

UBS Libor Mortgage. The flexible financing.

Do you want to benefit from attractive mortgage interest rates and do you expect future interest rates to remain stable or even decline? Do you keep a close eye on interest rate developments, and are you prepared to accept short-term rate fluctuations?

Or are you looking for a flexible interim mortgage solution because you plan to repay all or part of your mortgage in the near future, in connection with the sale of your home, for instance? Then the UBS Libor Mortgage is the perfect solution for you.

UBS Libor Mortgage at a glance

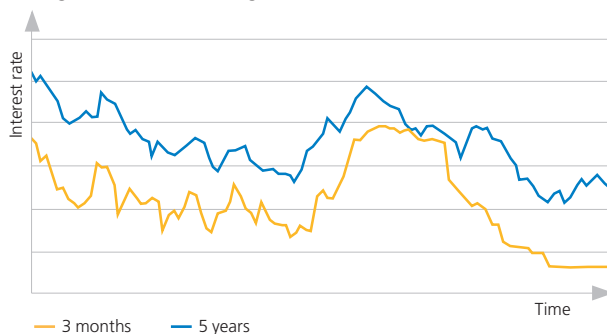
<i>Interest rate</i>	<i>fixed for the chosen fixed-interest period</i>
<i>Duration</i>	<i>unlimited</i>
<i>Interest rate risk</i>	<i>You benefit from attractive interest rates but also have to be prepared to accept short-term fluctuations in rates. You can protect yourself in periods of rising interest rates by hedging with UBS Libor Cap Warrants or switching to an alternative mortgage product at the beginning of a new fixed interest period. You decide when the time is right for you</i>
<i>Reference rate</i>	<i>based on the relevant CHF-Libor for the chosen fixed-interest period*</i>

Benefit

Mortgage interest based on market rates
You will benefit from transparent, market-based interest rates.

Favorable interest rate conditions
In a normal interest rate environment, short-term financing is cheaper than long-term financing. The UBS Libor Mortgage takes advantage of this basic principle to offer you more attractive mortgage financing rates.

Changes in short- and long-term interest rates



Interest rates are adjusted regularly, so you benefit quickly when rates decline.

Protection against rising rates – interest-rate hedging or product switching

UBS Libor Cap Warrants allow you to protect your UBS Libor Mortgage against rising interest rates. Because the interest rate is fixed for only a short period, you can switch to a UBS Fixed-Rate Mortgage any time and thus protect yourself when interest rates go up – you also have the option of locking in the rate on a UBS Fixed-Rate Mortgage in advance of the date the new financing comes into effect.

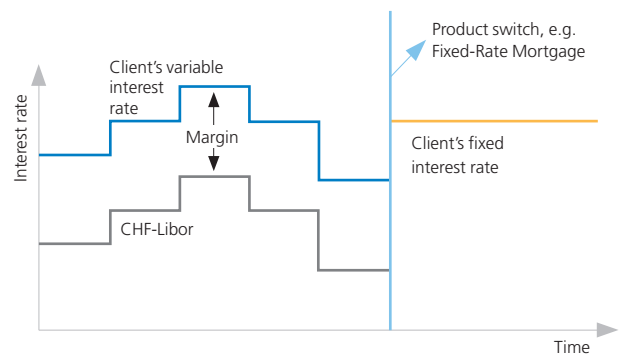
High degree of flexibility

With this product you can repay your mortgage in part or in full at the end of any fixed-interest period. This flexibility is particularly important if you are planning on selling your home in the near future or making a substantial amortization payment, for example.

How the UBS Libor Mortgage works

Interest rate

You can conclude a UBS Libor Mortgage at any time. When setting up a UBS Libor Mortgage, you choose the fixed-interest period. The interest rate will be adjusted to the prevailing money market rates at the end of the chosen fixed-interest period.



Your mortgage rate is based on the CHF-Libor rate, which is the interest rate offered on short-term CHF deposits by first-class banks to each other and which is published daily in the media. It reflects the general interest rate level for short-term funds in Swiss francs.

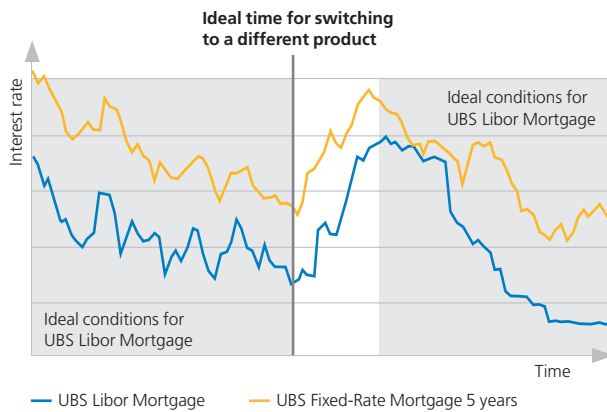
* CHF-Libor (London Interbank Offered Rate), on which changes in the mortgage rate are based, is set in London before the start of a fixed-interest period.

Interest rate risk

Because the interest rate is fixed for only a short period, the UBS Libor Mortgage adjusts quickly to changes that occur in the money market. During periods of declining interest rates, this feature is very positive, but when interest rates climb it represents a drawback. You can protect yourself against rising interest rates by switching to another product – the UBS Fixed-Rate Mortgage, for instance. You decide when the time is right to take this step.

Recommendation

The UBS Libor Mortgage is a product suited to people who regularly follow developments on the money and capital markets. The ideal time to conclude a UBS Libor Mortgage is when the trend in interest rates is flat or declining.



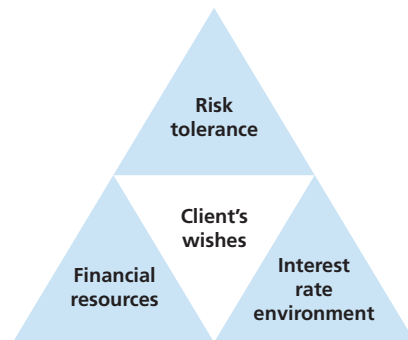
Divide your financing into two or more tranches. You should select different terms so that interest rate changes never affect all of your mortgage financing at once. In this way the negative effects of an unfavorable development in interest rates can be limited.

Good to know

- The UBS Libor Mortgage is suitable for all types of real estate financing.
- Switching from the UBS Libor Mortgage to an alternative UBS mortgage product is free of charge.
- Through indirect amortization you can cut your tax bill. Regular direct amortization payments can be specified in the mortgage agreement.
- You can earn bonus points with your UBS mortgage. As a UBS KeyClub member you receive valuable KeyClub bonus points for your mortgage every quarter throughout the entire term of your mortgage.

Any questions?

Your UBS client advisor will be happy to advise you and formulate an individual financing proposal designed to achieve the best possible balance between your personal wishes, the current interest rate situation and your financial circumstances.



Further information about the entire range of UBS mortgage products is available from our Web site at www.ubs.com/hypo or directly from your client advisor.



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