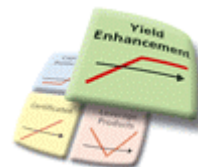


# UBS Vario Income Certificates

## Open End Certificate on the Vario Income Index

Subscription Period: 12 January until 27 January 2004



### Product Description

The **UBS Vario Income Certificates** follow a systematic investment strategy that aims to achieve mid-term capital preservation together with a regular disbursement of approx. 5% p.a. (12 times 0.42% monthly always based on the then current certificate value). To achieve this, Investments into UBS 1 Euro month zero-coupon notes and the writing of 1 month put-options on the Dow Jones Euro STOXX 50<sup>SM</sup> \*\* Index on a regular basis are replicated.

### Product Details

Underlying	<b>Vario Income Index</b> (the "Index") (as described below)
Initial Underlying Level	117.49 (Index points as of 28 January 2004)
Distribution Amount	Distribution of approx. 1.25% are made each quarter in arrears (Sum of the product of 0.42% multiplied with the current Certificate Value of the last 3 roll-over dates (including current date)) approx. 5% p.a.; calculation for the first Distribution Amount includes only 2 roll-over dates, therefore approx. 0.84% to be distributed on the first Distribution Payment Date
Current Certificate Value	Current Index level / initial underlying level x EUR 100 x RMF Factor
Accrued Disbursements (comparable to accrued Interest)	Will not be calculated
Disbursement Payment Dates	Always 5 Banking Days following after each Disbursement Valuation Date <sup>1</sup>
Issue Price	EUR 101.00 (EUR 100 plus EUR 1 offering premium)
Risk-Management-Fee	0.75 % 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: DE000A0AAQ38 Valor: 1734843 WKN: A0AAQ3 Common Code: 18394146

### General Information

Issuer	UBS AG, London Branch
Lead Manager	UBS Limited
Issue Size	5,000,000 Certificates
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 = 0.0625% risk management fee, to be deducted monthly in arrears.
	RMF Factor is calculated as follows: $1 / (1.000625)^n$ n = number of months since payment date on 30 January 2004 with n1 = 20 February 2004
	Should any of the above dates not be a business day, the next following business day shall apply.
Distribution Valuation Dates	Each 3rd Friday in March, June, September and December each year (Closing Price of the Index)
Trading Listing	09:00 - 20:00 hours Frankfurt, Stuttgart (Third Section)
Lot Minimum	1 Certificate(s)
Sales Restrictions	U.S.A.; U.S. Persons / U.K. (minimum subscription for UK resident equals EUR 40,000 or equivalent)
Custody	Clearstream Banking eligible (up-to Global Certificate)

<sup>1</sup> In case one of these Distribution Payment Dates should not fall on a Banking Day, the next following Banking Day should be used as Distribution Payment Date.

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 termsheet. UBS may pay or receive brokerage or retrocession fees in connection with this transaction. UBS's 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. Structured actions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult 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 advisors you consider necessary. Save as otherwise expressly agreed, UBS is not acting as your financial advisor 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 termsheet 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. Not for distribution in the United States or to U.S. persons. Sources: Company/Index Description: Bloomberg; Chart: Reuters

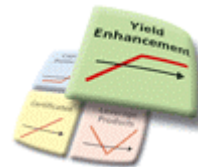
### Contact

UBS Investment Bank AG  
Investment Products  
Stephanstrasse 14-16  
60313 Frankfurt am Main  
Germany  
Phone: +49 (0) 69 1369 – 8989  
Fax: +49 (0) 72 22 73  
email: [invest@ubs.com](mailto:invest@ubs.com)  
Internet: [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest)  
Reuters: UBSDEEW02  
Videotext: n-tv page 875ff.  
Bloomberg: UWNNT

# UBS Vario Income Certificates

## Open End Certificate on the Vario Income Index

Subscription Period: 12 January until 27 January 2004



### Dates

Issue Date 12.01.2004  
 Pricing Date 28.01.2004  
 Payment Date 30.01.2004  
 Expiration Date Open End  
 Redemption Date  
 Redemption Date 5 Banking Days following the exercise or the termination date

### Clearing

Euroclear, Clearstream  
 Banking SA, Clearstream  
 Banking AG (Global  
 Certificate filed with  
 Clearstream Banking AG)

### Custody

Clearstream Banking  
 eligible (up-to Global  
 Certificate)

### The Vario Income Index

The Vario Income Index is a systematic investment strategy that aims to achieve mid-term capital preservation together with a regular disbursement of approx. 5% p.a. (12 times 0.42% monthly always based on the then current Index level / initial underlying level). The Index calculated by UBS Investment Bank does track the performance of UBS Euro 1 month zero-coupon notes combined with 1 month put-options on the Dow Jones Euro STOXX 50<sup>SM</sup> with a strike 90% of the then current Index level, are written on a monthly basis. Option prices are included at bid-price minus 1 volatility percentage point. Each roll-over is calculated on the basis of the data from the expiry date for the options on the Dow Jones Euro STOXX 50<sup>SM</sup> on the relevant options exchange, for the time being the 3rd Friday in each month on EUREX (first roll-over will be the 20 February 2004).

The calculation of the index, which is a **performance index**, started with 100 index points on 30 December, 1994 and has been continued since then.

**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.

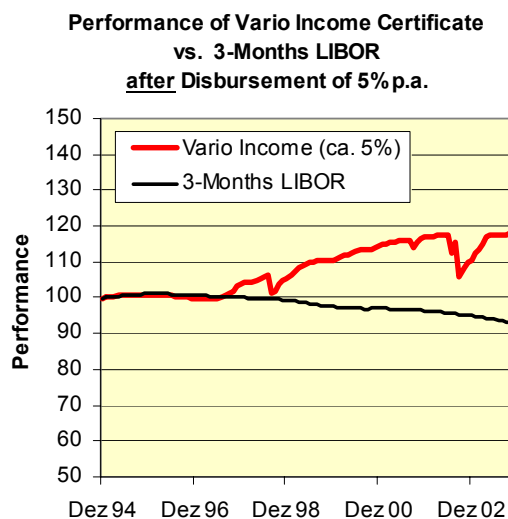
**Investors's Exercise Right:** Despite the fact that the Certificates can be sold daily on the above mentioned stock exchanges, the Investor has an annual right to exercise his Certificates (notice to be received no later than 10:00 am on 30 January, Frankfurt time) effective 30 January, for the value of the current Index level.

Final Terms and Conditions / Prospectus: the prospectus of the security described in this termsheet can be ordered under: Tel. 0049-069-1369-8989.

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

\*\* Dow Jones Euro STOXX 50 Index is property of STOXX Ltd. The name of the index is a service mark of DOW JONES & COMPANY, Inc. and licensed for

### Theoretical historical back-testing (30 December 1994 until 30 September 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.

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 termsheet. UBS may pay or receive brokerage or retrocession fees in connection with this transaction. UBS's 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. Structured actions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult 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 advisors you consider necessary. Save as otherwise expressly agreed, UBS is not acting as your financial advisor 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 termsheet 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. Not for distribution in the United States or to U.S. persons. Sources: Company/Index Description: Bloomberg; Chart: Reuters

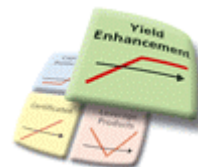
### Contact

UBS Investment Bank AG  
 Investment Products  
 Stephanstrasse 14-16  
 60313 Frankfurt am Main  
 Germany  
 Phone: +49 (0) 69 1369 - 8989  
 Fax: +49 (0) 72 22 73  
 email: [invest@ubs.com](mailto:invest@ubs.com)  
 Internet: [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest)  
 Reuters: UBSDEEW02  
 Videotext: n-tv page 875ff.  
 Bloomberg: UWNW

# UBS Vario Income Certificates

## Open End Certificate on the Vario Income Index

Subscription Period: 12 January until 27 January 2004



The quarterly payment is split into two components, which will be adjusted every quarter:

- The interest component
- The premium component

For private investors domiciled in Switzerland the interest component is subject to the Swiss Federal income tax. The premium component is for such taxpayers classified as a tax free capital gain and therefore in principle not subject to the Swiss Federal income tax.

The cantonal and communal income taxes are in principle in accordance with the Swiss Federal Income tax.

The transaction is not subject to the Swiss withholding tax.

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 termsheet. UBS may pay or receive brokerage or retrocession fees in connection with this transaction. UBS's 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. Structured actions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult 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 advisors you consider necessary. Save as otherwise expressly agreed, UBS is not acting as your financial advisor 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 termsheet 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. Not for distribution in the United States or to U.S. persons. Sources: Company/Index Description: Bloomberg; Chart: Reuters

### Contact

UBS Investment Bank AG  
Investment Products  
Stephanstrasse 14-16  
60313 Frankfurt am Main  
Germany  
Phone: +49 (0) 69 1369 – 8989  
Fax: +49 (0) 72 22 73  
email: [invest@ubs.com](mailto:invest@ubs.com)  
Internet: [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest)  
Reuters: UBSDEEW02  
Videotext: n-tv page 875ff.  
Bloomberg: UWN