

SUPPLEMENT NO. 1

**pursuant to §§ 6(2), 16(1) of the Securities Prospectus Act
(Wertpapierprospektgesetz; "WpPG")**

dated 8 August 2008

of

UBS AG

to the

base prospectus

dated 16 June 2008,
for the issue of Warrants
(the "**Base Prospectus**")

in relation to the

UBS Structured Warrant Programme

Capitalised terms used herein and not otherwise defined in this Supplement No. 1 shall have the same meaning as in the Base Prospectus.

The Base Prospectus (as well as this Supplement thereto) can be ordered free of charge at the offices of the Issuer as well as UBS Deutschland AG, Stephanstrasse 14 – 16, 60313 Frankfurt am Main, Federal Republic of Germany, for a period of twelve months after the publication of the Base Prospectus. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at www.ubs.com/investors or a successor address.

Application has been made to the BaFin for its approval of this Supplement No. 1. Approval by the BaFin means the positive act at the outcome of the scrutiny of the completeness of this Supplement No. 1 including the consistency of the information given and its comprehensibility. Pursuant to §§ 6(2), 16(1), 14(1) WpPG, this Supplement No. 1 has been filed with the BaFin as the competent authority.

Pursuant to §§ 6(2), 16(1), 14(3) WpPG, the availability for inspection of this Supplement No. 1 at the offices of the Fiscal Agent, UBS AG, Bahnhofstrasse 45, 8001 Zurich, will be announced in the *Börsen-Zeitung*.

In accordance with § 16(3) WpPG, investors who have already submitted purchase orders in relation to Notes issued under the Programme prior to the publication of this Supplement No. 1 are entitled to withdraw their orders within two days of this Supplement No. 1 having been published provided that no discharge has occurred. A withdrawal, if any, of an order must be communicated in writing to the relevant Issuer at its registered office specified in the address list hereof.

- A. **The Issuer hereby replaces the English language version of the sub-section of the Base Prospectus entitled "Who is the Issuer?" which is part of the English language version of the section of the Base Prospectus entitled "Summary of the Programme (English Version)" with the following text in its entirety:**

"Who is the Issuer?

Overview

UBS AG (with its subsidiaries, "UBS AG" or "UBS" or the "Issuer") is, according to its own opinion, one of the world's leading financial firms, serving a discerning international client base. As an integrated firm, UBS creates added value for clients by drawing on the combined resources and expertise of all its businesses. UBS is, according to its own opinion, the leading global wealth manager, a leading investment banking and securities firm with a strong institutional and corporate client franchise, one of the largest global asset managers and the market leader in Swiss commercial and retail banking. On 31 March 2008, UBS employed more than 80,000 people. With headquarters in Zurich and Basel, Switzerland, UBS operates in over 50 countries and from all major international centers.

UBS is, according to its own opinion, one of the best-capitalised financial institutions in the world. On 31 March 2008 the BIS Tier¹ ratio was 6.9 per cent², invested assets stood at CHF 2,759 billion, equity attributable to UBS shareholders was CHF 16,386 million and market capitalisation was CHF 59,843 million.

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 Aa2³.

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's 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.

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 On 4 July 2008, UBS announced that it expects its Tier 1 capital ratio to be approximately 11.5 per cent at the end of the second quarter 2008.

³ On 4 July 2008, Moody's Investors Service downgraded the senior debt and deposit ratings of UBS AG from Aa1 to Aa2.

UBS shares are listed on the SWX Swiss Exchange and traded through SWX Europe 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.

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.

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.

Trend Information (Outlook)

The year started with tough business conditions for the financial industry as a whole. UBS expects this difficult environment to remain and be characterized by a continuing unfavorable global economic climate, deleveraging by institutional and private investors, slower wealth creation and lower trading and capital market activity.

Administrative, Management and Supervisory Bodies of the Issuer

UBS operates under a strict dual Board structure, as mandated by Swiss banking law. 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.

Auditors

On 23 April 2008, 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. "

- B. The Issuer hereby replaces the German language version of the sub-section of the Base Prospectus entitled "Wer ist die Emittentin?" which is part of the German language version of the section of the Base Prospectus entitled "Zusammenfassung des Programms (Deutsche Fassung)" with the following text in its entirety:**

"Wer ist die Emittentin?

Überblick

Die UBS AG (einschließlich ihrer Tochtergesellschaften, "UBS AG" oder "UBS" oder die „Emittentin“) ist nach eigener Einschätzung eines der global führenden Finanzinstitute für internationale anspruchsvolle Kundinnen und Kunden. UBS nutzt als integriertes Unternehmen die Ressourcen und das Know-how aller ihrer Geschäftseinheiten und schafft so Mehrwert für ihre Kunden. UBS ist eigenen Angaben zufolge der weltweit führende Anbieter von Wealth-Management-Dienstleistungen und gehört zu den wichtigsten Investmentbanken und Wertschriftenhäusern mit einer starken Stellung im Geschäft mit institutionellen und Firmenkunden. Sie zählt nach eigener Einschätzung zu den größten Vermögensverwaltern und ist in der Schweiz Marktführer im Geschäft mit Privat- und Firmenkunden. UBS beschäftigte per 31. März 2008 über 80.000 Mitarbeiter. UBS mit Hauptsitz in Zürich und Basel, Schweiz, ist in mehr als 50 Ländern und an den wichtigsten internationalen Finanzplätzen vertreten.

UBS gehört nach eigener Einschätzung zu den bestkapitalisierten Finanzinstituten der Welt. Am 31. März 2008 betrug die BIZ-Kernkapitalquote (Tier 1)¹ 6,9%², das verwaltete Vermögen belief sich auf CHF 2.759 Mrd. und das UBS-Aktionären zurechenbare Eigenkapital lag bei CHF 16.386 Mio.. Die Marktkapitalisierung betrug CHF 59.843 Mio.

Die Rating-Agenturen Standard & Poor's Inc. ("Standard & Poor's"), Fitch Ratings ("Fitch") und Moody's Investors Service Inc. ("Moody's") haben die Bonität von UBS und damit ihre Fähigkeit, Zahlungsverpflichtungen, beispielsweise Tilgungs- und Zinszahlungen (Kapitaldienst) bei langfristigen Krediten, pünktlich nachzukommen, beurteilt und bewertet. Bei Fitch und Standard & Poor's kann die Beurteilung mit Plus- oder Minus-Zeichen, bei Moody's mit Ziffern versehen sein. Diese Zusätze geben Aufschluss über die Beurteilung innerhalb einer Bewertungsstufe. Dabei beurteilt Standard & Poor's die Bonität von UBS aktuell mit AA-, Fitch mit AA- und Moody's mit Aa2³.

Unternehmensinformationen

Firma und Name der Emittentin im Geschäftsverkehr ist UBS AG. Die Emittentin wurde am 28. Februar 1978 unter dem Namen SBC AG für unbestimmte Zeit gegründet und an diesem Tag in das Handelsregister des Kantons Basel Stadt eingetragen. Am 8. Dezember 1997 erfolgte die Umfirmierung zu UBS AG. UBS in ihrer jetzigen Form entstand am 29. Juni 1998 durch die Fusion der Schweizerischen Bankgesellschaft (gegründet 1862) und des Schweizerischen Bankvereins (gegründet 1872). UBS ist im Handelsregister des Kantons Zürich und des Kantons Basel Stadt eingetragen. Die Handelsregisternummer lautet CH-270.3.004.646-4.

¹ Tier-1-Kapital setzt sich zusammen aus Aktienkapital, Kapitalrücklagen, Gewinnrücklagen einschließlich Gewinn des laufenden Jahres, Währungsumrechnung und Minderheitsanteilen abzüglich aufgelaufene Dividende, Nettolongpositionen in eigenen Aktien und Goodwill.

² Am 4. Juli 2008 hat UBS AG angekündigt, dass für Ende des zweiten Quartals 2008 eine Kernkapitalquote (Tier 1) von ungefähr 11,5% zu erwarten sei.

³ Am 4. Juli 2008 änderte Moody's Investors Service das Rating für lanfristige Verschuldung und Einlage Ratings der UBS AG von Aa1 auf Aa2.

UBS ist in der Schweiz gegründet und ansässig und unterliegt als Aktiengesellschaft, d.h. als eine Gesellschaft, die Aktien für Investoren begeben hat, dem schweizerischem Obligationenrecht und den schweizerischen bankenrechtlichen Bestimmungen.

Die Adressen und Telefonnummern der beiden Satzungs- und Verwaltungssitze lauten: Bahnhofstraße 45, 8001 Zürich, Schweiz, Tel. +41-44-234 11 11; und Aeschenvorstadt 1, - 4051 Basel, Schweiz, Tel. +41-61-288 20 20.

Die Aktien von UBS sind an der SWX Swiss Exchange notiert und werden über die SWX Europe, an der die SWX Swiss Exchange die Mehrheit hält, gehandelt. Zudem sind die UBS-Aktien an den Börsen in New York und Tokio notiert.

Gemäß Artikel 2 der Statuten der UBS AG (die "Statuten") ist Geschäftszweck von UBS der Betrieb einer Bank. Ihr Geschäftspotfolio umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften im In- und Ausland.

Organisationsstrukturen der Emittentin

Die Konzernstruktur von UBS ist darauf ausgelegt, der Geschäftstätigkeit des Unternehmens einen effizienten rechtlichen, steuerlichen, regulatorischen und finanziellen Rahmen zu geben. Weder die einzelnen Unternehmensbereiche von UBS – Global Wealth Management & Business Banking, Global Asset Management, Investment Bank – noch das Corporate Center (die "**Unternehmensbereiche**") sind rechtlich selbstständige Einheiten; vielmehr agieren sie über die Niederlassungen des Stammhauses, der UBS AG, im In- und Ausland.

Trendinformationen (Ausblick)

Die gesamte Finanzbranche hatte zum Jahresbeginn mit einem ungünstigen Geschäftsklima zu kämpfen. UBS rechnet weiterhin mit einem schwierigen Umfeld, welches durch die anhaltend schlechte Lage der Weltwirtschaft, den Schuldenabbau bei institutionellen und privaten Anlegern, einen langsameren Vermögensaufbau und gesunkene Handels- und Kapitalmarktaktivitäten geprägt ist.

Verwaltungs-, Management-, und Aufsichtsorgane der Emittentin

UBS verfügt auf oberster Stufe über zwei streng getrennte Führungsgremien, wie dies von der schweizerischen Bankengesetzgebung vorgeschrieben ist. Diese Struktur schafft gegenseitige Kontrolle und macht den Verwaltungsrat (der "VR") unabhängig vom Tagesgeschäft der Bank, für das die Konzernleitung (die "KL") die Verantwortung trägt. Niemand kann Mitglied beider Gremien sein.

Abschlussprüfer

Am 23. April 2008 wurde die Ernst & Young AG, Aeschengraben 9, 4002 Basel, Schweiz, auf der UBS Generalversammlung als Abschlussprüferin der Emittentin und der UBS Gruppe in Übereinstimmung mit den gesellschaftsrechtlichen und bankengesetzlichen Vorgaben für den Zeitraum eines weiteren Jahres wiedergewählt. Ernst & Young AG, Basel, ist Mitglied der Treuhand-Kammer der Schweiz mit Sitz in Zürich, Schweiz."

C. The Issuer hereby replaces the section of the Base Prospectus entitled "Description of the Issuer" with the following text in its entirety:

"Description of the Issuer"

The following description contains general information on UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

Overview

UBS AG (with its subsidiaries, "UBS AG" or "UBS" or the "Issuer") is, according to its own opinion, one of the world's leading financial firms, serving a discerning international client base. As an integrated firm, UBS creates added value for clients by drawing on the combined resources and expertise of all its businesses. UBS is, according to its own opinion, the leading global wealth manager, a leading investment banking and securities firm with a strong institutional and corporate client franchise, one of the largest global asset managers and the market leader in Swiss commercial and retail banking. On 31 March 2008, UBS employed more than 80,000 people. With headquarters in Zurich and Basel, Switzerland, UBS operates in over 50 countries and from all major international centers.

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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 Aa2³.

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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.

Business Overview

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 Annual Report 2007 of UBS AG, 1 Strategy, Performance and Responsibility, in the English version on pages A85-A152 (inclusive).

Global Wealth Management & Business Banking

With almost 150 years of experience, the global wealth management business provides a comprehensive range of products and services, individually tailored for wealthy clients around the world. UBS's 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, according to UBS's own opinion, one of the leading wealth managers. Business Banking Switzerland is, according to UBS's own opinion, 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, according to UBS's own opinion, 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, according to UBS's own opinion, one of the largest global institutional asset managers and the largest hedge fund of funds manager in the world. It is also, according to UBS's own opinion, one of the largest mutual fund managers in Europe and the largest in Switzerland.

Investment Bank

UBS's Investment Bank is, according to UBS's own opinion, one of the world's leading 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. On 1 January 2008, UBS's private equity portfolio (formerly held by Industrial Holdings) was integrated into Corporate Center. The strategy for the portfolio remains the same as it was prior to integration: to de-emphasize and reduce exposure to this asset class while capitalizing on orderly exit opportunities as they arise.

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.

Recent Developments

- On 23 April 2008, at UBS's annual general meeting, the shareholders of UBS AG approved a capital increase relating to a fully underwritten rights issue. On 22 May 2008 UBS announced the final terms of said rights issue: UBS's Board of Directors approved an increase in the share capital of UBS AG through the issue of 760,295,181 fully paid-in registered shares with a par value of CHF 0.10. The subscription price for the new shares was set at CHF 21.00 per new share, translating into gross proceeds of approximately CHF 15.97 billion. UBS announced the successful completion of the rights offering on 13 June 2008.
- On 6 May 2008, UBS announced that (i) the Group had targeted a reduced cost run-rate of approximately CHF 28 billion for 2009, which would be significantly below current levels, and (ii) after the capacity reductions planned in the Investment Bank, UBS had established as a target that the Investment Bank would have an inherent capacity to generate approximately CHF 4 billion pre-tax contribution in a normalized environment. There can be no assurance that these plans or targets can be achieved in whole or in part or, if they can, over what time period.
- UBS announced on 6 May 2008 that the impact of the expected continuing unfavourable business environment would affect all of UBS's businesses, and it would require the firm to manage costs, resources and capacity very actively. The Investment Bank expected to employ around 19,000 people at the end of 2008. This would require a reduction of up to 2,600, of which the large majority would be redundancies. In other business groups, personnel numbers would be reduced mainly through natural attrition and internal redeployment, although it would not be possible to avoid redundancies entirely. Assuming no change in market conditions, UBS estimated that, by mid-2009, the firm as a whole would have about 5,500 fewer employees than at the time of the announcement.
- On 5 June 2008, UBS announced that it would close the Investment Bank's institutional municipal securities business through an orderly wind-down. The exit from the institutional municipals business was expected to be completed over the next few months.

- UBS announced on 1 April 2008 that it would form a new entity to hold substantial parts of UBS's work-out portfolio of currently illiquid U.S. real estate assets, and said that it intended to reduce its exposure in a way that would reduce the effect of distressed market conditions on the core businesses while providing an opportunity for shareholders to realize value over time. On 21 May 2008, UBS announced that it had sold to a newly created distressed asset fund managed by BlackRock positions consisting primarily of subprime and Alt-A U.S. residential mortgage-backed securities. UBS sold positions with a nominal value of USD 22 billion to the new fund for an aggregate sale price of approximately USD 15 billion. Based on UBS categorizations, the vast majority of the positions are subprime and Alt-A in roughly equal parts and the remainder is prime. The fund purchased the securities using approximately USD 3.75 billion in equity raised by BlackRock from investors and a multi-year collateralized term loan of approximately USD 11.25 billion provided by UBS.
- On 23 May 2008, UBS stated that, as part of its review of its fixed income businesses, it was evaluating the operation of its reference linked note programs, and may determine to limit or discontinue one or more of the programs. A decision to discontinue or limit operation of one or more of the programs could result in a charge to income.
- UBS also stated on 23 May 2008 that economic and market conditions were volatile and challenging into the second quarter. UBS said that it remained very cautious about the net new money outlook in the near term.
- On 4 July 2008, UBS announced that its results for the second quarter ended 30 June 2008, which will be released as planned on 12 August 2008, were likely to be at or slightly below break-even, taking into account the effect of a tax credit of approximately CHF 3 billion. Group net new money was negative for the period. UBS also announced that it expected its Tier 1 capital ratio at 30 June 2008 to be approximately 11.55, and that it had no need to raise new equity.
- On 17 July 2008, UBS announced that it would no longer provide offshore banking and securities services to US residents through its bank branches. Such services will only be provided through companies licensed in the United States.

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 Annual Report 2007 of UBS AG, 4 Financial Statements, in English, on pages D96-D99 (inclusive).

Trend Information (Outlook)

The year started with tough business conditions for the financial industry as a whole. UBS expects this difficult environment to remain and be characterized by a continuing unfavorable global economic climate, deleveraging by institutional and private investors, slower wealth creation and lower trading and capital market activity.

Administrative, Management and Supervisory Bodies of the Issuer

UBS operates under a strict dual Board structure, as mandated by Swiss banking law. 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 Annexes 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 one year¹.

Details of the Executive Bodies of the Company

Board of Directors of UBS AG

The BoD consists of twelve members²:

Name	Title	Term of office	Position outside UBS AG
Peter Kurer	Chairman	2009	
Stephan Haerlinger	Executive Vice Chairman	2010	
Sergio Marchionne	Non-Executive Vice Chairman	2010	CEO of Fiat S.p.A, Turin; CFO of Fiat Group Automobiles; Chairman of the board of the Société Générale de Surveillance (SGS) Group, Geneva and Chairman of the board of CNH Global N.V., Amsterdam; member of the Board of Directors of Philip Morris International Inc., New York
Ernesto Bertarelli	Member	2009	Chairman of Kedge Capital Partners Ltd. Jersey; Chairman of Team Alinghi SA, Ecublens (Switzerland); Chairman of Alinghi Holdings Ltd. Jersey; various board mandates in professional organizations of the biotech and pharmaceutical industries
Gabrielle Kaufmann-Kohler	Member	2009	Partner at the Lévy Kaufmann-Kohler law firm; Professor of International Private Law at the University of Geneva; member of the American Arbitration Association
Rolf A. Meyer	Member	2009	Member of the BoD of DKSH AG, Zurich; member of the BoD of Ascom (Switzerland) Ltd., Berne

¹ At the Annual General Meeting on 23 April 2008 the shareholders reduced the term of office for the members of the BoD from three years to one year. As a result, the new members were elected for one year. For existing members the one-year term starts from the point at which they are re-elected.

² Four members of the Board of Directors (Stephan Haerlinger, Rolf A. Meyer, Peter Spuhler and Lawrence A. Weinbach) have decided to resign their positions in October 2008. An Extraordinary General Meeting will be held on 2 October 2008 to elect four new members.

Helmut Panke	Member	2010	Member of the Board of Directors of Microsoft Corporation, Redmond, WA (USA); member of the BoD of the American Chamber of Commerce in Germany; member of the International Advisory Board for Dubai International Capital's "Global Strategic Equities Fund"
David Sidwell	Member	2009	Member of the BoD of MSCI Barra Inc.; trustee of the International Accounting Standards Committee Foundation; member of the Advisory Committee of the US Securities and Exchange Commission (SEC)
Peter Spuhler	Member	2010	Owner of Stadler Rail AG (Switzerland); Chairman of Stadler Bussnang AG; Chairman of various companies within the Stadler Rail Group; member of the BoD of Kühne Holding, Switzerland; member of the BoD of Walo Bertschinger Central AG, Switzerland; Vice President of LITRA, Berne; member of the National Council of the Swiss Parliament (lower house)
Peter R. Voser	Member	2009	Chief Financial Officer of Royal Dutch Shell plc, London; member of the BoD of the Federal Auditor Oversight Authority
Lawrence A. Weinbach	Member	2009	Partner of the Yankee Hill Capital Management LLC, Southport, CT (USA); member of the BoD of Avon Products Inc., New York; trustee and member of the Audit Committee of Carnegie Hall, New York; member of the BoD of Quadra Realty Trust, Inc., New York; member of the BoD of Discover Financial Services, Riverwoods, Illinois; member of the New York Stock Exchange Listed Company Advisory Committee; member of the National Security Telecommunications Advisory Committee
Joerg Wolle	Member	2009	President and CEO of DKSH (Diethelm Keller Siber Hegner) Holding Ltd., Zurich

Group Executive Board of UBS AG

The GEB consists of eleven members:

Marcel Rohner	Group Chief Executive Officer
John A. Fraser	Chairman and CEO Global Asset Management
Marten Hoekstra	Deputy CEO, Global Wealth Management & Business Banking and Head of Wealth Management, Americas
Jerker Johansson	Chairman & CEO Investment Bank
Joseph Scoby	Group Chief Risk Officer
Walter Stuerzinger	Chief Operating Officer, Corporate Center
Marco Suter	Group Chief Financial Officer
Rory Tapner	Chairman and CEO Asia Pacific
Raoul Weil	Chairman and CEO Global Wealth Management & Business Banking
Alexander Wilmot-Sitwell	Joint Global Head Investment Banking Department, Investment Bank, and Chairman and CEO, Group Europe, Middle East & Africa
Robert Wolf	Chairman and CEO, Group Americas and President and Chief Operating Officer, Investment Bank

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 one year¹. The BoD itself then appoints its Chairman, the Vice Chairmen, the Deputy, the Senior Independent Director and the Chairmen and members of the various BoD Committees (Audit Committee; Corporate Responsibility Committee; Governance and Nominating Committee; Human Resources and Compensation Committee; Risk Committee and Strategy Committee)².

The BoD has ultimate responsibility for promoting the success of UBS and delivering sustainable shareholder value within a framework of prudent and effective controls which enables risk to be assessed and managed. The BoD sets UBS's strategic aims, ensures that the necessary financial and human resources are in place for UBS to meet its objectives and reviews management performance. The BoD sets UBS's values and standards and ensures that its obligations to its shareholders and others are met. The BoD's proposal for election of members of the BoD must be such that three quarters of the members will, following election, be independent. While the Chairman does not need to be independent, at least one of the Vice-Chairmen must be. 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

Under the leadership of the Group CEO, the GEB has executive management responsibility for UBS Group. It assumes overall responsibility for the development of the firm's business strategies and the implementation of approved strategies. All GEB Members are proposed by the Group CEO and the BoD approves the appointments of the Group CEO, the Group CFO, the Group CRO and the Group GC; the HRCC approves all other GEB Members.

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

Conflicts of interest

Members of the BoD and GEB may act as directors or executive officers of other companies (please see above under "Details of the Executive Bodies of the Company") and may have economic or other private interests that differ from those of UBS. Potential conflicts of interest may arise from these positions or interests. UBS is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including disclosure when appropriate.

Auditors

On 23 April 2008, 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.

¹ At the Annual General Meeting on 23 April 2008 the shareholders reduced the term of office for the members of the BoD from three years to one year. As a result, the new members were elected for one year. For existing members the one-year term starts from the point at which they are re-elected.

² New committee structure effective as of 1 July 2008.

Major Shareholders of the Issuer

The ownership of UBS shares is broadly dispersed. As at 31 December 2007, Chase Nominees Ltd., London, was registered with a 7.99 per cent holding (31 December 2006: 8.81 per cent, 31 December 2005: 8.55 per cent) of total share capital held in trust for other investors. As at 31 December 2007, the US securities clearing organisation DTC (Cede & Co.) New York, "The Depository Trust Company", held 14.15 per cent (31 December 2006: 13.21 per cent, 31 December 2005: 9.95 per cent) of total share capital in trust for other beneficiaries. As of 18 June 2008, Credit Suisse Group held acquisition positions relating to 75,559,712 shares of UBS AG which corresponds to 2.58 % of the total share capital of UBS AG. These positions comprised 23,372,406 shares (0.80%), 18,367,455 call options or other acquisition rights relating to 38,859,215 shares (1.33%), and 8,665,232 short put options or other disposal rights granted to third parties relating to 13,328,091 shares (0.45%). At the same time Credit Suisse Group held disposal positions relating to 95,810,893 shares of UBS AG, corresponding to 3.27 % of the total share capital of UBS AG. These positions comprised 16,550,433 put options or other disposal rights relating to 26,375,796 shares (0.90%) and 431,610,123 short call options or other acquisition and conversion rights granted to third parties relating to 69,435,097 shares (2.37%). 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 3 per cent of all voting rights. Only shareholders registered in the share register as shareholders with voting rights are entitled to exercise voting rights.

As of 12 June 2008, UBS held acquisition positions relating to 200,697,096 shares of UBS AG which corresponds to 6.84 % of the total share capital of UBS AG. These positions comprised 155,027,045 shares (5.28%), 4,934,314 call options or other acquisition rights relating to 4,934,314 shares (0.17%), and 40,735,737 short put options or other disposal rights granted to third parties relating to 40,735,737 shares (1.39 %). At the same time UBS held disposal positions relating to 584,337,663 shares of UBS AG, corresponding to 19.93 % of the total share capital of UBS AG. These positions comprised 170,376 put options or other disposal rights relating to 170,376 shares (0.01%) and 584,167,287 short call options or other acquisition and conversion rights granted to third parties relating to 584,167,287 shares (19.92%). These comprised, inter alia, conversion rights on 270,438,942 (9.22%) UBS registered shares in the form of mandatory convertible notes ("MCNs") issued to the Government of Singapore Investment Corporation Pte. Ltd, Singapore, and an investor from the Middle East on 5 March 2008. As of 15 July 2008, the Government of Singapore Investment Corporation Pte. Ltd reported in a filing with the US Securities and Exchange Commission that it held 240,223,963 UBS shares, including 228,832,951 shares to be received upon conversion of the MCNs.

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 Annual Report 2007 of UBS AG, 3 Corporate Governance and Compensation Report, in English, on pages C5-C6 (inclusive).

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 Report of the Issuer for financial year 2006 in the Annual Report 2007 of UBS AG, 4 Financial Statements for financial year 2007, in English, which were restated on 14 April 2008 (see (iv) below). In this context, the Issuer's fiscal year equals the calendar year.

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 – 225 (inclusive) and to the Parent Bank Review on page 217, and
- (iii) the sections entitled "Accounting Standards and Policies" on pages 67 - 72 (inclusive) in the Financial Report 2006.

In the case of financial year 2007 reference is made to

- (i) the Financial Statements of UBS AG (Group), in particular to the Income Statement of UBS AG (Group) on page D18, the Balance Sheet of UBS AG (Group) on page D19, to the Statement of Cash Flows of the UBS AG (Group) on pages D23 - D24 (inclusive) and to the Notes to the Financial Statements on pages D25 - D120 (inclusive), and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement of UBS AG (Parent Bank) on page D125, the Balance Sheet of UBS AG (Parent Bank) on page D126, to the Statement of Appropriation of Retained Earnings of UBS AG (Parent Bank) on page D127, to the Notes to the Financial Statements on page D128 and to the Parent Bank Review on page D124, and
- (iii) the sections entitled "Accounting Standards and Policies" on pages D3 - D8 (inclusive) in the Annual Report 2007 of UBS AG, 4 Financial Statements.
- (iv) In January 2008, the International Accounting Standards Board (IASB) issued an amendment to IFRS 2 Share-based Payment. The amended standard, entitled IFRS 2 Sharebased Payment: Vesting Conditions and Cancellations, is effective 1 January 2009 (early adoption permitted). The new standard clarifies the definition of vesting conditions and the accounting treatment of cancellations. UBS has early adopted this amended standard as of 1 January 2008. Under the amended standard, UBS is required to distinguish between vesting conditions (such as service and performance conditions) and non-vesting conditions. The amended standard no longer considers vesting conditions to include certain non-compete provisions and transfer restrictions. Prior to adopting this amendment, UBS treated non-compete provisions as vesting conditions. The impact of this change will be that, from 1 January 2008, most of UBS's share and certain option awards will be expensed in the performance year rather than over the period through which the non-compete conditions are applicable. Restrictions remaining effective after the employee becomes entitled to the share-based award will be considered when determining grant date fair value. Following adoption of this amendment, UBS has fully restated the two comparative prior years (2006 and 2007). The effect of the restatement on the opening balance at 1 January 2006 was as follows: reduction of retained earnings by approximately CHF 2.2 billion, increase of share premium by approximately CHF 2.3 billion, increase of liabilities (including deferred tax liabilities) by approximately CHF 0.3 billion, and increase of deferred tax assets by approximately CHF 0.4 billion. Additional compensation expense of approximately CHF 800 million and approximately CHF 500 million was recognized in 2007 and 2006, respectively. The additional compensation expense is attributable to the acceleration of expense related to share-based awards which contain non-compete provisions and transfer restrictions that no longer qualify as vesting conditions under the Standard. The additional compensation expense of approximately CHF 800 million for 2007 includes awards granted in 2008 for the performance year 2007.

Reference is also made to the Consolidated Financial Statements (restated) of UBS AG for the financial year 2007, in particular the Income Statement of UBS AG (Group) on page F-31, the Balance Sheet of UBS AG (Group) on page F-32, (iii) the Statement of Cash Flows of UBS AG (Group) on pages F-37 - F-38 (inclusive) and the Notes to the Financial Statements on pages F-39 - F-139 (inclusive).

All relevant financial information including the relevant notes thereto, contained therein and audited by the UBS auditor, form an integral component of this document, and are therefore fully incorporated in this document.

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") 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 as well as for UBS AG (Parent Bank) were audited by Ernst & Young Ltd., Basel, for financial years 2006 and 2007. The "Report of the Statutory Auditors" of the UBS AG (Parent Bank) can be found on page 226 of the Financial Reports for 2006 and on page D140 of the Annual Report 2007 of UBS AG, 4 Financial Statements. The "Report of the Group Auditors" of the UBS AG (Group) can be found on pages 80 – 81 (inclusive) of the Financial Reports for 2006 and on page D16 - D17 (inclusive) of the Annual Report 2007 of UBS AG, 4 Financial Statements, and on page F-29 – F-30 (inclusive) of the Consolidated Financial Statements (restated) of UBS AG for the financial year 2007.

Reference is also made to the English version of UBS's quarterly report for the first quarter 2008, which includes information on the current financial condition and results of operation of UBS. The information contained in this report as of 31 March 2008 was not audited by UBS's auditor.

Legal and Arbitration Proceedings

UBS Group operates 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 is often 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.

Currently, UBS is responding to a number of governmental inquiries and investigations, and is involved in a number of litigations and disputes, related to the sub-prime crisis, sub-prime securities, and structured transactions involving sub-prime securities. These matters concern, among other things, UBS's valuations, disclosures, write-downs, underwriting, and contractual obligations. UBS has been in regular communication with its home country consolidated regulator, the Swiss Federal Banking Commission (EBK), regarding some of these issues and others, including the role of internal control units, governance and processes around risk control and valuation of sub-prime instruments, compliance with public disclosure rules, and the business rationales for the launching and the reintegration of DRCM.

Within the last 12 months until the date of this document, UBS has been involved in the following material legal proceedings:

- (a) Tax Shelter: In connection with a criminal investigation of tax shelters, the United States Attorney's Office for the Southern District of New York ("US 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 the subject of the Deferred Prosecution Agreement which the accounting firm KPMG LLP entered into with the US Attorney's Office in August 2005, and are at issue in United States v. Stein, S1 05 Cr. 888 (LAK). UBS is cooperating in the government's investigation.
- (b) Municipal Bonds: In November 2006, UBS and others received subpoenas from the US Department of Justice, Antitrust Division, and the SEC relating to derivative transactions entered into with municipal bond issuers and to the investment of proceeds of municipal bond issuances. Both investigations are ongoing, and UBS is cooperating. In the SEC investigation, on 4 February 2008, UBS received a "Wells notice" advising that the SEC staff is considering recommending that the SEC bring a civil action against UBS AG in connection with the bidding of various financial instruments associated with municipal securities. Under the SEC's Wells process, UBS will have the opportunity to set forth reasons of law, policy or fact why such an action should not be brought.
- (c) HealthSouth: UBS is defending itself in two purported securities class actions brought in the US 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.
- (d) Parmalat: UBS is involved in a number of proceedings in Italy related to the bankruptcy of Parmalat. UBS Limited and one current and one former UBS employee are the subject of criminal proceedings in Milan. UBS AG and UBS Limited are defendants in civil actions brought by Parmalat investors in parallel with these criminal proceedings. Furthermore, two current and two former UBS employees (two of whom are the defendants in Milan) are defendants in relation to criminal proceedings in Parma. Civil claims have also been recently filed in parallel with the criminal proceedings by Parmalat investors against the individuals, UBS AG and UBS Limited. UBS AG and UBS Limited deny the allegations made against them and against the individuals in the matters and are defending themselves. In June 2008, UBS settled all civil claims brought by Parmalat (and Mr Enrico Bondi) against UBS, including clawback proceedings against UBS Limited in connection with a structured finance transaction, two civil damages claims brought by Parmalat, and civil actions against the individuals and UBS AG brought in parallel with the criminal proceedings in Parma.
- (e) Auction Rate Securities Litigation: UBS has been named in three putative class actions and several arbitrations and individual civil litigations, and is responding to numerous regulatory requests, including requests from the SEC and a number of state regulators, relating to the marketing and sale of Auction Rate Securities (ARS) to clients and to UBS's role and participation in ARS auctions. The requests and the class actions followed the disruption in the markets for these securities and related auction failures since mid-February 2008.
- (f) US Cross-Border: The DOJ and the SEC are examining UBS's conduct in relation to cross-border services provided by Swiss-based UBS client advisors to U.S. clients during the years 2000-2007. In particular, DOJ is examining whether certain U.S. clients sought, with the assistance of UBS client advisors, to evade their U.S. tax obligations by avoiding restrictions on their securities investments imposed by the Qualified Intermediary agreement UBS entered into with the U.S. Internal Revenue Service in 2001. In connection with this investigation, a senior UBS employee was detained by U.S. authorities as a "material witness", and he remains in the U.S. until his status as a witness is resolved. On 19 June 2008, a former UBS AG client advisor pleaded guilty on one count of conspiracy to defraud the United States and the Internal Revenue Service in connection with providing investment and other services to a U.S. person who is alleged to have evaded U.S. income taxes on

income earned on assets maintained in, among other places, a former UBS AG account in Switzerland. The SEC is examining whether Swiss-based UBS client advisors engaged in activities in relation to their U.S.-domiciled clients that triggered an obligation for UBS Switzerland to register with the SEC as a broker-dealer and/or investment adviser. UBS has been cooperating with these investigations.

- (g) Insight One: In early July 2007, UBS agreed to a settlement of the InsightOne case after the New York State Attorney General filed a civil complaint regarding UBS's fee-based brokerage program for private clients in the United States in December 2006. UBS denied that the program was part of a scheme to disadvantage clients, but chose to settle to bring the proceedings to an end. Under the settlement, UBS paid a total of USD 23.3 million, of which USD 21.3 million was paid to certain current and former InsightOne customers pursuant to an agreed upon remediation plan, and USD 2 million was paid in penalties. In 2006, UBS established provisions sufficient to cover the settlement, and therefore the settlement did not impact UBS's Net profit in 2007.
- (h) Bankruptcy Estate of Enron: In June 2007, UBS and Enron settled adversarial proceedings in the US Bankruptcy Court for the Southern District of New York brought by Enron to avoid and recover payments made prior to filing for bankruptcy in connection with equity forward and swap transactions. UBS believed it had valid defences to all of Enron's claims, but chose to settle to eliminate the uncertainty created by the proceeding. Under the terms of the settlement, UBS paid Enron USD 115 million and waived a proof of claim for approximately USD 5.5 million that UBS filed in Enron's bankruptcy case. In 2006, UBS recognized a provision for more than half of the settlement amount, with the difference recognized in 2007. Therefore, the settlement did not materially impact UBS's Net profit in 2007.

Besides the proceedings specified above under (a) through (h) no governmental, legal or arbitration proceedings, which may significantly affect the Issuer's financial condition (as opposed to the operating results in the quarterly reporting period) are or have been pending, nor is the Issuer aware that any such governmental, legal or arbitration proceedings are threatened.

Significant Changes in the Financial Situation of the Issuer

Unless disclosed in the section entitled "Recent Developments" above, there has been no material change in the financial or trading position of the Issuer since the last unaudited financial statements, which have been published for the period ending 31 March 2008.

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.

Documents on Display

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 Annual Report of UBS AG as at 31 December 2007, comprising (i) the Review 2007, (ii) 1 Strategy, Performance and Responsibility, (iii) 2 Risk, Treasury and Capital Management, (iv) 3 Corporate Governance and Compensation Report, (v) 4 Financial Statements (including the "Report of the Group Auditors" and the "Report of the Statutory Auditors"); the Consolidated Financial Statements (restated) of UBS AG for the financial year 2007 (including the "Report of the Group Auditors"), published in the securities prospectus dated 23 May 2008 for the Offering of 760,295,181 Registered Shares of UBS AG; the 1st quarter report of UBS AG; 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.

D. The Issuer hereby supplements the section of the Base Prospectus entitled "General Information", as follows:

The sub-section entitled "Availability of the Prospectus and Other Documents", on pages 444 through 445 of the Base Prospectus will be supplemented by the following text:

"(h) a copy of the Quarterly Report of UBS AG as of 31 March 2008.

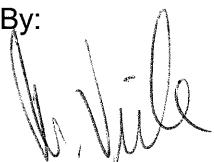
Copies of the documents referred to under (a) through (h) above and information which refers to sources such as Bloomberg shall also be maintained in printed format, for free distribution, at the offices of the Issuer as well as UBS Deutschland AG, Stephanstrasse 14 - 16, 60313 Frankfurt am Main, Federal Republic of Germany, for a period of twelve months after the publication of this document. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at "www.ubs.com/investors" or a successor address."

SIGNATORIES
UBS AG

Signed on behalf of UBS AG on 8 August 2008:

UBS AG

By:



Thomas Viola



Michael Urbaniak
Michael Urbaniak

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ISSUER

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