

Open End Certificate on Berkshire Hathaway

SUMMARY OF THE TERMS AND CONDITIONS

For additional product and risk information, please consult Sales Prospectus

Underlying: WKN: 854075 ; Valor: ; ISIN: US0846701086 ; Reuters: BRKa .; Bloomberg: BRK/A US

Product Details

Underlying	Berkshire Hathaway INC. Cl. A (the Share)
Underlying Currency	USD
Reference Price of Underlying	110,560.00 USD
Issue Price	EUR 80.24
Ratio	1,000 : 1 (1,000 certificates represent 1 Share, 1 Certificate represents 0.001 Shares)
Redemption	Cash Settlement in EUR on the Redemption Date in case of Exercise or Termination.

The Settlement Amount is equal to the Settlement Price of the Share minus a 0.10% risk management fee to be deducted quarterly and in arrears, for the first time on 17 October 2007, thereafter on each January 17, April 17, July 17 and October 17 (each the Risk Management Fee Calculation Date) (in case that any of the dates is not a business day, the next following business day applies) considering the ratio and converted into EUR. The Settlement Amount is calculated as follows:

$$\text{Settlement Amount} = (\text{Final Reference Price of Underlying in USD} \times 1 / (1.001)^n) \times \text{Ratio, converted into EUR}$$

with Ratio = 0.001

n = number of Risk Management Fee Calculation Dates since and including 17 October 2007; n = 1 being 17 October 2007.

Final Reference Price of Underlying	Closing price of the Share on the Valuation Date. Valuation Date is the Exercise Date or the Termination Date.
Risk-Management Fee	0.10% per quarter

Security Identification Codes

ISIN: DE000UB87S74
Valor: 3248356
WKN: UB87S7
Common Code: 031071526

Dates

Issue Date	17.07.2007
Fixing Date	16.07.2007
Payment Date	19.07.2007
First Day of Listing	17.07.2007
Last Trading Day	2 exchange trading days prior to the Termination Date
Expiration Date	Open End
Redemption Date	5 Banking Days after the Termination Date or the Exercise Date
Exercise Date	Date of Investor's Exercise Right
Termination Date	Date of Issuer's Call Right

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's 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. 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 is for information purposes only and should not be construed as an offer, 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. No action has been or will be taken in any jurisdiction that would permit a public offering of the securities described herein, save where explicitly stated in the Prospectus. The securities must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

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General Information

Issuer	UBS AG, London Branch
Rating	Aaa/AA+
Lead Manager	UBS Limited, London
Issue Size	500,000 Certificates
Trading	09:00 - 20:00 hours
Listing	Frankfurt, Stuttgart (Third Section)
Minimum Trading Size	1 Certificate
Smart / Euwax	Max. Spread (homogenised): 2.5%
	Min. Size: 1 Certificate
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 AG eligible (up-to Global Certificate)
Governing Law	German Law
Place of Jurisdiction	Frankfurt am Main

Tax information

Swiss Federal Stamp Duty	Secondary market transactions are not subject to Swiss stamp duty.
Swiss Federal 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.

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 is not subject to the supervision of the Swiss Federal Banking Commission (*Eidgenössische Bankenkommision*). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

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 at any time and the termination will become effective after a notice period of 1 year and 1 month and the termination becomes effective after a notice period of 3 months, for the value of the current Settlement Amount.

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, 19 July), effective of the relevant year, for value of the current Settlement Amount. Should any of the above dates not be a business day, the next following business day shall apply.

The Valuation Date shall be Termination Date or the Exercise Date, as the case may be.

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Certificates

Certificates are a group of products, which replicate the performance of the underlying. Certificates give the investor the possibility to be diversified with relatively low administrative costs and small investment amounts. The risk of loss is limited to the invested capital. The Investor assumes the credit risk of UBS AG.

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 Deutschland AG, Frankfurt, 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.

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.

Selling Restrictions

Any Product purchased by any person for sale may not be offered in any jurisdiction in circumstances, which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Product in such 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.

Europe – Any offer of the Security must be in compliance with the law of the relevant jurisdiction. For EEA jurisdictions that have already implemented the EU Prospectus Directive, any public offer of the Security in such Member State of the European Union **shall only be possible after notification** to the relevant Supervisory Authority in the relevant Member State.

Hong Kong – This Product has not been offered and sold, and each purchaser represents and agrees that it will not offer and sell the Product in Hong Kong, by means of any document, other than to persons whose ordinary business

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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 "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.

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.

Singapore – This Term Sheet has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289) of Singapore ("SFA"). Accordingly, this Term Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the bonds/securities may not be circulated or distributed, nor may the bonds/securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor specified in Section 274 of the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), 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.

In the event where the bonds/securities are subscribed or purchased under Section 275 by a relevant person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investment 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;

then 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 bonds/securities under Section 275 except:

- (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA;
- (2) where no consideration is given for the transfer; or
- (3) by operation of law.

UK – For the purposes of non-discretionary accounts, this Product should not be sold with a consideration of less than 50,000 EUR or equivalent.

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

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