

Open End Index Certificates on UBS LIQUID TRANSPARENT ALPHA TOTAL RETURN INDEX (EUR)

Public Offering

Final Terms

Underlying: WKN: ; Valor: ; ISIN: ; Reuters: ; Bloomberg:

Product-Details

Underlying	UBS Liquid Transparent Alpha Total Return Index (EUR) ("UBS LTA Index)
Underlying Level ("Strike Price")	247.41 Index points (1 Index point equals EUR 1.00)
Issue Price	EUR 100.00
Redemption	Settlement in Euro on the Redemption Date.

$$\text{Settlement Amount} = \text{Euro } 100 * \frac{\text{Settlement Price}}{\text{Strike Price}} * \text{RMF}$$

RMF Factor is calculated as follows: $(1 - 0,0025)^n$

n = number of quarters since 12 August 2008
with n = 1 as at 31 October 2008

Settlement Currency	EUR
Risk Management Fee (RMF)	0.25 % per quarter
Settlement Price of Underlying Valuation Date	Closing price of the Index on the Valuation Date. In case of Investor's Exercise: Underlying Calculation Date immediately succeeding the Exercise Date. in case of Issuer's Termination: Termination Date.
Security No.	ISIN: DE000UB2LTA5 Valor: 4481575 WKN: UB2LTA Common Code:

Dates

Issue Date	12.08.2008
Fixing Date	11.08.2008
Payment Date	14.08.2008
Last Trading Day	In case of termination 2 exchange trading days prior to the Termination Date
Expiration Date	Open End
Redemption Date	5 Banking Days after the Exercise Date or the Termination Date
Exercise Date	Date of Investor's Exercise Right
Termination Date	Date of Issuer's Call Right

General Information

Issuer	UBS AG, London Branch
Rating	Aa2 / AA- / AA-
Index Sponsor	UBS AG
Lead Manager	UBS Limited, London
Paying Agent for Switzerland	UBS AG, Zurich
Issue Size	100,000 certificates
Trading	09:00 - 20:00 hours
Listing	Frankfurt, Stuttgart (Third Section)
Minimum Size for Trading	1.00 Certificate(s)
Sales Restrictions	U.S.A.; U.S. Persons / U.K.
Clearing	Euroclear, Clearstream Banking AG, Clearstream Banking S.A. (Global Certificate at Clearstream Banking AG)
Custody	Clearstream Banking Frankfurt eligible (up-to Global Certificate filed with

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Internet: www.ubs.com/keyinvest
Reuters: UBSDEEW02
Bloomberg: UWNT

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Governing Law	Clearstream AG, Frankfurt am Main)
Place of Jurisdiction	German Law
Tax Treatment	Frankfurt am Main
Swiss Stamp Duty	Secondary market transactions are not subject to Swiss Stamp Duty.
Swiss Income Tax	The transaction is subject to neither Swiss federal nor cantonal and communal Income Tax.
Swiss Withholding Tax	The product is not subject to the Swiss Withholding Tax.
EU Savings Tax	For Swiss paying agents, the product is not subject to the EU Savings Tax (TK9). 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.

Issuer's Call Right: The Issuer has a right to call the Certificates for early redemption by giving notice to that effect. The Certificates can be terminated for the first time 1 year and 6 months after the payment date and the termination becomes effective after a notice period of 3 months, for the value of the current settlement amount. The Valuation Date shall be the Termination Date.

Investor's Exercise Right: Despite the fact that the Certificates can be sold daily on the above mentioned stock exchanges, the Investor has an annual right to exercise his Certificates (notice to be received no later than 10:00 am, local time Frankfurt am Main, on 12 August) effective 12 August of the relevant year, for the value of the current settlement amount. The Valuation Date is the Underlying Calculation Date immediately succeeding the Exercise Date.

If any of the dates mentioned is not a Banking Day, the immediately following Banking Day shall be the Termination Date or the Exercise Date or the Valuation Date.

Product Documentation

The Final Terms together with the Base Prospectus dated 4 December 2007 (the "Base Prospectus") shall form the entire documentation for this Product ("Product Documentation"), and accordingly the Final Terms should always be read together with the Base Prospectus. Definitions used in the Final Terms, but not defined therein shall have the meaning given to them in the Base Prospectus. Furthermore, the Final Terms shall serve as and fulfil the requirements of a "Simplified Prospectus" in accordance with Art. 5 of the Swiss Federal Act on Collective Investment Schemes (CISA). In the event that the Product is listed (see above item "Listing" under "General Information"), the Product Documentation will be amended in accordance with the listing requirements of the relevant Exchange.

During the whole term of this Product, the Prospectus can be ordered free of charge from the Lead Manager at Stephanstrasse 14-16, 60313 Frankfurt am Main, Germany, via telephone (+49-(0)69-1369 8989), fax (+49-(0)72 22 73) or via e-mail (invest@ubs.com). In addition, the Product Documentation is available on the internet at www.ubs.com/keyinvest.

In addition, any changes with regard to the terms of this Product shall be published on the internet at www.ubs.com/keyinvest.

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Performance

- For investors with a medium to high risk tolerance level that want to benefit from the share price performance of an underlying without committing too much capital or spending too much on administration.
- Yield potential depends on the type and composition of the underlying.
- The risk of loss is limited to the capital invested depending on the product, partial hedging (a risk buffer) may also be possible, subject to certain conditions.

Risk Information

This product is a high-risk investment instrument, as the Certificate Holder is neither entitled to redemption of the capital invested nor to payment of interest or dividends. There is no capital guarantee or capital protection for investors in these Certificates and an investor must be able to bear a substantial loss of the capital invested. Any payments to be made on the Certificates depend primarily on the value of the Underlying.

In particular, neither UBS AG, London Branch, UBS Limited, London, nor UBS AG, Zurich, assume any responsibility vis-à-vis the holders of Certificates for the economic success or lack of success of an investment in the Certificates or for the performance of the Underlying.

The Open Ended Certificate does not represent shares in an investment fund and thus are not subject to the supervision of the Swiss Federal Banking Commission (Eidgenössische Bankenkommission). Therefore, investors in the Certificates are not eligible for the specific investor protection under the Swiss Federal Law on Investment Funds.

Certain conflicts of interest may arise from the fact that the Issuer of the Certificates and the Calculation Agent may all belong to UBS group. UBS, its related companies, or clients, may from time to time, as principal or agent, have long or short positions in, or may buy and sell, any securities, currencies or financial instruments underlying the transaction to which this term sheet relates.

UBS AG is a market maker in several products in the spot, futures and options market. Not only as market maker but also on behalf of customers and on its own behalf, UBS AG is regularly engaged in all these markets. In line with normal business practices, UBS AG may hedge its risks on the products that it sells to customers. For any individual hedge position, UBS AG may adjust its hedge as market conditions change during the life of the product because, in UBS AG's sole judgement and discretion, it is in UBS AG's interest to do so.

Any investor is requested to make his own independent assessment of risks involved with this product and/or seek for independent investment advice.

PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE INDIVIDUAL TAX CONSEQUENCES OF THE INVESTMENT

ADDITIONAL INFORMATION

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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 Bankenkommision). 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 Bankenkommision). 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.

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.

Index Disclaimer

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The mark and name "UBS Liquid Transparent Alpha Total Return Index (EUR)" (the "Index") is proprietary to UBS AG ("UBS").

UBS does not make any warranty or representation or guarantee whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figures or levels at which the Index stands at any particular day or otherwise. In addition, UBS gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

No responsibility or liability is accepted by UBS (whether for negligence or otherwise) in respect of the use of and/or reference to the Index by us or any other person in connection with the Notes, or for any inaccuracies, omissions, mistakes or errors in the computation of the Index (and UBS shall not be obliged to advise any person, including us or any investor, or any error therein) or for any economic or other loss which may be directly or indirectly sustained by us or any investors to the Securities or any other persons dealing with the Notes as a result thereof and no claims, actions or legal proceedings may be brought against UBS (including any of its subsidiaries or affiliates) in any manner whatsoever by any investor or other person dealing with the Notes. Any investor or other person dealing with the Notes does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on UBS.

For avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any investor other person and UBS and must not be construed to have created such relationship.

Selling Restrictions

Any Product purchased by any person for resale may not be offered in any jurisdiction in circumstances that would result in the Issuer or the Offeror being obliged to register any further prospectus or corresponding document relating to the Certificates in that jurisdiction.

Holders of this Product are advised to read the selling restrictions described more fully in the relevant prospectus or information memorandum of this Product. The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Holders of this Product should seek specific advice before on-selling it.

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 - For EEA jurisdictions (EU member states plus Norway, Iceland and Liechtenstein) that have implemented the EU Prospectus Directive, the Final Terms and Base Prospectus qualify as a prospectus published in accordance with the requirements of the EU Prospectus Directive. However, unless and until a prospectus has been published in accordance with the requirements of the EU Directive and passported into the relevant jurisdiction, these Securities may not be offered or sold 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.

For EEA jurisdictions that have not implemented the EU Prospectus Directive, sales must be in compliance with the law of that jurisdiction.

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

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"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 USD 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 - This Product should not be sold with a consideration of less than 50,000.00 EUR or equivalent.

USA - This Product may not be sold or offered within the United States or to U.S. persons

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 the termsheet 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 term sheet. 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 these notes to dealers and other financial institutions at a discount to the issue price or rebates to them for their own account some proportion of the issue price. Further information is available on request.

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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 is for information purposes only and 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 Notes (the "Prospectus").

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

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