

Germany Rolling Flex Discount-Certificate

(Open End Index Certificate on the Germany Rolling Flex Discount Index on the DAX®)



Product Description

The Germany Rolling Flex Discount Index is a systematic investment strategy that invests into the DAX® Index. The investment is done on a monthly basis, but indirectly, i.e. into a one month discount certificate with a cap of either 3% below, at, or 3% higher than current market level. The respective cap is determined on a monthly basis using a 40 days and 200 days moving average as a trend indicator.

Product Details

Underlying	Deutsche <u>Rolling Flex</u> Discount Index on the DAX®, a performance (the "Index")
Initial Reference Price of Underlying Issue Price	243.41 index points
Risk-Management-Fee:	0,90% p.a.
Final Reference Price of Underlying	Closing price of the Index on the valuation date. The valuation date is the exercise date or the termination date.
Security No.	ISIN: DE0009705988 Valor:1647343 WKN: 970598 Common Code: 17376365

Dates

Issue Date	28.07.03
Pricing Date	15.08.03 / 15:00 CET
Payment Date	19.08.03
Expiration Date	Open End*
Redemption Date	5 business days after the exercise or termination date

*The listing of these securities will be discontinued two trading days prior to the termination date. From that date until the termination date, only off-floor trading with the issuer will be possible.

**DAX® ("Deutscher Aktienindex", "DAX") is a registered trademark of Deutschen Börse AG.

General Information

Issuer	UBS AG, London Branch
Lead manager	UBS Investment Bank AG, Frankfurt
Issue size	3.000.000
Redemption	Cash Settlement in EUR on the exercise or termination date. Settlement Amount = EUR 100 x Final Reference Price / Initial Reference Price x RMF Factor

RMF = 0.225% risk management fee, to be deducted quarterly in arrears.

RMF Factor is calculated as follows:

$1 / (1.00225)^n$
n = number of quarters since payment date on 19 August with n1 = 19 November 2003

Should any of the above dates not be a business day, the next following business day shall apply.

Trading Listing	09:00 bis 20:00 Uhr/hours Freiverkehr Frankfurt, and Stuttgart
Lot Sales	1 Certificate/s U.S.A./U.S. persons; U.K.
Restrictions	Euroclear, Clearstream Banking AG, Clearstream Banking SA (Global Certificate at Clearstream Banking AG)
Clearing	Clearstream Banking Frankfurt eligible, up-to Global Certificate

Custody

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(Open End Index Certificate on the Germany Rolling **Flex** Discount Index
on the DAX®)



The **Germany Rolling Flex Discount-Certificate** reflects the value development of the Germany Rolling Flex Index on the DAX®. The Index calculated by UBS Investment Bank does not track the 30 companies included in the DAX® Index directly, but indirectly, by always investing into 1-month Discount-Certificates on a rolling basis. Roll-over date for each Discount-Certificates is the expiry date for options on the DAX® on the relevant options exchange, for the time being the 3rd friday in each month on EUREX.

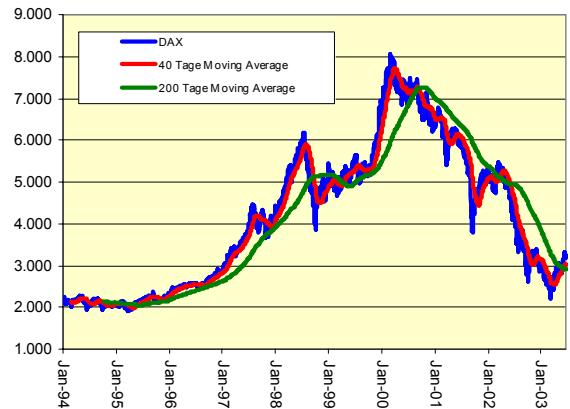
The cap of each Discount-Certificates will be fixed on such a **roll-over date 3% below current market level, at-the-money or 3% higher than current market level**. (Options will be calculated at EUREX Bid Prices minus 1 volatilitypercent). The respective cap is determined on a monthly basis using 2 moving average lines as a trend indicator. If the DAX® (the "Reference") closes one business day before the roll over lower than its 40 days and 200 days average, a cap 3% below the Reference is chosen. If it closes in between the 2 moving average lines, the cap will be fixed at the money and if it closes above both lines, the cap will be fixed 3% higher than the Reference.

The calculation of the Index started with 100 Index points on 31 December, 1994.

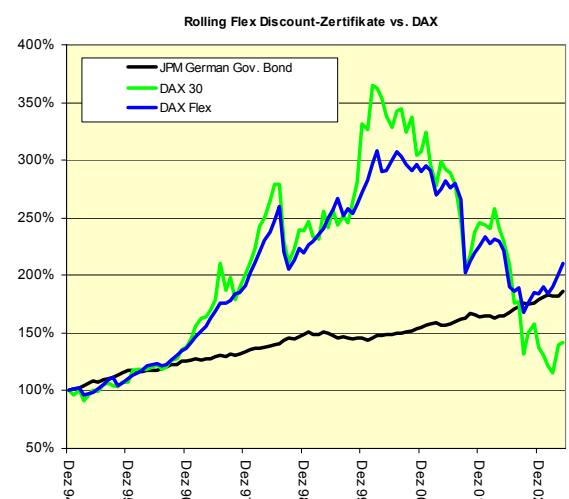
Issuer's Call Right: The Issuer has a right to call the Certificates for early redemption by giving notice to that effect. The Certificates can be terminated at any time and the termination will become effective after a notice period of 1 year and 1 month.

Investors'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 on 19 August, Frankfurt time) effective 19 August, for the value of the current Index level.

The trend indicator (40 and 200 days Moving Average)



Theoretical historical back-testing (31 December 1994 until 30 May 2003)



Certificates

Certificates are a group of products, which replicate the performance of the underlying. Certificates give the investor the possibility to be diversified with low administrative costs and small investment amounts. The risk of loss is limited to the invested capital.

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Sources: Company/Index Description: Bloomberg; Chart: Reuters

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