

Open End Index Certificates on UBS RADA Net Total Return Index (EUR) on DAX

SUMMARY OF THE TERMS AND CONDITIONS

For additional product and risk information, please consult Sales Prospectus

Public Offering

Product-Details

Underlying	UBS Risk Adjusted Dynamic Alpha Strategy (RADA) Net Total Return Index (EUR) on DAX
Initial Reference Price of Underlying ("Strike Price")	858.93 Index points (1 Index point equals EUR 1.00)
Issue Price	EUR 100.00
Redemption	Settlement in Euro on the Redemption Date.
$\text{Settlement Amount} = \text{Euro } 100 * \frac{\text{Settlement Price}}{\text{Strike Price}} * \text{RMF}$	
RMF Factor is calculated as follows: $(1 - 0,0025)^n$	
n = number of quarters since 3 September 2007 with n = 1 as at 31 October 2007	
Risk Management Fee (RMF)	0.25 % per quarter
Settlement Price of Underlying Valuation Date	Closing price of the Index on the Valuation Date. in case of Investor's Exercise: Underlying Calculation Date immediately succeeding the Exercise Date.; in case of Issuer's Termination: Termination Date
Security Identification Codes	ISIN: DE000UBOC7S5 Valor: 3416291 WKN: UB0C7S Common Code: 032256066

Dates

Issue Date	27.09.2007
Fixing Date	27.09.2007
Payment Date	01.10.2007
Last Trading Day	In case of termination 2 exchange trading days prior to the Termination Date
Expiration Date	Open End
Redemption Date	5 Business Days after the Valuation Date or the Termination Date
Exercise Date	Date of Investor's Exercise Right
Termination Date	Date of Issuer's Call Right

General Information

Issuer	UBS AG, London Branch
Rating	Aaa/AA+
Index Sponsor	UBS AG
Lead Manager	UBS Limited, London
Issue Size	1,000,000
Trading	09:00 - 20:00 hours

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

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

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

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

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

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Bloomberg: UWNW

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Listing	Frankfurt, Stuttgart (Third Section)
Minimum Size for Trading	1 Certificate
Sales Restrictions	U.S.A.; U.S. Persons / U.K.
Clearing	Euroclear, Clearstream Banking AG, Clearstream Banking S.A. (Global Certificate at Clearstream Banking AG)
Custody	Clearstream Banking Frankfurt eligible (up-to Global Certificate filed with Clearstream AG, Frankfurt am Main)
Governing Law	German Law
Place of Jurisdiction	Frankfurt am Main
For Swiss paying agents:	The Product is not subject to the EU Savings Tax (TK9).
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Place of Jurisdiction	Frankfurt am Main
For Swiss paying agents:	The Product is not subject to the EU Savings Tax (TK9).

Issuer's Call Right: The Issuer has a right to call the Certificates for early redemption by giving notice to that effect. The Certificates can be terminated for the first time 1 year and 1 month after the payment date and the termination becomes effective after a notice period of 3 months, for the value of the current settlement amount. The Valuation Date shall be the Termination Date.

Investor's Exercise Right: Despite the fact that the Certificates can be sold daily on the above mentioned stock exchanges, the Investor has an annual right to exercise his Certificates (notice to be received no later than 10:00 am, local time Frankfurt am Main, on the 30th July (the "Exercise Date")) for the value of the current settlement amount. The Valuation Date is the Underlying Calculation Date immediately succeeding the Exercise Date.

If any of the dates mentioned is not a Banking Day, the immediately following Banking Day shall be the Termination Date or the Exercise Date or the Valuation Date.

Performance

For investors with a medium to high risk tolerance level that want to benefit from the share price performance of an underlying without committing too much capital or spending too much on administration.

Yield potential depends on the type and composition of the underlying.

Risk of loss limited to the capital invested depending on the product, partial hedging (a risk buffer) may also be possible, subject to certain conditions.

Risk Information

This product is a high-risk investment instrument, as the Certificate Holder is neither entitled to redemption of the capital invested nor to payment of interest or dividends. There is no capital guarantee or capital

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protection for investors in these Certificates and an investor must be able to bear a substantial loss of the capital invested. Any payments to be made on the Certificates depend primarily on the value of the Underlying.

In particular, neither UBS AG, London Branch, UBS Limited, London, nor UBS AG, Zurich, assume any responsibility vis-à-vis the holders of Certificates for the economic success or lack of success of an investment in the Certificates or for the performance of the Underlying.

The Open Ended Certificate does not represent shares in an investment fund and thus are not subject to the supervision of the Swiss Federal Banking Commission (Eidgenössische Bankenkommission). Therefore, investors in the Certificates are not eligible for the specific investor protection under the Swiss Federal Law on Investment Funds.

Certain conflicts of interest may arise from the fact that the Issuer of the Certificates and the Calculation Agent may all belong to UBS group. UBS, its related companies, or clients, may from time to time, as principal or agent, have long or short positions in, or may buy and sell, any securities, currencies or financial instruments underlying the transaction to which this term sheet relates.

UBS AG is a market maker in several products in the spot, futures and options market. Not only as market maker but also on behalf of customers and on its own behalf, UBS AG is regularly engaged in all these markets. In line with normal business practices, UBS AG may hedge its risks on the products that it sells to customers. For any individual hedge position, UBS AG may adjust its hedge as market conditions change during the life of the product because, in UBS AG's sole judgement and discretion, it is in UBS AG's interest to do so.

Any investor is requested to make his own independent assessment of risks involved with this product and/or seek for independent investment advice.

PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE INDIVIDUAL TAX CONSEQUENCES OF THE INVESTMENT

This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ss of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the supervision of the Swiss Federal Banking Commission (Eidgenössische Bankenkommission). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

The mark and name "UBS Risk Adjusted Dynamic Alpha Strategy (RADA) Net Total Return Index on DAX" (the "Index") is proprietary to UBS AG ("UBS").

UBS does not make any warranty or representation or guarantee whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figures or levels at which the Index stands at any particular day or otherwise. In addition, UBS gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

No responsibility or liability is accepted by UBS (whether for negligence or otherwise) in respect of the use of and/or reference to the Index by us or any other person in connection with the Notes, or for any inaccuracies, omissions, mistakes or errors in the computation of the Index (and UBS shall not be obliged to advise any person, including us or any investor, or any error therein) or for any economic or other loss which may be directly or indirectly sustained by us or

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any investors to the Securities or any other persons dealing with the Notes as a result thereof and no claims, actions or legal proceedings may be brought against UBS (including any of its subsidiaries or affiliates) in any manner whatsoever by any investor or other person dealing with the Notes. Any investor or other person dealing with the Notes does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on UBS.

For avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any investor other person and UBS and must not be construed to have created such relationship.

Selling Restrictions

Any Product purchased by any person for resale may not be offered in any jurisdiction in circumstances that would result in the Issuer or the Offeror being obliged to register any further prospectus or corresponding document relating to the Certificates in that jurisdiction.

Holders of this Product are advised to read the selling restrictions described more fully in the relevant prospectus or information memorandum of this Product. The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Holders of this Product should seek specific advice before on-selling it.

Europe – For EEA jurisdictions (EU member states plus Norway, Iceland and Liechtenstein) that have implemented the EU Prospectus Directive, the Final Terms and Base Prospectus for these Securities qualify as a prospectus published in accordance with the requirements of the EU Prospectus Directive. However, unless and until a prospectus has been published in accordance with the requirements of the EU Directive and passported into the relevant jurisdiction, these Securities may not be offered or sold 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.

For EEA jurisdictions that have not implemented the EU Prospectus Directive, sales must be in compliance with the law of that jurisdiction.

Hong Kong – This Product has not been offered and sold, and each purchaser represents and agrees that it will not offer and sell the Product in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy and 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 this Product, each purchaser represents and agrees that it has not issued and will not issue any advertisement, invitation or document relating to the Product, 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 the Product which is or is 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 and any rules made thereunder.

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In the event where the bonds/securities are subscribed or purchased under Section 275 by a relevant person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investment 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 bonds/securities under Section 275 except:

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

UK – This Product should not be sold with a consideration of less than 50,000.00 EUR or equivalent.

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

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