

Media release

UBS announces capital increase with subscription right, distribution and net asset value for the real estate fund UBS (CH) Property Fund – Swiss Residential «Anfos»

Zurich/Basel, 16 November 2007 – The real estate portfolio of the real estate fund UBS (CH) Property Fund – Swiss Residential «Anfos» (UBS «Anfos») has grown by 22% over the last three years, from CHF 1,181.6 million (30 September 2004) to CHF 1,443.1 million (30 September 2007). To help the real estate fund UBS «Anfos» continue to grow, UBS AG is carrying out a capital increase from **29 November 2007 to 7 December 2007, 12 noon.**

Subscription rights will be officially traded on SWX Swiss Exchange from 29 November to 5 December 2007. The subscription price for the new units comprises the net asset value (net of distribution) as at the end of September 2007 plus the income accrued to the payment date and an issuing commission.

The usual correction in the market price, roughly equivalent to the subscription right, is to be expected from 29 November (ex-date in respect of the subscription right). The new units will be retroactively dividend-entitled for the whole fiscal year from 1 October 2007. The payment date for the new units is 14 December 2007. During the subscription period, existing unitholders may buy new units of the real estate fund on the basis of their subscription rights. New investors may participate in the capital increase by buying subscription rights on SWX.

The fund management company – UBS Fund Management (Switzerland) AG – has already issued information on the planned capital increase from 26 October 2007 onwards via a media release, UBS Internet and advertisements. It has now fixed the terms of the issue as follows:

Terms of issue	UBS (CH) Property Fund – Swiss Residential «Anfos»
Securities number for units	1 442 082
Securities number for subscription rights	3 536 951
Subscription ratio	1:7
Number of existing units	21,182,748
Number of new units	3,026,107
Subscription price	CHF 47.20

The bulk of the issue proceeds, totalling CHF 143 million, is being used to finance five ongoing construction projects:

- **Schlieren, Färbi-Areal**
 Centrally located development site for urban residential and commercial building
 Investment volume: around CHF 31 million; scheduled for completion: third quarter of 2009
- **Bülach, Rietbach**
 Spacious new apartments near Zurich
 Investment volume: around CHF 38 million; scheduled for completion: third quarter of 2008
- **Niederuzwil, Flawilerstrasse/Bahnhofstrasse**
 Residential complex with commercial section, centrally located
 Investment volume: around CHF 13 million; scheduled for completion: first quarter of 2009
- **Wittenbach, Vogelherd**
 Very sunny residential complex located in city centre
 Investment volume: around CHF 25 million; scheduled for completion: first quarter of 2009
- **Rohr/AG, Siebenmätteli**
 Family apartments with attractive floor plans
 Investment volume: around CHF 13 million; scheduled for completion: second quarter of 2008

The remaining issue proceeds will be used to buy properties, finance additional new construction projects and to repay loans.

Distribution

Based on the full-year results for 2007, the fund management company has fixed the following distribution for UBS «Anfos» listed below:

Ex date: 20 November 2007

Payable on: 23 November 2007

Securities no.	Fund	Coupon no.	Distribution (gross) in CHF	35% withhold-ing tax	Distribution (net) in CHF
1 442 082	UBS (CH) Property Fund – Swiss Residential «Anfos»	9 (income distribution)	2.00	0.70*)	1.30

*) May be reclaimed by investors domiciled in Switzerland. May be partially reclaimed by investors domiciled abroad, should a double taxation agreement with Switzerland exist.

Explanatory notes on the distribution

The fund management company has decided to set the distribution for **UBS «Anfos»** at **CHF 2.00** for fiscal 2007.

Net asset value

Based on the accounts for fiscal 2007, the following new net asset value has been calculated as of 30 September 2007:

Securities no.	Fund	Net asset value as at 30 Sept. 2006 (before distribution)	Net asset value as at 30 Sept. 2007 (before distribution)
1 442 082	UBS (CH) Property Fund – Swiss Residential «Anfos»	CHF 47.46	CHF 47.55

The fund will be traded on SWX at its new net asset value for the first time on Monday 19 November 2007. The usual correction in the market price, roughly equivalent to the distribution, is to be expected from 20 November (ex-date in respect of distribution).

The net asset value and distribution will be announced in *Finanz & Wirtschaft* on 17 November 2007 and in *Liechtensteiner Volksblatt*, the *SHAB* and *l'Agefi* on 19 November 2007.

Prospectuses as well as annual and semi-annual reports of UBS funds are available free of charge from UBS AG, P.O. Box, CH-4002 Basel or UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel.

UBS

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