context of the issue of the Notes and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.
6. Copies of the audited consolidated and unconsolidated financial statements for the years ended 31 December 2006, 2005 and 2004 of the Issuer were audited by Ernst & Young Ltd. in accordance with generally accepted accounting standards in Switzerland and the Issuer’s Annual Report (US Version) for the year ended 31 December 2006 and the unaudited financial statements for the 3-month period ended 31 March 2007 of the Issuer shall be incorporated by reference, and to form part of, this Information Memorandum save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

The Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of such financial statements which are deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Information Memorandum. In addition, such documents will be available free of charge from the specified office of the Luxembourg Agent set out at the end of this Information Memorandum.

Consolidated interim financial statements are published on a quarterly basis.

7. The Issuer has appointed the Fortis Banque Luxembourg S.A. to act as Listing Agent and Luxembourg Paying Agent. The Luxembourg Paying Agent shall, among other things, be the liaison between the Issuer and the note holders.
8. Copies of the following documents may, so long as any of the Notes remains outstanding, be available during usual business hours on any business day (except Saturdays, Sundays and legal holidays) at the specified offices of the Listing Agent in Luxembourg:
 - (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) the audited consolidated and non-consolidated accounts of the Issuer for each of the years ended 31 December 2006, 2005 and 2004 and the quarterly interim financial statements at 31 March 2007 of the Issuer and the future consolidated and non consolidated audited annual and quarterly interim financial statements of the Issuer; and
 - (iii) copies of the audited consolidated and non-consolidated, year end financial statements (and any future such audited annual and quarterly interim unaudited consolidated financial statements and annual reports) of the respective Companies provided that they are publicly available information and neither the Issuer nor any of its Affiliates makes any further representation or warranty relating thereto; and
 - (iv) the Global Security; and
 - (v) the UBS Annual Report (US Version) for the year ended 31 December 2006.
9. The Notes shall cease to be listed on the Official List of the Luxembourg Stock Exchange and trading of the Notes on the Euro MTF Market shall cease from the date originally scheduled to be the Maturity Date as set out in the definition of “Maturity Date” in the Conditions (the “**Scheduled Maturity Date**”), save where the Issuer has elected, on or prior to the 10th Exchange Business Day before the Scheduled Maturity Date, that the Notes shall continue to be listed beyond the Scheduled Maturity Date in the event that (i) the Maturity Date of the Notes is extended beyond the Scheduled Maturity Date and (ii) by reason of the occurrence or existence of a Disrupted Day. Such election in (i) shall be notified to the Luxembourg Stock Exchange on or prior to the 10th Business Day before the Scheduled Maturity Date, and a notice of such election shall be given to the Holders in accordance with the Conditions as soon as practicable thereafter.

Upon the occurrence of a Disrupted Day, a notice will be given to the Holders of such occurrence, and, if applicable, of any acceleration or postponement of the Maturity Date. Notice will also be given to the Holders upon the occurrence of any Relevant Event with details of the event and any corresponding adjustments. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Luxembourg Stock Exchange will be notified of the occurrence of the aforementioned events and will receive a copy of the notice to be given to the Holders.

ISSUER

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United Kingdom

PRINCIPAL PAYING AGENT AND CALCULATION AGENT

UBS AG, London Branch
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London EC2M 2RH
United Kingdom

LUXEMBOURG PAYING AGENT AND LISTING AGENT

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Luxembourg

AUDITORS OF THE ISSUER

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