

Supplement No. 6 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 20 October 2005,

concerning the issue of

[Call] [Put] Warrants, HIT [Call] [Put] Warrants, Lock Out [Call] [Put] Warrants, Double Lock Out Warrants, [Turbo Long-] [Turbo Short-] Warrants, Digital [Call] [Put] Warrants and Hamster Warrants

at the same time

Supplement No. 4 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 20 October 2005,

concerning the issue of

[Discount] [Discount PLUS] [Sprint] [Multibloc] Certificates

at the same time

Supplement No. 7 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 5 January 2006,

concerning the issue of

UBS [Performance Certificates without settlement formula] [Performance-Certificates with settlement formula] [Outperformance Certificates] [Relative Performance Plus Certificates] [Open-End Certificates without settlement formula] [Open-End Certificates with settlement formula] [S²MART Certificates] [Super S²MART Certificates] [Bonus Certificates] [Bonus Plus Certificates] [Bonus Extra Plus Certificates] [Express Certificates] [Express Kick-In Certificates] [Express Plus Certificates] [Easy Express Certificates] [Express XL Certificates]

at the same time

Supplement No. 5 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 1 March 2006,

concerning the issue of

UBS [Capital Protected] Gearing Certificates

at the same time

Supplement No. 3 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 28 March 2006,

concerning the issue of

Alternative Investment Strategies Index - Certificates

at the same time

Supplement No. 4 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 11 July 2006,

concerning the issue of

UBS [TWIN-WIN] [•] Certificates

at the same time

Supplement No. 4 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 11 July 2006,

concerning the issue of

UBS Reverse [(Capped)] Bonus Certificates

at the same time

Supplement No. 5 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 16 November 2006,

concerning the issue of

UBS [[Call] [or, as the case may be,] [Put] Warrants] [Hit [Call] [or, as the case may be,] [Put] Warrants] [Lock Out [Call] [or, as the case may be,] [Put] Warrants] [Double Lock Out Warrants] [[Turbo Long-] [or, as the case may be,] [Turbo Short-] Warrants] [Digital [Call] [or, as the case may be,] [Put] Warrants] [Hamster Warrants]

at the same time

Supplement No. 6 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 November 2006,

concerning the issue of

UBS [Discount Certificates] [Discount PLUS Certificates] [Sprint [PLUS] Certificates] [Multibloc Certificates] [[Easy] [Outperformance [(Capped)]] Express [Kick-In] [PLUS] [XL] [Bonus] Certificates] [Callable Yield Certificates]

at the same time

Supplement No. 9 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 25 January 2007,

concerning the issue of

UBS [[Performance] [PERLES] [(Capped)] Certificates [without] [with] settlement formula] [Outperformance [(Capped)] Certificates] [Relative Performance Plus Certificates] [Open-End [(Capped)] Certificates [without] [with] settlement formula] [[Super] S²MART Certificates] [[Lock-In] Bonus [(Capped)] [Extra] [Plus] [Flex] Certificates]

at the same time

Supplement No. 5 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 20 March 2007,

concerning the issue of

- Series 2007-[●] Up to CHF [●] 100% Principal Protected Type A Notes linked to the [●] CHF Protected Index
- Series 2007-[●] Up to CHF [●] 100% Principal Protected Type B Notes linked to the [●] CHF Protected Index ((i) and (ii) together, the CHF Notes) (for marketing purposes these securities are known as "[●] CHF Index Notes")
- Series 2007-[●] Up to EUR [●] 100% Principal Protected Type A Notes linked to the [●] EUR Protected Index
- Series 2007-[●] Up to EUR [●] 100% Principal Protected Type B Notes linked to the [●] EUR Protected Index ((iii) and (iv) together, the EUR Notes) (for marketing purposes these securities are known as the "[●] EUR Index Notes")
- Series 2007-[●] Up to USD [●] 100% Principal Protected Type A Notes linked to the [●] USD Protected Index
- Series 2007-[●] Up to USD [●] 100% Principal Protected Type B Notes linked to the [●] USD Protected Index ((v) and (vi) together, the USD Notes and, together with the CHF Notes and the EUR Notes, the Notes) (for marketing purposes these securities are known as "[●] USD Index Notes")

as well as for the

- Series 2007-[●] Up to CHF [●] Type A Certificates linked to the [●] CHF Index
- Series 2007-[●] Up to CHF [●] Type B Certificates linked to the [●] CHF Index ((vii) and (viii) together, the CHF Certificates) (for marketing purposes these securities are known as the "[●] CHF Index Certificates")
- Series 2007-[●] Up to EUR [●] Type A Certificates linked to the [●] EUR Index
- Series 2007-[●] Up to EUR [●] Type B Certificates linked to the [●] EUR Index ((ix) and (x) together, the EUR Certificates) (for marketing purposes these securities are known as "[●] EUR Index Certificates")
- Series 2007-[●] Up to USD [●] Type A Certificates linked to the [●] USD Index

- Series 2007-[●] Up to USD [●] Type B Certificates linked to the [●] USD Index ((xi) and (xii) together, the USD Certificates) (for marketing purposes these securities are known as "[●] USD Certificates")

at the same time

Supplement No. 9 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 12 April 2007,

concerning the issue of

UBS [Capital Protected] [Gearing] [●] [(Capped)] Certificates

at the same time

Supplement No. 5 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 April 2007,

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [●] Index [(Capped)]-Certificates

at the same time

Supplement No. 4 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 August 2007

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [●] [Portfolio] [(Capped)] Certificates

at the same time

Supplement No. 8 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London][Jersey] Branch, dated 13 November 2007,

concerning the issue of

UBS [Capital Protected] [(Call) [or, as the case may be,] (Put)] [Hit (Call) [or, as the case may be,] (Put)] [Lock Out (Call) [or, as the case may be,] (Put)] [Double Lock Out] [(Turbo Long-) [or, as the case may be,] (Turbo Short-)] [Digital (Call) [or, as the case may be,] (Put)] [Hamster] [●] [(Capped)] Warrants

at the same time

Supplement No. 7 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 23 November 2007,

concerning the issue of

UBS [Capital Protected] [Discount [PLUS]] [Sprint [PLUS]] [Multibloc] [[Easy] [Outperformance [Express]] [Kick-In] [PLUS] [XL] [Bonus]] [Callable Yield] [●] [(Capped)] Certificates

at the same time

Supplement No. 5 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 20 December 2007,

concerning the issue of

UBS [Capital Protected] [Bonus] [Express] [Reverse] [Lock-in] [(Capped)] Certificates

at the same time

Supplement No. 5 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 21 January 2008,

concerning the issue of

UBS [Capital Protected] [[Performance] [PERLES]] [Outperformance] [Relative Performance Plus] [Open-End] [[Super] S²MART] [[Lock-In] Bonus [Extra] [Plus] [Flex]] [(Capped)] Certificates [[without] [with] settlement formula]

at the same time

Supplement No. 3 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG [Zurich], [London] [Jersey] Branch, dated 29 February 2008,

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [Reverse] [Performance] [Tracker] [(Capped)] Certificates

at the same time

Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG [London] [Jersey] Branch, dated 18 April 2008,

concerning the issue of

UBS [Capital Protected] [Gearing] [(Capped)] Certificates

at the same time

Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 the already published (single document) Base Prospectus of UBS AG [Zurich], [London] [Jersey] Branch, dated 2 May 2008,

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [•] [Portfolio] [(Capped)] Certificates

at the same time

Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 27 May 2008,

concerning the issue of

UBS [Capital Protected] [Kick-In] [GOAL] [(Capped)] Notes

at the same time

Supplement No. 1 pursuant to § 16 (1) of the German Securities Prospectus Act

dated 27 August 2008 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 14 July 2008,

concerning the issue of

UBS [Capital Protected] [Champion] [Express] [(Capped)] Certificates

The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Securities before the Supplement is published have, pursuant to § 16 (3) of the German Securities Prospectus Act, the right, exercisable within a time limit of two working days after the publication of the Supplement, to withdraw their acceptances, provided that the Securities have not been settled yet. Declarations of withdrawal do not have to contain a cause and must be directed at UBS Deutschland AG, Risk Management Products, Stephan-strasse 14-16 , D-60313 Frankfurt am Main, Germany . The time limit is met if the declaration of withdrawal is duly dispatched.

1) The paragraph and the columns headed 'Incorporated document' and 'Information' in the section following the heading "Documents incorporated by reference" is completely replaced as follows:

"DOCUMENTS INCORPORATED BY REFERENCE

The following documents relating to UBS AG are incorporated by reference in this Prospectus and represent an integral part of this Prospectus and shall be maintained in printed format, for free distribution, at the offices of the Issuer as well as at UBS Deutschland AG, Stephanstrasse 14 - 16, 60313 Frankfurt am Main, Federal Republic of Germany. In addition, they are published on the UBS website, at www.ubs.com/investors or a successor address.

Incorporated document	Referred to in	Information
- UBS Annual Report 2007, 1 Strategy, Performance and Responsibility, in English; pages A85 – A152 (inclusive)		- Description of the Issuer's business groups
- UBS Annual Report 2007, 4 Financial Statements, in English; pages D96 – D99 (inclusive)		- Illustration of the key subsidiaries
- UBS Annual Report 2007, 3 Corporate Governance and Compensation Report, in English; pages C5 – C6 (inclusive)		- Further details on UBS shares
- UBS Financial Report 2006, in English:		- Financial Statements of UBS AG (Group) for the financial year 2006:
(i) page A82,		(i) Income Statement,
(ii) page A83,		(ii) Balance Sheet,
(iii) pages A86 - A87 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages A88 – A214 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages A67 – A72 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages A80 – A81 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2006:
(i) page A218,		(i) Income Statement,
(ii) page A219,		(ii) Balance Sheet,
(iii) page A220,		(iii) Statement of Appropriation of Retained Earnings,
(iv) page A221 – A225 (inclusive),		(iv) Notes to the Financial Statements,
(v) page A217,		(v) Parent Bank Review,
(vi) pages A67 - A72 (inclusive),		(vi) Accounting Standards and Policies,
(vii) page A226 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2007, 4 Financial Statements, in English:		- Financial Statements of UBS AG (Group) for the financial year

		2007:
(i) page D18,		(i) Income Statement,
(ii) page D19,		(ii) Balance Sheet,
(iii) pages D23 - D24 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages D25 - D120 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages D3 - D8 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages D16 – D17 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2007:
(i) page D125,		(i) Income Statement,
(ii) page D126,		(ii) Balance Sheet,
(iii) page D127,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages D128,		(iv) Notes to the Financial Statements,
(v) page D124,		(v) Parent Bank Review,
(vi) pages D3 - D8 (inclusive),		(vi) Accounting Standards and Policies,
(vii) page D140.		(vii) Report of the Statutory Auditors.
- Consolidated Financial Statements (restated) of UBS AG for the financial year 2007, in Englisch:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses (page 1 of the Prospectus)	- Consolidated Financial Statements (restated) of UBS AG for the financial year 2007, in Englisch:
(i) page F-31,		(i) Income Statement,
(ii) page F-32,		(ii) Balance Sheet,
(iii) pages F-37 - F-38 (including),		(iii) Statement of Cash Flow,
(iv) pages F-39 - F-139 (including),		(iv) Notes to the Financial Statements,
(v) pages F-29 - F-30 (including).		(v) Report of the Statutory Auditors.
- UBS AG quarterly report as of 30 June 2008	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses (page 1 of the Prospectus)	- UBS AG quarterly report as of 30 June 2008

- (a) The UBS AG Financial Report 2007 has been filed with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"*) as appendix to the Registration Document of UBS AG dated 4 April 2008;
- (b) the UBS AG Financial Report 2006 has been filed with the BaFin as appendix to the Registration Document of UBS AG dated 5 April 2007;
- (c) the Consolidated Financial Statements (restated) of UBS AG for the financial year 2007 have been filed with BaFin in connection with the securities prospectus dated 23 May 2008 for the Offering of 760,295,181 Registered Shares of UBS AG;
- (d) the quarterly report as of 30 June 2008 has been filed with BaFin as appendix to the Base Prospectus "UBS [Capital Protected] [Reverse] [Bonus] [Twin-Win] [Express] [Lock-in] [Basket] [Select] [(Capped)] [Certificates][Notes]" dated 26 August 2008."

¹ refers to the page of the relevant Base Prospectus

2) In section "SUMMARY", the bullet point 'Who is the Issuer', 'Who are the members of the Issuer's management and supervisory bodies?' and 'What is the Issuer's financial situation?' are completely replaced as follows:

"Who is the Issuer?"

UBS AG, with registered offices in Zurich and Basel, Switzerland, was formed from the merger of Swiss Bank Corporation and Union Bank of Switzerland in 1998.

UBS AG (with its subsidiaries, "**UBS AG**" or "**UBS**") is, according to its own opinion, one of the world's leading financial firms, serving a discerning international client base. UBS is, according to its own opinion, a leading global wealth manager, a leading investment banking and securities firm with a strong institutional and corporate client franchise, one of the largest global asset managers and the market leader in Swiss commercial and retail banking. On 30 June 2008, UBS employed more than 80,000 people. With headquarters in Zurich and Basel, Switzerland, UBS operates in over 50 countries and from all major international centers.

UBS is, according to its own opinion, one of the best-capitalised financial institutions in the world. On 30 June 2008 the BIS Tier 1² ratio was 11.6 %, invested assets stood at CHF 2,763 billion, equity attributable to UBS shareholders was CHF 44,283 million and market capitalisation was CHF 62,874 million.

The rating agencies Standard & Poor's Inc. ("**Standard & Poor's**"), Fitch Ratings ("**Fitch**") and Moody's Investors Service Inc. ("**Moody's**") have assessed the creditworthiness of UBS, i.e. the ability of UBS to fulfil payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing, in a timely manner. The ratings from Fitch and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. Standard & Poor's currently rates UBS' creditworthiness with AA-, Fitch with AA- and Moody's with Aa2³.

Who are the members of the Issuer's management and supervisory bodies?

The board of directors comprises a minimum of six or a maximum of twelve members. Their term of office lasts one year.

Board of Directors of UBS AG

The Board of Directors consists of twelve members⁴:

	Title	Term of office	Position outside UBS AG
Peter Kurer	Chairman	2009	
Stephan Haeringer	Executive Vice Chairman	2010	
Sergio Marchionne	Non-Executive Vice Chairman	2010	CEO of Fiat S.p.A, Turin; CFO of Fiat Group Automobiles; Chairman of the board of the Société Générale de Surveillance (SGS) Group, Geneva and Chairman of the board of CNH Global N.V., Amsterdam; member of the Board

² Tier 1 capital comprises share capital, share premium, retained earnings including current year profit, foreign currency translation and minority interests less accrued dividends, net long positions in own shares and goodwill.

³ On 4 July 2008, Moody's Investors Service downgraded the senior debt and deposit ratings of UBS AG from Aa1 to Aa2.

⁴ Four members of the Board of Directors (Stephan Haeringer, Rolf A. Meyer, Peter Spuhler and Lawrence A. Weinbach) have decided to resign their positions in October 2008. Following the proposal of the Governance and Nominating Committee, the UBS Board of Directors has nominated Sally Bott, Rainer-Marc Frey, Bruno Gehrig and William G. Parrett for election as independent members of the Board of Directors for a term of office to expire at the 2009 Annual General Meeting. The nominees shall be proposed for election at an extraordinary general meeting of UBS AG on 2 October 2008.

			of Directors of Philip Morris International Inc., New York
Ernesto Bertarelli	Member	2009	Chairman of Kedge Capital Partners Ltd. Jersey; Chairman of Team Alinghi SA, Ecublens (Switzerland); Chairman of Alinghi Holdings Ltd. Jersey; various board mandates in professional organizations of the biotech and pharmaceutical industries
Gabrielle Kaufmann-Kohler	Member	2009	Partner at the Lévy, Kaufmann-Kohler law firm and Professor of international private law at the University of Geneva; member of the American Arbitration Association
Rolf A. Meyer	Member	2009	Member of the BoD of DKSH AG, Zurich; member of the BoD of Ascom (Switzerland) Ltd., Berne
Helmut Panke	Member	2010	Member of the Board of Directors of Microsoft Corporation, Redmond, WA (USA); member of the BoD of the American Chamber of Commerce in Germany; member of the International Advisory Board for Dubai International Capital's "Global Strategic Equities Fund"
David Sidwell	Member	2009	Member of the BoD of MSCI Barra Inc.; trustee of the International Accounting Standards Committee Foundation; member of the Advisory Committee of the US Securities and Exchange Commission (SEC)
Peter Spuhler	Member	2010	Owner of Stadler Rail AG (Switzerland); Chairman of Stadler Bussnang AG; Chairman of various companies within the Stadler Rail Group; member of the BoD of Kühne Holding, Switzerland; member of the BoD of Walo Bertschinger Central AG, Switzerland; Vice President of LITRA, Berne; member of the National Council of the Swiss Parliament (lower house)
Peter R. Voser	Member	2009	Chief Financial Officer of Royal Dutch Shell plc, London; member of the BoD of the Federal Auditor Oversight Authority
Lawrence A. Weinbach	Member	2009	Partner of the Yankee Hill Capital Management LLC, Southport, CT (USA); member of the BoD of Avon Products Inc., New York; trustee and member of the Audit Committee of Carnegie Hall, New York; member of the BoD of Quadra Realty Trust, Inc., New York; member of the BoD of Discover Financial Services, Riverwoods, Illinois; member of the New York Stock Exchange Listed Company Advisory Committee; member of the National Security Telecommunications Advisory Committee

Joerg Wolle	Member	2009	President and CEO of DKSH (Diethelm Keller Siber Hegner) Holding Ltd., Zurich
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Group Executive Board of UBS AG

The Group Executive Board consists of eleven members⁵:

Marcel Rohner	Group Chief Executive Officer
John A. Fraser	Chairman and CEO Global Asset Management
Marten Hoekstra	Deputy CEO, Global Wealth Management & Business Banking and Head of Wealth Management Americas
Jerker Johansson	Chairman & CEO Investment Bank
Joseph Scoby	Group Chief Risk Officer
Walter Stuerzinger	Chief Operating Officer, Corporate Center
Marco Suter	Group Chief Financial Officer
Rory Tapner	Chairman and CEO Asia Pacific
Raoul Weil	Chairman and CEO Global Wealth Management & Business Banking
Alexander Wilmot-Sitwell	Joint Global Head Investment Banking Department, Investment Bank, and Chairman and CEO, Group Europe, Middle East & Africa
Robert Wolf	Chairman and CEO, Group Americas and President and Chief Operating Officer, Investment Bank

No member of the GEB has any significant business interests outside of UBS.

What is the Issuer's financial situation?

The following table has been produced from the quarterly unaudited results of UBS as of 30 June 2008 and shows the key facts and UBS' first class ratings:

UBS Financial Highlights

<i>CHF million, except where indicated</i>	As of or for the quarter ended			% change from		Year-to-date	
	30.6.08	31.3.08	30.6.07	1Q08	2Q07	30.6.08	30.6.07
Performance indicators from continuing operations							
Diluted earnings per share (CHF)	(0.17)	(5.26)	2.36	(97)		(5.02)	3.70
Return on equity attributable to UBS shareholders (%) ¹						(85,7)	31.8
Cost / income ratio (%) ²	200.7	N/A ³	61.9				65.4
Net new money (CHF billion) ⁴	(43.8)	(12.8)	34.0			(56.5)	86.8
Group results							
Operating income	4,021	(3,952)	16,014		(75)	69	29,500
Operating expenses	8,110	7,847	9,909	3	(18)	15,957	19,289
Operating profit before tax (from continuing and discontinued operations)	(4,030)	(11,679)	6,112	65		(15,710)	10,224
Net profit attributable to UBS shareholders	(358)	(11,535)	5,547	97		(11,893)	8,578
Personnel (full-time equivalents) ⁵	81,452	83,839	81,557	(3)	0		

⁵ On 12 August 2008 UBS announced that the Board of Directors has appointed Markus U. Diethelm as Group General Counsel. He will join UBS during third quarter 2008. Marco Suter who had expressed his desire to step down from his role as Group Chief Financial Officer will hand over his position to John Cryan on 1 September 2008.

UBS balance sheet and capital management

Balance sheet key figures

Total assets	2,077,635	2,231,019	2,540,057	(7)	(18)
Equity attributable to UBS shareholders	44,283	16,386	51,146	170	(13)
Market capitalization	62,874	59,843	151,203	5	(58)
BIS capital ratios					
Tier 1 (%)	11.6	6.9	12.3 ⁶		
Total BIS (%)	15.7	10.7	15.5 ⁶		
Risk-weighted assets	323,177	333,300	378,430 ⁶	(3)	
Invested assets (CHF billion)	2,763	2,759	3,265	0	(15)
Long-term ratings					
Fitch, London	AA-	AA	AA+		
Moody's, New York ⁷	Aa2	Aa1	Aaa		
Standard & Poor's, New York	AA-	AA	AA+		

¹ Net profit attributable to UBS shareholders from continuing operations year to date (annualized as applicable) / average equity attributable to UBS shareholders less distributions (estimated as applicable). ² Operating expenses / operating income before credit loss expense or recovery. ³ The cost / income ratio is not meaningful due to negative income. ⁴ Excludes interest and dividend income. ⁵ Excludes personnel from Private Equity (part of Corporate Center) ⁶ The calculation prior 2008 is based on the Basel I approach. ⁷ Moody's long-term rating was changed to Aa2 on 4 July 2008 and to Aa1 on 1 April 2008.

"

3) The section 'Description of the Issuer' is completely replaced as follows:

"DESCRIPTION OF THE ISSUER"

The following description contains general information on UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ]].

OVERVIEW

UBS AG (with its subsidiaries, "**UBS AG**" or "**UBS**") is, according to its own opinion, one of the world's leading financial firms, serving a discerning international client base. UBS is, according to its own opinion, a leading global wealth manager, a leading investment banking and securities firm with a strong institutional and corporate client franchise, one of the largest global asset managers and the market leader in Swiss commercial and retail banking. On 30 June 2008, UBS employed more than 80,000 people. With headquarters in Zurich and Basel, Switzerland, UBS operates in over 50 countries and from all major international centers.

UBS is, according to its own opinion, one of the best-capitalised financial institutions in the world. On 30 June 2008 the BIS Tier 1⁶ ratio was 11.6 %, invested assets stood at CHF 2,763 billion, equity attributable to UBS shareholders was CHF 44,283 million and market capitalisation was CHF 62,874 million.

The rating agencies Standard & Poor's Inc. ("**Standard & Poor's**"), Fitch Ratings ("**Fitch**") and Moody's Investors Service Inc. ("**Moody's**") have assessed the creditworthiness of UBS, i.e. the ability of UBS to fulfil payment obligations, such as principal or interest payments on long-term loans, also known as

⁶ Tier 1 capital comprises share capital, share premium, retained earnings including current year profit, foreign currency translation and minority interests less accrued dividends, net long positions in own shares and goodwill.

debt servicing, in a timely manner. The ratings from Fitch and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. Standard & Poor's currently rates UBS' creditworthiness with AA-, Fitch with AA- and Moody's with Aa2⁷.

I. CORPORATE INFORMATION

The legal and commercial name of the company is UBS AG. The company was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CH-270.3.004.646-4.

UBS AG is incorporated and domiciled in Switzerland and operates under Swiss Code of Obligations and Swiss Federal Banking Law as an *Aktiengesellschaft*, a corporation that has issued shares of common stock to investors.

The addresses and telephone numbers of UBS two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41-44-234 11 11; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41-61-288 20 20.

UBS shares are listed on the SWX Swiss Exchange and traded through SWX Europe which is majority owned by the SWX Swiss Exchange. They are also listed on the New York Stock Exchange and on the Tokyo Stock Exchange.

According to Article 2 of the Articles of Association of UBS AG ("**Articles of Association**") the purpose of UBS is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, service and trading activities in Switzerland and abroad.

II. BUSINESS OVERVIEW

UBS comprises three divisions and a Corporate Center, each of which is described below. A full description of their strategies, structure, organisation, products, services and markets can be found in the Annual Report 2007 of UBS AG, 1 Strategy, Performance and Responsibility, in the English version on pages A85 - A152 (inclusive). See the section "Recent Developments" below for a description of planned changes in the organization and governance of UBS and the effect on the divisions and Corporate Center.

Global Wealth Management & Business Banking

With almost 150 years of experience, the global wealth management business provides a comprehensive range of products and services individually tailored for wealthy clients around the world. UBS' client advisors provide a full range of wealth management services to clients - from asset management to estate planning and from corporate finance advice to art banking. In the US, the business is, according to UBS' own opinion, one of the leading wealth managers. Business Banking Switzerland is, according to UBS' own opinion, the market leader in Switzerland, providing a complete set of banking and securities services for individual and corporate clients.

Global Asset Management

The Global Asset Management business is, according to UBS' own opinion, one of the world's leading investment managers, providing traditional and alternative and real estate investment solutions to private, institutional and corporate clients, and through financial intermediaries. It is, according to UBS' own opinion, one of the largest global institutional asset managers and the largest hedge fund of funds manager in the world. The Division is also, according to UBS' own opinion, one of the largest mutual fund managers in Europe and the largest in Switzerland. Global Asset Management has complete

⁷ On 4 July 2008, Moody's Investors Service downgraded the senior debt and deposit ratings of UBS AG from Aa1 to Aa2.

independence in investment decision making and operates as a self contained and focused assets management firm.

Investment Bank

UBS Investment Bank is, according to UBS' own opinion, one of the world's leading investment banking and securities firms, providing a full range of products and services to corporate and institutional clients, governments, financial intermediaries and alternative asset managers. Its investment bankers, salespeople and research analysts, supported by its risk and logistics teams, deliver advice and execution to clients all over the world. The Investment Bank also works with financial sponsors and hedge funds and indirectly meets the needs of private investors through both UBS' own wealth management business and through other private banks.

Corporate Center

The Corporate Center currently includes risk control, financial control, treasury, corporate communications, legal and compliance, human resources, strategy, offshoring and technology functions for the Group.

Competition

UBS faces stiff competition in all business areas. Both in Switzerland and abroad, the Bank competes with asset management companies, commercial, investment and private banks, brokerages and other financial services providers. Competitors include not only local banks, but also global financial institutions, which are similar to UBS in terms of both size and services offered.

In addition, the consolidation trend in the global financial services sector is introducing new competition, which may have a greater impact on prices, as a result of an expanded range of products and services and increased access to capital and growing efficiency.

III. ORGANISATIONAL STRUCTURE OF THE ISSUER

The objective of UBS' group structure is to support the business activities of the Company within an efficient legal, tax, supervisory and financial framework. None of the individual divisions, Global Wealth Management & Business Banking, Global Asset Management, Investment Bank (the "**Divisions**"), nor the Corporate Center are legally independent entities; instead, they perform their activities through the domestic and foreign offices of the parent bank, UBS AG.

Settlement of transactions through the parent bank allows UBS to fully exploit the advantages generated for all divisions through the use of a single legal entity. In cases where it is impossible or inefficient to process transactions via the parent, due to local statutory, tax or supervisory provisions or newly acquired companies, these tasks are performed on location by legally independent group companies. The major subsidiaries are listed in the Annual Report 2007 of UBS AG, 4 Financial Statements, in English, on pages D96 - D99 (inclusive).

IV. TREND INFORMATION

Recent Developments

- On 17 July 2008, UBS announced that it would no longer provide offshore banking and securities services to US residents through its bank branches. Such services will only be provided through SEC-registered companies.
- On 8 August 2008, UBS announced a settlement in principle with the SEC and various US states pursuant to which it will agree to purchase at par all action rate securities ("**ARS**") held in UBS client accounts. The agreement specifies different time periods during which the offers to purchase will be in effect, depending upon client categories. UBS also agreed to pay fines totalling USD 150 million. This settlement is in addition to a previously announced plan to establish a trust structure that would, subject to regulatory approval, offer to purchase at par all tax-exempt auction preferred stock (type of ARS) held by UBS clients. UBS announced that it would establish a provision of USD 900 million in its second quarter results in connection with the ARS matter.

- On 12 August 2008, UBS reported a Group net loss attributable to shareholders of CHF 358 million for the second quarter ended 30 June 2008. Trading conditions deteriorated significantly in the second half of May, in particular for assets related to US residential real estate as well as other structured credit positions. This development led to second quarter losses and writedowns of around USD 5.1 billion on related positions. In addition, the second quarter was also characterized by generally lower client activity, in particular lower capital markets and mergers and acquisitions activity, and falling security prices. The second quarter result also included a tax credit of approximately CHF 3,829 million.
- On 12 August 2008, UBS published a summary of the remediation plan submitted to the Swiss Federal Banking Commission ("**SFBC**"). The plan details the actions UBS is taking to address the findings of its earlier report to the SFBC (summary published on 21 April 2008) on the causes of the sub-prime losses incurred in 2007. Some of the measures are already well under way. The plan details their owners and commits UBS to specific deadlines.
- On 12 August 2008, UBS announced changes to its strategic direction and the launch of a comprehensive program to re-engineer its business. UBS will separate its business divisions into three autonomous units and vest them with increased operational authority and accountability. The executive management of the Group will be led by the Chief Executive Officer ("**CEO**") who will be supported by the Group Executive Board ("**GEB**") and its newly established Executive Committee. The full GEB will focus on group-wide interests and will, in particular, manage shared services and group leadership development, grow cross-divisional revenues, oversee regional governance, and review proposed changes to the business portfolio. The Executive Committee, which will consist of the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**"), the Chief Risk Officer ("**CRO**") and the General Counsel, will decide on the resource allocation of the Group. It will set and monitor the performance targets for the business divisions, risk parameters, capital allocation and funding terms. Divisional CEOs will be tasked with leading their business in a much more autonomous manner, accountable for dedicated capital resources, people and infrastructure. Regional CEOs will drive cross-divisional collaboration to generate value for UBS' shareholders and will assume group-wide regional regulatory responsibility. Corporate Center will be responsible for providing state-of-the-art group level control in the areas of finance, risk, legal and compliance, and significant attention will be devoted to strengthening and empowering these functions throughout the firm.

The change of UBS' business model will be achieved with a centrally managed change program, covering structural, legal and financial aspects of the transformation. The seven streams of this program, which will start immediately, are:

- Revised incentive systems to reward divisional management and staff for shareholder value creation in their own business division (during fourth quarter 2008);
- Further enhancements to the funding framework so that the costs and structure of liabilities of each business division approximate those of stand-alone competitors (end 2009);
- Adjustments to the executive governance structure to reflect the above changes (by end third quarter 2008);
- Development of targets and performance indicators consistent with the repositioning of the business divisions (end 2008);
- Reduction of the size and scope of the Corporate Center, in line with the re-allocation of process ownership to the divisions;
- Review of intra-divisional servicing, revenue sharing and referral arrangements (mid 2009);
- Continuation of the strategic cost reduction program targeted at increasing the efficiency of the Group.

UBS expects the change program to be completed by the end of 2009.

In the second half of the year UBS does not expect any improvement in current adverse economic and financial market trends. UBS will continue its program to reduce personnel levels, costs and risk concentrations.

V. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER

UBS operates under a strict dual Board structure, as mandated by Swiss banking law. This structure establishes checks and balances and creates an institutional independence of the Board of Directors ("BoD") from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board. No member of one Board may be a member of the other.

The supervision and control of the executive management remains with the BoD. The Articles of Association and the Organisation Regulations of UBS AG, with their annexes govern all details as to authorities and responsibilities of the two bodies. Please refer to www.ubs.com/corporate-governance.

The BoD consists of at least six and a maximum of twelve members. The term of office for members of the board is one year.

Details of the Executive Bodies of the Company

Board of Directors of UBS AG

The Board of Directors consists of twelve members⁸:

	Title	Term of office	Position outside UBS AG
Peter Kurer	Chairman	2009	
Stephan Haeringer	Executive Vice Chairman	2010	
Sergio Marchionne	Non-Executive Vice Chairman	2010	CEO of Fiat S.p.A, Turin; CFO of Fiat Group Automobiles; Chairman of the board of the Société Générale de Surveillance (SGS) Group, Geneva and Chairman of the board of CNH Global N.V., Amsterdam; member of the Board of Directors of Philip Morris International Inc., New York
Ernesto Bertarelli	Member	2009	Chairman of Kedge Capital Partners Ltd. Jersey; Chairman of Team Alinghi SA, Ecublens (Switzerland); Chairman of Alinghi Holdings Ltd. Jersey; various board mandates in professional organizations of the biotech and pharmaceutical industries
Gabrielle Kaufmann-Kohler	Member	2009	Partner at the Lévy, Kaufmann-Kohler law firm and Professor of international private law at the University of Geneva; member of the American Arbitration Association
Rolf A. Meyer	Member	2009	Member of the BoD of DKSH AG, Zurich; member of the BoD of Ascom (Switzerland) Ltd., Berne
Helmut Panke	Member	2010	Member of the Board of Directors of Microsoft Corporation, Redmond, WA (USA); member of the BoD of the American Chamber of Commerce in Germany; member of the International Advisory Board for Dubai International

⁸ Four members of the Board of Directors (Stephan Haeringer, Rolf A. Meyer, Peter Spuhler and Lawrence A. Weinbach) have decided to resign their positions in October 2008. Following the proposal of the Governance and Nominating Committee, the UBS Board of Directors has nominated Sally Bott, Rainer-Marc Frey, Bruno Gehrig and William G. Parrett for election as independent members of the Board of Directors for a term of office to expire at the 2009 Annual General Meeting. The nominees shall be proposed for election at an extraordinary general meeting of UBS AG on 2 October 2008.

			Capital's "Global Strategic Equities Fund"
David Sidwell	Member	2009	Member of the BoD of MSCI Barra Inc.; trustee of the International Accounting Standards Committee Foundation; member of the Advisory Committee of the US Securities and Exchange Commission (SEC)
Peter Spuhler	Member	2010	Owner of Stadler Rail AG (Switzerland); Chairman of Stadler Bussnang AG; Chairman of various companies within the Stadler Rail Group; member of the BoD of Kühne Holding, Switzerland; member of the BoD of Walo Bertschinger Central AG, Switzerland; Vice President of LITRA, Berne; member of the National Council of the Swiss Parliament (lower house)
Peter R. Voser	Member	2009	Chief Financial Officer of Royal Dutch Shell plc, London; member of the BoD of the Federal Auditor Oversight Authority
Lawrence A. Weinbach	Member	2009	Partner of the Yankee Hill Capital Management LLC, Southport, CT (USA); member of the BoD of Avon Products Inc., New York; trustee and member of the Audit Committee of Carnegie Hall, New York; member of the BoD of Quadra Realty Trust, Inc., New York; member of the BoD of Discover Financial Services, Riverwoods, Illinois; member of the New York Stock Exchange Listed Company Advisory Committee; member of the National Security Telecommunications Advisory Committee
Joerg Wolle	Member	2009	President and CEO of DKSH (Diethelm Keller Siber Hegner) Holding Ltd., Zurich

Group Executive Board of UBS AG

The Group Executive Board consists of eleven members⁹:

Marcel Rohner	Group Chief Executive Officer
John A. Fraser	Chairman and CEO Global Asset Management
Marten Hoekstra	Deputy CEO, Global Wealth Management & Business Banking and Head of Wealth Management Americas
Jerker Johansson	Chairman & CEO Investment Bank
Joseph Scoby	Group Chief Risk Officer
Walter Stuerzinger	Chief Operating Officer, Corporate Center
Marco Suter	Group Chief Financial Officer
Rory Tapner	Chairman and CEO Asia Pacific
Raoul Weil	Chairman and CEO Global Wealth Management & Business Banking
Alexander Wilmot-Sitwell	Joint Global Head Investment Banking Department, Investment Bank, and Chairman and CEO, Group Europe, Middle East & Africa

⁹ On 12 August 2008 UBS announced that the Board of Directors has appointed Markus U. Diethelm as Group General Counsel. He will join UBS during third quarter 2008. Marco Suter who had expressed his desire to step down from his role as Group Chief Financial Officer will hand over his position to John Cryan on 1 September 2008.

Robert Wolf	Chairman and CEO, Group Americas and President and Chief Operating Officer, Investment Bank
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No member of the GEB has any significant business interests outside of UBS.

Board of Directors

The BoD is the most senior body of UBS. All the members of the BoD are elected individually by the Annual General Meeting for a term of office of one year¹⁰. The BoD itself then appoints its Chairman, the Vice Chairmen, the Deputy, the Senior Independent Director and the Chairmen and members of the various BoD Committees (Audit Committee; Corporate Responsibility Committee; Governance and Nominating Committee; Human Resources and Compensation Committee (“HRCC”); Risk Committee and Strategy Committee)¹¹.

The BoD has ultimate responsibility for promoting the success of UBS and delivering sustainable shareholder value within a framework of prudent and effective controls which enables risk to be assessed and managed. The BoD sets UBS’ strategic aims, ensures that the necessary financial and human resources are in place for UBS to meet its objectives and reviews management performance. The BoD sets UBS’ values and standards and ensures that its obligations to its shareholders and others are met. The BoD’s proposal for election of members of the BoD must be such that three quarters of the members will, following election, be independent. While the Chairman does not need to be independent, at least one of the Vice-Chairmen must be. The BoD meets as often as business requires, and at least six times a year.

The business address of the members of the BoD is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

Group Executive Board

Under the leadership of the Group CEO, the GEB has executive management responsibility for UBS Group. It assumes overall responsibility for the development of the firm’s business strategies and the implementation of approved strategies. All GEB Members are proposed by the Group CEO and the BoD approves the appointments of the Group CEO, the Group CFO, the Group CRO and the Group General Counsel; the HRCC approves all other GEB Members.

The business address of the members of the GEB is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

Potential conflicts of interest

Members of the BoD and GEB may act as directors or executive officers of other companies (please see above under “Details of the Executive Bodies of the Company”) and may have economic or other private interests that differ from those of the Issuer. Potential conflicts of interest may arise from these positions or interests. UBS is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including disclosure when appropriate.

VI. AUDITORS

On 23 April 2008, the UBS Annual General Meeting reelected Ernst & Young Ltd., Aeschengraben 9, 4002 Basel, Switzerland, as the Group and statutory auditor in accordance with company law and banking law provisions for a further one-year term. Ernst & Young Ltd., Basel, is a member of the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland.

¹⁰ At the Annual General Meeting on 23 April 2008 the shareholders reduced the term of office for the members of the BoD from three years to one year. As a result, the new members were elected for one year. For existing members the one-year term starts from the point at which they are re-elected.

¹¹ New committee structure effective as of 1 July 2008.

VII. MAJOR SHAREHOLDERS OF THE ISSUER

The ownership of UBS shares is broadly dispersed. As at 30 June 2008, Chase Nominees Ltd., London, was registered with a 7.35 % holding (31 December 2007: 7.99 %, 31 December 2006: 8.81 %) of total share capital held in trust for other investors. As at 30 June 2008, the US securities clearing organisation DTC (Cede & Co.) New York, "The Depository Trust Company", held 11.27 % (31 December 2007: 14.15 %, 31 December 2006: 13.21 %) of total share capital in trust for other beneficiaries. As of 25 June 2008, Credit Suisse Group held acquisition positions relating to shares of UBS AG which corresponds to less than 3 % of the total share capital of UBS AG.

Pursuant to UBS provisions on registering shares, the voting rights of nominees are limited to 5 %. This regulation does not apply to securities clearing and settlement organisations. No other shareholder was registered with a holding in excess of 3 % of all voting rights. Only shareholders registered in the share register as shareholders with voting rights are entitled to exercise voting rights.

As of 23 June 2008, UBS held acquisition positions relating to 144,426,836 voting rights of UBS AG which corresponds to 4.92 % of the total voting rights of UBS AG.

At the same time UBS held disposal positions relating to 575,390,973 voting rights of UBS AG, corresponding to 19.62 % of the total voting rights of UBS AG. These comprised largely 9.15 % voting rights attached to employee options and 9.22 % voting rights attached to the mandatory convertible notes ("MCNs") issued to the Government of Singapore Investment Corporation Pte. Ltd, Singapore, and an investor from the Middle East on 5 March 2008. As of 15 July 2008, the Government of Singapore Investment Corporation Pte. Ltd reported in a filing with the US Securities and Exchange Commission that it held 240,223,963 UBS shares, including 228,832,951 shares to be received upon conversion of the MCNs.

Further details on the distribution of UBS shares, the number of registered and non-registered securities, voting rights as well as distribution by shareholder categories and geographical regions can be found in the Annual Report 2007 of UBS AG, 3 Corporate Governance and Compensation Report, in English, on pages 5-6 (inclusive) and on the website of UBS AG (http://www.ubs.com/1/e/investors/shareholder_details/distribution.html).

VIII. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

A description of the Issuer's assets and liabilities, financial position and profits and losses is available in the Financial Report of the Issuer for financial year 2006 and in the Annual Report 2007 of UBS AG, 4 Financial Statements for financial year 2007, in English, which were restated on 14 April 2008 (see (iV) below). In this context, the Issuer's fiscal year equals the calendar year.

In the case of financial year 2006 reference is made to

- (i) the Financial Statements of UBS AG (Group), in particular the Income Statement of UBS AG (Group) on page A82, the Balance Sheet of UBS AG (Group) on page A83, the Statement of Cash Flows of UBS AG (Group) on pages A86 - A87 (inclusive) and the Notes to the Financial Statements on pages A88 - A214 (inclusive), and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular the Income Statement of UBS AG (Parent Bank) on page A218, the Balance Sheet of UBS AG (Parent Bank) on page A219, the Statement of Appropriation of Retained Earnings of UBS AG (Parent Bank) on page A220, the Notes to the Financial Statements on pages A221 - A225 (inclusive) and the Parent Bank Review on page A217, and
- (iii) the sections entitled "Accounting Standards and Policies" on pages A67 - A72 (inclusive) in the Financial Report 2006.

In the case of financial year 2007 reference is made to

- (i) the Financial Statements of UBS AG (Group), in particular to the Income Statement of UBS AG (Group) on page D18, the Balance Sheet of UBS AG (Group) on page D19, to the Statement of Cash Flows of UBS AG (Group) on pages D23 - D24 (inclusive) and to the Notes to the Financial Statements on pages D25 - D120 (inclusive), and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement of UBS AG (Parent Bank) on page D125, the Balance Sheet of UBS AG (Parent Bank) on page D126, to the Statement of Appropriation of Retained Earnings of UBS AG (Parent Bank) on

page D127, to the Notes to the Financial Statements on page D128 and to the Parent Bank Review on page D124, and

- (iii) the sections entitled "Accounting Standards and Policies" on pages D3 - D8 (inclusive) in the Annual Report 2007 of UBS AG, 4 Financial Statements.
- (iv) In January 2008, the International Accounting Standards Board ("IASB") issued an amendment to IFRS 2 Share-based Payment. The amended standard, entitled IFRS 2 Sharebased Payment: Vesting Conditions and Cancellations, is effective 1 January 2009 (early adoption permitted). The new standard clarifies the definition of vesting conditions and the accounting treatment of cancellations. UBS has early adopted this amended standard as of 1 January 2008. Under the amended standard, UBS is required to distinguish between vesting conditions (such as service and performance conditions) and non-vesting conditions. The amended standard no longer considers vesting conditions to include certain non-compete provisions and transfer restrictions. Prior to adopting this amendment, UBS treated non-compete provisions as vesting conditions. The impact of this change will be that, from 1 January 2008, most of UBS' share and certain option awards will be expensed in the performance year rather than over the period through which the non-compete conditions are applicable. Restrictions remaining effective after the employee becomes entitled to the share-based award will be considered when determining grant date fair value. Following adoption of this amendment, UBS has fully restated the two comparative prior years (2006 and 2007). The effect of the restatement on the opening balance at 1 January 2006 was as follows: reduction of retained earnings by approximately CHF 2.2 billion, increase of share premium by approximately CHF 2.3 billion, increase of liabilities (including deferred tax liabilities) by approximately CHF 0.3 billion, and increase of deferred tax assets by approximately CHF 0.4 billion. Additional compensation expense of approximately CHF 800 million and approximately CHF 500 million was recognized in 2007 and 2006, respectively. The additional compensation expense is attributable to the acceleration of expense related to share-based awards which contain non-compete provisions and transfer restrictions that no longer qualify as vesting conditions under the Standard. The additional compensation expense of approximately CHF 800 million for 2007 includes awards granted in 2008 for the performance year 2007.

Reference is also made to the Consolidated Financial Statements (restated) of UBS AG for the financial year 2007, in particular the Income Statement of UBS AG (Group) on page F-31, the Balance Sheet of UBS AG (Group) on page F-32, (iii) the Statement of Cash Flows of UBS AG (Group) on pages F-37 - F-38 (inclusive) and the Notes to the Financial Statements on pages F-39 - F-139 (inclusive).

All relevant financial information including the relevant notes thereto, contained therein and audited by the UBS auditor, form an integral component of this Prospectus, and are therefore fully incorporated in this Prospectus.

The financial reports form an essential part of UBS reporting. They include the audited Consolidated Financial Statements of UBS, prepared in accordance with International Financial Reporting Standards ("IFRS") and the audited financial statements of UBS AG, prepared according to Swiss banking law provisions. The financial reports also include discussions and analyses of the financial and business results of UBS and its Divisions, as well as certain additional disclosures required under Swiss and US regulations.

The financial statements for UBS AG (Group) and its subsidiaries as well as for UBS AG (Parent Bank) were audited by Ernst & Young Ltd., Basel, for financial years 2006 and 2007. The "Report of the Statutory Auditors" of UBS AG (Parent Bank) can be found on page A226 of the Financial Reports for 2006 and on page D140 of the Annual Report 2007 of UBS AG, 4 Financial Statements. The "Report of the Group Auditors" of the UBS AG (Group) can be found on pages A80 – A81 (inclusive) of the Financial Reports for 2006 and on page D16 - D17 (inclusive) of the Annual Report 2007 of UBS AG, 4 Financial Statements, and on page F-29 – F-30 (inclusive) of the Consolidated Financial Statements (restated) of UBS AG for the financial year 2007.

Reference is also made to the English version of the Issuer's quarterly report for the second quarter 2008, which includes information concerning the Issuer's current assets and liabilities, financial position and profits and losses. The information contained in this report as of 30 June 2008 was not audited by the Issuer's statutory auditor.

1. LEGAL AND ARBITRATION PROCEEDINGS

UBS Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and other risks. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such cases are subject to many uncertainties, and their outcome is often difficult to predict, including the impact on the operations or financial statements, particularly in the earlier stages of a case. In certain circumstances, to avoid the expense and distraction of legal proceedings, UBS may, based on a cost benefit analysis, enter into a settlement even though UBS denies any wrongdoing. The Group makes provisions for cases brought against it only when after seeking legal advice, in the opinion of management, it is probable that a liability exists, and the amount can be reasonably estimated. No provision is made for claims asserted against the Group that in the opinion of management are without merit and where it is not likely that UBS will be found liable.

Within the last 12 months until 27 August 2008, UBS has been involved in the following legal proceedings which could be material to the Group:

- (a) **Tax Shelter:** In connection with a criminal investigation of tax shelters, the United States Attorney's Office for the Southern District of New York ("**US Attorney's Office**") is examining UBS' conduct in relation to certain tax-oriented transactions in which UBS and others engaged during the years 1996-2000. Some of these transactions were the subject of the Deferred Prosecution Agreement which the accounting firm KPMG LLP entered into with the US Attorney's Office in August 2005, and are at issue in United States v. Stein, S1 05 Cr. 888 (LAK). UBS is cooperating in the government's investigation.
- (b) **Municipal Bonds:** In November 2006, UBS and others received subpoenas from the US Department of Justice, Antitrust Division, and the US Securities and Exchange Commission ("**SEC**") relating to derivative transactions entered into with municipal bond issuers and to the investment of proceeds of municipal bond issuances. Both investigations are ongoing, and UBS is cooperating. In the SEC investigation, on 4 February 2008, UBS received a "Wells notice" advising that the SEC staff is considering recommending that the SEC bring a civil action against UBS AG in connection with the bidding of various financial instruments associated with municipal securities. Under the SEC' Wells process, UBS will have the opportunity to set forth reasons of law, policy or fact why such an action should not be brought.
- (c) **HealthSouth:** UBS is defending itself in two purported securities class actions brought in the US District Court for the Northern District of Alabama by holders of stock and bonds in HealthSouth Corp. UBS also is a defendant in HealthSouth derivative litigation in Alabama State Court and has responded to an SEC investigation relating to UBS' role as a banker for HealthSouth.
- (d) **Parmalat:** UBS is involved in a number of proceedings in Italy related to the bankruptcy of Parmalat. UBS Limited and one current and one former UBS employee are the subject of criminal proceedings in Milan. UBS AG and UBS Limited are defendants in civil actions brought by Parmalat investors in parallel with these criminal proceedings. Furthermore, two current and two former UBS employees (two of whom are the defendants in Milan) are defendants in relation to criminal proceedings in Parma. Civil claims have also been recently filed in parallel with the criminal proceedings by Parmalat investors against the individuals, UBS AG and UBS Limited. UBS AG and UBS Limited deny the allegations made against them and against the individuals in the matters and are defending themselves. In June 2008, UBS settled all civil claims brought by Parmalat (and Mr Enrico Bondi) against UBS, including clawback proceedings against UBS Limited in connection with a structured finance transaction, two civil damages claims brought by Parmalat, and civil actions against the individuals and UBS Limited brought in parallel with the criminal proceedings in Parma.
- (e) **Auction Rate Securities:** UBS has been sued by three state regulatory authorities and is being investigated by the SEC and other regulators, including a number of state regulators and the US Attorney for the District of New Hampshire, relating to the marketing and sale of auction rate securities (ARS) to clients and to UBS' role and participation in ARS auctions. UBS also has been named in several putative class actions and individual civil suits and a large number of individual arbitrations. The regulatory actions and investigations and the class actions followed the disruption in the markets for these securities and related auction failures since mid-February 2008. Plaintiffs and the regulators are generally seeking rescission, *i.e.* for UBS to purchase their ARS at par value, as well as compensatory damages, disgorgement of profits and in some cases penalties. In May 2008, UBS entered into a settlement with the Massachusetts Attorney General

- in which UBS agreed to buy back USD 36 million in auction rate securities that had been sold to general purpose municipal accounts but were impermissible for those accounts. On 8 August 2008, UBS announced a settlement in principle with the New York Attorney General (NYAG), the Massachusetts Securities Division, the SEC and other state regulatory agencies represented by the North American Securities Administrators Association to restore liquidity to all remaining clients' holdings of ARS. The agreement obligates UBS to offer to repurchase all remaining clients' holdings of ARS during specified future periods, to pay a fine totalling USD 150 million to state regulatory agencies and to reimburse all clients for losses incurred from sales of ARS holdings between 13 February 2008 and 8 August 2008. In connection with these matters, UBS established a provision of USD 900 million (CHF 919 million) in the second quarter.
- (f) US Cross-Border: UBS AG has been responding to a number of governmental inquiries and investigations relating to its cross-border private banking services to US private clients during the years 2000-2007. In particular, the US Department of Justice ("**DOJ**") is examining whether certain US clients sought, with the assistance of UBS client advisors, to evade their US tax obligations by avoiding restrictions on their securities investments imposed by the Qualified Intermediary Agreement ("**QIA**") UBS entered into with the US Internal Revenue Service ("**IRS**") in 2001. DOJ and IRS are also examining whether UBS AG has been compliant with withholding obligations in relation to sales of non-US securities under the so-called Deemed Sales and Paid in US tax regulations. In connection with DOJ's investigation, a senior UBS employee was detained by US authorities as a "material witness", and he remains in the United States until his status as a witness is resolved. On 19 June 2008, a former UBS AG client advisor pleaded guilty to one count of conspiracy to defraud the United States and the IRS in connection with providing investment and other services to a US person who is alleged to have evaded US income taxes on income earned on assets maintained in, among other places, a former UBS AG account in Switzerland. The IRS has issued a civil summons to UBS AG requesting information relating to its US clients and also submitted corresponding legal and administrative assistance requests to the competent Swiss authorities. UBS is seeking to address these requests with both Swiss and US government authorities within the legal framework for intergovernmental cooperation and assistance established between Switzerland and the United States. Further, the IRS has delivered to UBS AG a notice concerning alleged violations of the QIA which UBS is responding to under the applicable cure process. The SEC is examining whether Swiss-based UBS client advisors engaged in activities in relation to their US-domiciled clients that triggered an obligation for UBS Switzerland to register with the SEC as a broker-dealer and/or investment adviser. Finally, the Swiss Federal Banking Commission is investigating UBS' crossborder servicing of US private clients under Swiss Banking Supervisory legislation. The investigations are also focused on the management supervision and control of the US cross-border business and the practices at issue. UBS has been working to respond in an appropriate and responsible manner to all of these investigations in an effort to achieve a satisfactory resolution of these matters.
- (g) Sub-prime related Matters: UBS is responding to a number of governmental inquiries and investigations, and is involved in a number of litigations, arbitration and disputes, related to the sub-prime crisis, sub-prime securities, and structured transactions involving sub-prime securities. These matters concern, among other things, UBS' valuations, disclosures, write-downs, underwriting, and contractual obligations. In particular, UBS has been in regular communication with, and responding to inquiries by, its home country consolidated regulator, the Swiss Federal Banking Commission, and other regulators regarding some of these issues and others, including the role of internal control units, governance and processes around risk control and valuation of sub-prime instruments, compliance with public disclosure rules, and the business rationales for the launching and the reintegration of Dillon Read Capital Management.
- (h) Insight One: In early July 2007, UBS agreed to a settlement of the InsightOne case after the New York State Attorney General filed a civil complaint regarding UBS' fee-based brokerage program for private clients in the United States in December 2006. UBS denied that the program was part of a scheme to disadvantage clients, but chose to settle to bring the proceedings to an end. Under the settlement, UBS paid a total of USD 23.3 million, of which USD 21.3 million was paid to certain current and former InsightOne customers pursuant to an agreed upon remediation plan, and USD 2 million was paid in penalties. In 2006, UBS established provisions sufficient to cover the settlement, and therefore the settlement did not impact UBS' Net profit in 2007.
- (i) Bankruptcy Estate of Enron: In June 2007, UBS and Enron settled adversarial proceedings in the US Bankruptcy Court for the Southern District of New York brought by Enron to avoid and recover payments made prior to filing for bankruptcy in connection with equity forward and

swap transactions. UBS believed it had valid defences to all of Enron's claims, but chose to settle to eliminate the uncertainty created by the proceeding. Under the terms of the settlement, UBS paid Enron USD 115 million and waived a proof of claim for approximately USD 5.5 million that UBS filed in Enron's bankruptcy case. In 2006, UBS recognized a provision for more than half of the settlement amount, with the difference recognized in 2007. Therefore, the settlement did not materially impact UBS' Net profit in 2007.

Besides the proceedings specified above under (a) through (i) no governmental, legal or arbitration proceedings, which may significantly affect the Issuer's financial condition (as opposed to the operating results in the quarterly reporting period) are or have been pending, nor is the Issuer aware that any such governmental, legal or arbitration proceedings are threatened.

2. SIGNIFICANT CHANGES IN THE FINANCIAL SITUATION OF THE ISSUER

- On 17 July 2008, UBS announced that it would no longer provide offshore banking and securities services to US residents through its bank branches. Such services will only be provided through SEC-registered companies.
- On 8 August 2008, UBS announced a settlement in principle with the SEC and various US states pursuant to which it will agree to purchase at par all action rate securities ("**ARS**") held in UBS client accounts. The agreement specifies different time periods during which the offers to purchase will be in effect, depending upon client categories. UBS also agreed to pay fines totalling USD 150 million. This settlement is in addition to a previously announced plan to establish a trust structure that would, subject to regulatory approval, offer to purchase at par all tax-exempt auction preferred stock (type of ARS) held by UBS clients. UBS announced that it would establish a provision of USD 900 million in its second quarter results in connection with the ARS matter.
- On 12 August 2008, UBS reported a Group net loss attributable to shareholders of CHF 358 million for the second quarter ended 30 June 2008. Trading conditions deteriorated significantly in the second half of May, in particular for assets related to US residential real estate as well as other structured credit positions. This development led to second quarter losses and writedowns of around USD 5.1 billion on related positions. In addition, the second quarter was also characterized by generally lower client activity, in particular lower capital markets and mergers and acquisitions activity, and falling security prices. The second quarter result also included a tax credit of approximately CHF 3,829 million.
- On 12 August 2008, UBS published a summary of the remediation plan submitted to the Swiss Federal Banking Commission ("**SFBC**"). The plan details the actions UBS is taking to address the findings of its earlier report to the SFBC (summary published on 21 April 2008) on the causes of the sub-prime losses incurred in 2007. Some of the measures are already well under way. The plan details their owners and commits UBS to specific deadlines.
- On 12 August 2008, UBS announced changes to its strategic direction and the launch of a comprehensive program to re-engineer its business. UBS will separate its business divisions into three autonomous units and vest them with increased operational authority and accountability. The executive management of the Group will be led by the Chief Executive Officer ("**CEO**") who will be supported by the Group Executive Board ("**GEB**") and its newly established Executive Committee. The full GEB will focus on group-wide interests and will, in particular, manage shared services and group leadership development, grow cross-divisional revenues, oversee regional governance, and review proposed changes to the business portfolio. The Executive Committee, which will consist of the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**"), the Chief Risk Officer ("**CRO**") and the General Counsel, will decide on the resource allocation of the Group. It will set and monitor the performance targets for the business divisions, risk parameters, capital allocation and funding terms. Divisional CEOs will be tasked with leading their business in a much more autonomous manner, accountable for dedicated capital resources, people and infrastructure. Regional CEOs will drive cross-divisional collaboration to generate value for UBS' shareholders and will assume group-wide regional regulatory responsibility. Corporate Center will be responsible for providing state-of-the-art group level control in the areas of finance, risk, legal and compliance, and significant attention will be devoted to strengthening and empowering these functions throughout the firm.

The change of UBS' business model will be achieved with a centrally managed change program, covering structural, legal and financial aspects of the transformation. The seven streams of this program, which will start immediately, are:

- Revised incentive systems to reward divisional management and staff for shareholder value creation in their own business division (during fourth quarter 2008);
- Further enhancements to the funding framework so that the costs and structure of liabilities of each business division approximate those of stand-alone competitors (end 2009);
- Adjustments to the executive governance structure to reflect the above changes (by end third quarter 2008);
- Development of targets and performance indicators consistent with the repositioning of the business divisions (end 2008);
- Reduction of the size and scope of the Corporate Center, in line with the re-allocation of process ownership to the divisions;
- Review of intra-divisional servicing, revenue sharing and referral arrangements (mid 2009);
- Continuation of the strategic cost reduction program targeted at increasing the efficiency of the Group.

UBS expects the change program to be completed by the end of 2009.

Apart from the above-mentioned, there has been no material change in UBS' financial or trading position of the Issuer since the publication of the 2nd quarter report of UBS AG (not audited) for the period ending 30 June 2008.

IX. MATERIAL CONTRACTS

No material agreements have been concluded outside of the normal course of business which could lead to UBS being subjected to an obligation or obtaining a right, which would be of key significance to the Issuer's ability to meet its obligations to the investors in relation to the issued securities.

X. DOCUMENTS ON DISPLAY

- The Annual Report of UBS AG as at 31 December 2006, comprising (i) the Annual Review 2006, (ii) the Handbook 2006/2007 and (iii) the Financial Report 2006 (including the "Report of the Group Auditors" and the "Report of the Statutory Auditors");
- The Annual Report of UBS AG as at 31 December 2007, comprising (i) the Review 2007, (ii) 1 Strategy, Performance and Responsibility, (iii) 2 Risk, Treasury and Capital Management, (iv) 3 Corporate Governance and Compensation Report, (v) 4 Financial Statements (including the "Report of the Group Auditors" and the "Report of the Statutory Auditors");
- The Consolidated Financial Statements (restated) of UBS AG for the financial year 2007 (including the "Report of the Group Auditors"), published in the securities prospectus dated 23 May 2008 for the Offering of 760,295,181 Registered Shares of UBS AG;
- The quarterly report as of 30 June 2008, and
- the Articles of Association of UBS AG Zurich/Basel, as the Issuer,

shall be maintained in printed format, for free distribution, at the offices of the Issuer as well as at UBS Deutschland AG, Stephanstrasse 14 - 16, 60313 Frankfurt am Main, Federal Republic of Germany, for a period of twelve months after the publication of this document. In addition, the annual and quarterly reports of UBS AG are published on the UBS website, at www.ubs.com/investors or a successor address."

The relevant Base Prospectus and all supplements thereto, are available free of charge at the Issuer and at UBS Deutschland AG, Stephanstrasse 14 – 16, 60313 Frankfurt am Main, Federal Republic of Germany.

Additionally, the Base Prospectus and all supplements thereto are published on the website www.ubs.com/keyinvest, or a successor website.

Frankfurt am Main, 27 August 2008

UBS AG, acting through its [London][Jersey] Branch



signed: Markus Koch



signed: Burkhard Henssler

UBS Limited



signed: Sigrid Kossatz



signed: Stefanie Ganz