

Call Warrant on EUR 10y - EUR 2y IRS Rate Spread Rates Spread Warrant

Increase to 300'000 units by 29th July 2008

[Final Terms]

Product Details

Underlying	10-year EUR LIBOR Swap Rate minus 2-year EUR Libor Swap Rate	
	Whereby:	
	10-year EUR LIBOR Swap Rate :	
	The 10 Year 30/360 par swap rate vs. 6m EUR LIBOR, as indicated on Reuters Page ISDAFIX2 under the "11:00a.m. Fix" (Frankfurt time) column (or any successor or replacement page).	
	2-year EUR LIBOR Swap Rate :	
	The 2 Year 30/360 par swap rate vs. 6m EUR LIBOR, as indicated on Reuters Page ISDAFIX2 under the "11:00a.m. Fix" (Frankfurt time) column (or any successor or replacement page).	
Nominal	EUR 1'000	
Issue Price	EUR 3.45	
Issue Size	100'000 Warrants	
Interest	None	
Redemption Amount per Product	On the Redemption Date this Product pays out an amount calculated by the Calculation Agent as follows: <i>Max(0, Reference Price - Strike Price) x Nominal</i>	
Reference Price	The level of the Underlying on the Expiration Date as calculated by the Calculation Agent by reference to the official fixing levels of the Underlying.	
Strike Price	0.00%	
Current Level	-0.2245%	
Settlement Currency	EUR	
Conversion Ratio	1:1	
Security Number	ISIN: CH0043032678	WKN: UB8SK4
	Valor: 4303267	Common Code: 0376312
	Symbol: UBRSA	

Dates

Fixing Date	11 Jul 2008
Issue Date / Payment Date	14 Jul 2008
Expiration Date	14 Jul 2009
First SWX Trading Date (anticipated)	01 September 2008
Last Trading Day and Trading Expiration Time	10 Jul 2009 (17:00 Zurich)

Fixed Income & Commodity Coverage – Wealth Managers

Contact:	UBS AG, P.O. Box, 8098 Zurich	Europe:	+41-44-874-1155	Middle East:	+44-207-567-8927
Internet:	www.ubs.com/keyinvest	Switzerland:	+41-44-239-7170	USA:	+1-203-719-7393
Product Helpline:	+49-69-2179-8989	UK:	+44-207-567-7562	Asia:	+65-683-65312 / +65-643-18621

Please note that calls made to these numbers may be recorded. Should you call one of these numbers, we will assume that you consent to this business practice.

Redemption Date/Maturity Date 17 Jul 2009
 In case this date is not a Business Day, the next following Business Day will be the Redemption Date.

Product Description

Structure / Risk Information

Description: The EUR-denominated "Call Warrant on EUR 10y – EUR 2y IRS Rate Spread" is a product that offers the Investor participation in the "steepness" of the yield curve i.e. the difference between the 10-year EUR Libor Swap Rate and the 2-year EUR Libor Swap Rate as defined in the section "Underlying". The Investor will only receive a redemption amount if the Reference Price is higher than the Strike Price. In this case the Investor will receive an amount on the Redemption Date which is calculated as mentioned in the section "Redemption Amount per Product".

Earning prospects: The prospective gain is not limited.

Product risks: Investors shall be aware that the performance of the Product is linked to the Underlying and subject to a certain leverage which means that a percentage change in the value of the Underlying might cause an increased percentage change in the value of the Product. The redemption amount of the Product is subject to the volatility of the Underlying i.e. unpredictable changes in the Underlying.

If the Reference Price is at or below the Strike Price Investors will realise total loss of the investment. Investors are also exposed to the Issuer's credit risk.

The Products are subject to early redemption for tax reasons in accordance with their terms and conditions and on such early redemption the Calculation Agent shall determine the market value of such Products at its discretion.

SVSP Product Name Warrant (110)
www.svsp-verband.ch

General Information

Issuer:	UBS AG, Zurich
Issuer's Rating	Aa2 Moody's / AA- S&P's / AA- Fitch
Lead Manager	UBS Limited
Calculation Agent	UBS Limited
Principal Paying Agent	UBS AG, Zurich
Seniority/Subordination	Unsecured, Unsubordinated
Business Days	London, TARGET, Zurich
Listing	SWX Swiss Exchange
Secondary Market	Daily tradable prices will be available on SCOACH
Minimum Trading Lot/ Minimum Investment	1 unit
Exercise Details/ Exercise Style	European, automatic exercise on Expiration Date
Clearing	SIS, Euroclear, Clearstream (Book-entry Security booked at SIS SegalInterSettle AG)
Form of Deed	Book-entry Security
Governing Law/ Jurisdiction	Swiss/ Zurich

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Tax Treatment

The Product is classified as warrant. Therefore the following Tax Treatment applies:

Swiss Federal Stamp Duty: For Swiss Stamp Duty purposes, the Product is treated as a warrant. Therefore, secondary market transactions are in principle not subject to Swiss Stamp Duty.

Swiss Income Tax: For private investors the transaction is subject to neither Swiss federal nor cantonal or communal income tax.

Swiss Withholding Tax: The Product is not subject to Swiss Withholding Tax.

EU Savings Tax Treatment: For Swiss paying agents, the Product is not subject to the EU Savings Tax (TK10).

The tax information only provides a general overview of the potential tax consequences linked to this Product at the time of issue. Tax laws and tax doctrine may change, possibly with retroactive effect.

Product

One EUR denominated Call Warrant on EUR 10y - EUR 2y IRS Rate Spread with the given Nominal is equivalent to one (1) "Product".
"Products" wherever used herein shall be construed to mean integral multiples of the same subject to the Issue Size.

Product Documentation

UBS Structured Warrant Programme (BaFin approved and EUPD compliant).

Final Terms will be filed for public offer in Germany, Switzerland, Italy, and Luxembourg.

This document serves as and fulfils the requirements of a '**Simplified Prospectus**' in accordance with Art. 5 of the Swiss Federal Act on Collective Investment Schemes (CISA). The Simplified Prospectus together with the UBS Structured Warrant Programme ("SWP") and the respective Final Terms shall form the documentation for this Product ("Product Documentation"), and accordingly the Simplified Prospectus should always be read in conjunction with these documents. The term Product as used in this Simplified Prospectus corresponds to the term "Warrant" as defined in the SWP.

During the whole term of this Product, the respective documents can be ordered free of charge from UBS AG at P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 21 69 1114) or via e-mail (swiss-prospectus@ubs.com). In addition, the respective documents are available on the internet at <http://www.ubs.com/keyinvest>.

Notices in connection with this Product shall be validly given by publication in electronic media such as Reuters and/or Investdata. In addition, any changes with regard to the terms of this Product shall be published on the internet at <http://www.ubs.com/keyinvest>.

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ADDITIONAL INFORMATION / DISCLAIMERS

Classification

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 does not require an authorisation of the Swiss Federal Banking Commission (Eidgenössische Bankenkommission). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA.

Prudential Supervision

UBS AG is regulated and supervised by the Swiss Federal Banking Commission (Eidgenössische Bankenkommission). In addition, its London Branch is regulated and supervised by the Financial Services Authority (FSA) and its Jersey Branch by the Jersey Financial Services Commission (JFSC).

Risk Factors relating to the Issuer

In addition to the market risk with regard to the development of the Underlying, each Investor bears the general risk that the financial situation of the Issuer could deteriorate. The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank *pari passu* with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The general assessment of the Issuer's creditworthiness may affect the value of the Products. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

Important Information

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 this document 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 document. UBS' 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 this Product to dealers and other financial institutions at a discount to the issue price or rebates to them for their 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 should not be construed as an offer, personal 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 Products/Notes (the "Prospectus").

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

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

There is a possibility that costs, including taxes, related to transactions in connection with this Product may arise for the Investor that are not paid by UBS or imposed by it.

Secondary Market

The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential Investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price.

In special market situations, where the Issuer is completely unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer.

SELLING RESTRICTIONS

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.

The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. Investors in this Product should seek specific advice before on-selling this Product.

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WARNING - The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution in relation to the offer. If an Investor is in any doubt about any of the contents of this document, the Investor should obtain independent professional advice.

Europe - Any offer, sale and purchase of this Product must be in compliance with the law of the relevant EEA jurisdiction. Any public offer of this Product within a EEA jurisdiction that has implemented the EU Prospectus Directive (EUPD) shall only be possible if compliant with the requirements of the EUPD.

If the prospectus is either not notified to or the Final Terms are not filed with the relevant Financial Supervisory Authority it DOES NOT QUALIFY as a prospectus published in accordance with the requirements of the EUPD and until a prospectus has been published in accordance with the requirements of the EUPD, this Product may not be offered or sold in EEA jurisdictions that have implemented the EUPD 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.

Hong Kong - This Product has not been offered and sold, and each purchaser represents and agrees that it will not offer and sell the Products 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.

Singapore - This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this Product may not be circulated or distributed, nor may this Product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Cap. 289) of Singapore ("SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where this Product is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments 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, 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 securities under Section 275 of the SFA except:
 - (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
 - (2) where no consideration is or will be given for the transfer; or
 - (3) where the transfer is by operation of law.

UK - For the purposes of non-discretionary accounts, this Product should not be sold with a consideration of less than 50,000 EUR or equivalent.

USA - This Product may not be sold or offered within the United States or to U.S. persons, the foregoing shall not, however, prohibit sales to U.S. offices of UBS AG.

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