

Open End Certificate on the UBS Europe Dynamic Weekly Total Return Index

Subscription period: 16 October until 02 November 2006
(until 16.00 hrs local time Frankfurt am Main)

SUMMARY OF THE TERMS AND CONDITIONS

For additional product and risk information, please consult Sales Prospectus

Product Details

Product Description	The UBS Europe Dynamic Weekly Total Return Index is a systematic investment strategy that invests into the Dow Jones Euro STOXX 50® Index. The investment is executed on a weekly basis, indirectly into a one-week discount certificate with the nearest cap (based on listed EUREX options) above the current market level.
Underlying	UBS Europe Dynamic Weekly Total Return Index on Dow Jones EURO STOXX 50® Index (the "Index")
Currency	Euro
Initial Reference Price of Underlying ("Initial Reference Price")	632,08 Index points
Initial Issue Price	EUR 101.00 (EUR 100.00 plus EUR 1.00 offering premium)
Redemption	Settlement in Euro on the Redemption Date.
	Settlement Final Reference Amount = Euro 100 X $\frac{\text{Price of Underlying}}{\text{Initial Reference Price}}$
	Final Reference Price is equal to the Closing Price of the Index on the Valuation Date.
Final Reference Price of Underlying	Closing price of the Index on the Valuation Date. Valuation Date is the Exercise Date or the Termination Date.

Security Identification Codes

ISIN: CH0027338885
Valor: 2733888
WKN: UB0WKY
Common Code: 027072259

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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 and/or holds them for their own account until information is available to 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 judgment 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.

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

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

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Dates

Issue Date	16.10.2006
Fixing Date	03.11.2006
Payment Date	07.11.2006
Last Trading Day	2 exchange trading days prior to the Termination Date
Expiration Date	Open End
Redemption Date	5 Banking Days after the Termination Date or the Exercise 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	Aa2/AA+
Lead Manager	UBS Limited, London
Calculation Agent	UBS Deutschland AG, Frankfurt am Main
Issue Size	1,500,000 Certificates
Trading	09:00 - 20:00 hours
Listing	Frankfurt, Stuttgart (Third Section)
Minimum Trading Size	1 Certificate
Smart / Euwax	Max. Spread (homogenised): 2.5% Min.Size: 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 AG eligible (up-to Global Certificate)
Governing Law	German Law
Place of Jurisdiction	Frankfurt am Main
E: For Swiss paying agents, the product is not subject to the EU Savings Tax (TK7).	

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 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 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 third Friday in November (the "Exercise Date") for value of the Settlement Amount. Should any of the above dates not be a business day, the next following business day shall apply.

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The UBS Europe Dynamic Weekly Total Return Index

The **UBS Europe Dynamic Weekly Total Return Index** is a systematic investment strategy that invests into the Dow Jones Euro STOXX 50® Index.

The **UBS Europe Dynamic Weekly (N) Certificate** reflects the performance of the UBS Europe Dynamic Weekly Total Return Index on the Dow Jones EURO STOXX 50® Index (Dividends are re-invested on a daily basis, derived from the Dividend payments of the Dow Jones EURO STOXX 50® Total Return Index). The Index calculated by UBS Deutschland AG does not track the 50 companies included in the Dow Jones EURO STOXX 50® Index directly. Rather, at inception of the index, 100 was used to purchase an amount of one week Discount-Certificates. At the end of each week the total amount settled from these Discount-Certificates was used to purchase a new set of one week Discount-Certificates on the Underlying. This process was/will be repeated each week. Therefore, the current index level is a reflection of the accumulated returns of the one week Discount-Certificates. Roll-over date for each Discount-Certificate is the expiry date for options on the Dow Jones EURO STOXX 50® Index on the relevant options exchange, for the time being each Friday in each week on EUREX.

The cap of each Discount-Certificates will be fixed on such a roll-over date on the nearest listed EUREX option above the current market level. (Options will be calculated at EUREX Bid Prices minus one volatility point).

The calculation of the Index started with 100 Index points on 02 December 1994.

The Dow Jones EURO STOXX 50® is the intellectual property of (including registered trademarks) STOXX Limited, Zurich, Switzerland and/or Dow Jones & Company, Inc., a Delaware corporation, New York, USA, (the "Licensors"), which is used under license. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by the Licensors and they make no representation regarding the advisability of investing in such products. STOXX Limited and Dow Jones & Company, Inc. have no relationship to the issuer, other than the licensing of the index and the related trademarks for use in connection with the products.

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Under no circumstances will STOXX Limited or Dow Jones & Company, Inc. be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX Limited or Dow Jones & Company, Inc. knows that they might occur. The licensing agreement between the Issuer and STOXX Limited is solely for their benefit and not for the benefit of the owners of the products or any other third parties.

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Theoretical historical backtesting:

Time period: 02 December 1994 until 31 August 2006. (This Chart shows theoretical historical Index trends. No future developments may be derived from such chart.)



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Certificates

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

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 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 Deutschland AG, Frankfurt, 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.

Certain conflicts of interest may arise from the fact that the Issuer of the Certificates and the 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.

Selling Restrictions

Any Product purchased by any person for sale may not be offered in any jurisdiction in circumstances, which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Product in such 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 – Any offer of the Security must be in compliance with the law of the relevant jurisdiction. For EEA jurisdictions that have already implemented the EU Prospectus Directive, any public offer of the Security in such Member State of the European Union **shall only be possible after notification** to the relevant Supervisory

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Authority in the relevant Member State.

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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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