

**Summary Term Sheet**

Issuer:	UBS AG or a subsidiary of UBS AG
Instrument:	Mandatory Convertible Notes (the "Notes")
Issue Size:	CHF 13,000,000,000
Issue Price:	100%
Maturity:	2 years
Coupon:	9.00% p.a., payable annually
Convertible into:	Registered shares of UBS AG
Payment Date:	5 business days in Zurich after the EGM
Underlying shares:	Conditional capital to be created at an extraordinary shareholders meeting of the Issuer (the "EGM"), such EGM to take place no later than February 29, 2008
Reference Price:	The average of (i) CHF 57.2 and (ii) the average of the three daily VWAPs on virt-x for the three days prior to the EGM, subject to a minimum of CHF 51.48 and a maximum of CHF 62.92.
Minimum Conversion Price:	100 % of the Reference Price
Maximum Conversion Price:	117% of the Reference Price
Mandatory Conversion at Maturity (Redemption):	At Maturity the Notes will be redeemed through conversion into Shares. The conversion ratio applicable at maturity will be: <ul style="list-style-type: none"><li>- if the share price is below the Minimum Conversion Price, the par value divided by the Minimum Conversion Price</li><li>- if the share price is above the Maximum Conversion Price, the par value divided by the Maximum Conversion Price</li><li>- if the share price is between the Minimum Conversion Price and the Maximum Conversion Price, the par value divided by the share price.</li></ul>
Early Conversion:	The Notes contain market-standard provisions allowing for early at the option of either the Issuer or the holders
Lock-up:	6 months after the Payment Date
Reset Adjustment:	If UBS AG issues in excess of CHF 5 billion Shares, other equity securities or equity-linked securities at a sale price below the Reference Price, or additional mandatory convertible notes or equivalent instruments with a payment rate higher than the Coupon on these Notes or a Maximum Conversion Price below the Maximum Conversion Price of these Notes, during the one year period following the announcement of the issuance of these Notes, the Maximum Conversion Price may be reduced, but to no less than the Minimum Conversion Price.
Offering:	Private Placement