

# LONG-TERM EUR EUROPEAN SOVEREIGNS AND SUPRANATIONAL BOND BASKET CERTIFICATE

*Traded Termsheet as of 22 March 2007*

|  |  |
|--|--|
| <b>Description</b>                         | <p>10 year EUR Certificate linked to a Basket of European Sovereign Bonds and/or Supranationals as described in more detail in the Basket Specifics Section.</p> <p>These Certificates are secured by a charge on the Collateral Securities. The assets securing these certificates are segregated from all other assets of the SPV. See Section "Security for Certificates" for more information on security structure and the underlying assets.</p> |
| Issuer                                     | Global Asset Program Limited, a special purpose vehicle incorporated in Gibraltar  |
| Arranger/Dealer                            | UBS Limited  |
| Series                                     | 105  |
| Status                                     | Senior Unsubordinated  |
| Aggregate Issue Volume                     | 30'000 Certificates  |
| Minimum Trading Lot                        | 1 Certificates   |
| Issue Price                                | EUR 1'000 per Certificate  |
| Launch Date                                | 22 March 2007  |
| Issue Date                                 | 27 March 2007  |
| Interest Rate                              | Zero coupon  |
| Final Redemption Date                      | 27 March 2017  |
| Aggregate Issue Size                       | EUR 30,000,000   |
| Final Redemption Amount                    | <p>Liquidation proceeds of the basket, including Accrued Interest and EUR cash contained in the Basket.</p> <p>Liquidation proceeds will be determined by the Reinvestment Agent, acting in a commercially reasonable manner, at 17.00 hours (CET) on the Final Valuation Date at the Bloomberg Composite Bid-Price of the Bonds in the Basket.</p>  |
| Final Valuation Date                       | 5 Business Days prior to Final Redemption Date   |
| Target Duration Range of Basket Components | 14.00 – 16.00 years  |

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## Basket Details

Initial Basket Composition 10 Bonds according to below compilation (the "Basket Components")  
All Bonds are equally weighted in the Basket according to the Bloomberg Composite ask price on the London Business Day prior to the Issue Date plus the corresponding accrued interest up to the Issue Date.

Charged Assets / Collateral Assets/Collateral Securities: The following Bonds each having an approximate weighting of 10% as at the Issue Date indicative Basket

|      |                  |  |                |                        |
|------|------------------|--|----------------|------------------------|
| I    | Issuer:          | <b>Austria 4.65%</b>                           | SIN/CUSIP      | <b>AT0000385745</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>9'771'379'000</b>   |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>15 January 2018</b> |
| II   | Issuer:          | <b>Ireland 4.50%</b>                           | SIN/CUSIP      | <b>IE0034074488</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>6'930'500'000</b>   |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>18 April 2020</b>   |
| III  | Issuer:          | <b>Belgium 4.00%</b>                           | SIN/CUSIP      | <b>BE0000308172</b>    |
|      | Issuer's Rating: | <b>Aa1/AA+/AA+ (Moody's/S&amp;P/Fitch)</b>     | Issue Size     | <b>5'425'000'000</b>   |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>28 March 2022</b>   |
| IV   | Issuer:          | <b>Netherlands 3.75%</b>                       | SIN/CUSIP      | <b>NL0000102275</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>6'427'400'000</b>   |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>15 January 2023</b> |
| V    | Issuer:          | <b>France 6.00%</b>                            | SIN/CUSIP      | <b>FR0000571150</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>9'416'928'240</b>   |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>25 October 2025</b> |
| VI   | Issuer:          | <b>Germany 6.50%</b>                           | SIN/CUSIP      | <b>DE0001135044</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>11'250'000'000</b>  |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>04 July 2027</b>    |
| VII  | Issuer:          | <b>Netherlands 5.50%</b>                       | SIN/CUSIP      | <b>NL0000102317</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>8'886'814'230</b>   |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>15 January 2028</b> |
| VIII | Issuer:          | <b>Germany 4.75%</b>                           | SIN/CUSIP      | <b>DE0001135085</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>11'250'000'000</b>  |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>04 July 2028</b>    |
| IX   | Issuer:          | <b>Austria 4.15%</b>                           | SIN/CUSIP      | <b>AT0000A04967</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>3'000'000'000</b>   |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>15 March 2037</b>   |
| X    | Issuer:          | <b>France 4.00%</b>                            | SIN/CUSIP      | <b>FR0010171975</b>    |
|      | Issuer's Rating: | <b>Aaa/AAA/AAA (Moody's / S&amp;P / Fitch)</b> | Issue Size     | <b>12'878'000'000</b>  |
|      | Type             | <b>Sovereign</b>                               | Maturity Date: | <b>25 April 2055</b>   |

## Security for Certificates

Status and security: The Certificates are secured and limited recourse obligations of the Issuer, ranking *pari passu* without any preferences among themselves. The Certificates will be secured by way of charge over the Charged Assets.

If the security for the Certificates becomes enforceable and the proceeds of enforcement are insufficient to pay all amounts due in respect of the Certificates, all claims against the Issuer in respect of such sums unpaid after the enforcement shall be extinguished.

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## Reinvestment Details

- The Re-investment Agent shall carry out reinvestments in accordance with the criteria set out below.
- The Basket Components will be held in the basket until their respective maturities unless a Replacement Event occurs.
- Upon the final maturity of a Basket Component, the cash amount received from each Basket Component will be credited to the basket until the corresponding Adjustment Date
- Coupon payments received from the Basket Components will be credited to the Basket until the corresponding Adjustment Date.
- Any cash generated by coupon payments received and matured bonds will yield interest according to the rate customarily paid by the account provider until such cash is re-invested at the next Adjustment Date.

### Adjustment Date

One business day after (a) the receipt of a coupon payment in respect to a Basket Component; (b) the receipt of final redemption proceeds on the maturity of a Basket Component; or (c) the occurrence of a Replacement Event. For the purposes of determining an Adjustment Date, business day shall be construed a business day in the markets in which such Basket Component is settled.

### Adjustments

At each Adjustment Date:

- (a) coupon payments will be re-invested in the Basket Component which paid the coupon;
- (b) redemption proceeds received on the maturity of a Basket Component will be reinvested in Basket Components that meet the Reinvestment Criteria so that the Basket will contain 10 Basket Components; and
- (c) proceeds received on the sale of a Basket Component on the occurrence of a Replacement Event as set out below will be reinvested in Basket Components that meet the Reinvestment Criteria so that Basket will contain 10 Basket Components

If, on an Adjustment Date, the Reinvestment Agent is unable to identify bonds that satisfy the Reinvestment Criteria, or the Reinvestment Agent determines it is impracticable to purchase the bonds or there is insufficient cash to purchase the bonds in their minimum denominations or lot amounts the coupon payments or proceeds, as the case may be, shall yield interest according to the rate customarily paid by the account provider until such cash is re-invested at the next Adjustment Date.

The Reinvestment Agent shall determine sale and purchase prices in a commercially reasonable manner at the Bloomberg Composite Bid-Price or as the case may be Ask Price of the respective bond.

### Reinvestment Criteria

- The following criteria apply for reinvestments:
- There will always be a minimum of 5 debtors in the Basket. Should there be less than five debtors in the Basket, a new bond from a debtor whose bonds are not yet a Basket Component, will be purchased on the next following business day on which the relevant Basket Component is traded.
- Maximum weighting per debtor 25%
- Maximum weighting per country 40%
- Issuer shall be an Eligible Obligor.
- Minimum issue size of 1'000'000'000 EUR
- EUR denominated bonds only
- Bond has a duration that would, on inclusion in the Basket, not breach the Target Duration Range of Basket Components

"**Eligible Obligors**" means the Federal Republic of Germany, the State of the Netherlands, the Kingdom of Sweden, the Republic of Finland, the Kingdom of Sweden, the Republic of France, the United Kingdom, the Kingdom of Belgium, the Republic of Ireland, the Kingdom of Spain, the Republic of Austria, the Portuguese Republic, the Republic of Italy, the Swiss Confederation, the Kingdom of Norway, the International Bank for Reconstruction and Development, the European Investment Bank, Kreditanstalt für Wiederaufbau (KfW), Bank Nederlandse

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Gemeenten, Oesterreichische Kontrollbank AG, the Inter-American Development Bank or any other European Sovereign or Supranational Organisation which is rated at least AA- by S&P, Aa3 by Moody's and/or AA- by Fitch and is not on negative credit watch by any such rating agency.

**Replacement Event:**

Each of the following shall constitute a Replacement Event in relation to a Basket Component:

- (a) The Reinvestment Agent becomes aware that Standard & Poor's (S&P), Moody's or Fitch rating of a debtor whose bond is a Basket Component of the basket falls below A-, then the Calculation Agent can (in its sole and absolute discretion) replace this Bond.
- (b) After the expiration of any applicable grace period, the issuer of a Basket Component fails to make, when and where due, any payment in accordance with the terms of the Basket Component,
- (c) The Reinvestment Agent becomes aware that future coupon payments on a Basket Component are, or are likely to be, subject to a withholding tax. The Reinvestment Agent does not assume responsibility for the monitoring of withholding tax laws and regulations and if a coupon payment is reduced as a result of the imposition of a withholding tax, the reduced amount of such coupon payment shall be reinvested in accordance with these terms without any gross-up.

On the occurrence of a Replacement Event, the Issuer shall on the next Business Day transfer to the Reinvestment Agent free and clear of any security interest the Basket Component which is subject to the Replacement Event and the Reinvestment Agent shall sell the affected Basket Component and reinvest the proceeds of such sale in accordance with the Adjustment procedure set out above.

Any purchases or dispositions of basket components shall be executed by using the Bloomberg Composite Bid- or as the case may be Ask prices of the respective bonds.

|                                       |   |
|---------------------------------------|---|
| Documentation                         | Issued off the Issuer's Euro Medium Term Note Program. Documented via the Information Memorandum for the Programme and the Pricing Supplement.  |
| Reinvestment Agent:<br>Swap Payments: | UBS AG<br>On Issue Date, the Issuer shall use the initial proceeds it receives from Certificate holders to purchase from the Reinvestment Agent the Basket Components which shall constitute the Collateral Securities.<br>- the Collateral Securities shall be liquidated by the Reinvestment Agent on behalf of the Issuer 5 business days before the Redemption Date and shall pay the proceeds to the Issuer. The Issuer shall make a corresponding payment on the Redemption Date. |
| Securities Lending Option:            | To the extent UBS holds all or any portion of the Certificates; UBS may borrow a pro-rata portion of the Charged Assets under a Securities Lending Agreement.   |

**General Information**

|                        |  |
|------------------------|--|
| Adjustment Fee:        | An Adjustment Fee of 0.30% p.a. will be applied to this certificate and shall be paid by the Issuer to the Reinvestment Agent on a quarterly basis. If funds are otherwise unavailable, the Issuer shall instruct the Reinvestment Agent to liquidate Basket Components or a portion thereof sufficient to pay the Reinvestment Fee on a quarterly basis. The Issuer shall instruct that Basket Components are liquidated in order of the shortest dated Basket Component first. |
| Calculation Agent:     | UBS AG, London Branch  |
| Principal Paying Agent | UBS AG, London Branch  |
| Trustee                | The Law Debenture Trust Corporation p.l.c.   |
| Status and Security    | The Certificates are secured and limited recourse obligations of the Issuer, ranking pari passu without any preferences among themselves.  |

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The Certificates will be secured by way of fixed security over:

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- (i) the Collateral Assets and the rights of the Issuer against the Custodian in relation to the Collateral Assets;
- (ii) all funds held by the Paying Agent to meet payments due under the Certificates; and
- (iii) the rights of the Issuer under the Agency Agreement; and

**(iv) If the Security for this issue of Certificates becomes enforceable and the net proceeds of the Security are insufficient to meet all payments due by the Issuer in respect of the Certificates, no other assets of the Issuer shall be available to meet such payment shortfall.**

Order of priorities on enforcement of security:

On enforcement of the security in respect of the Certificates, the Trustee will apply the enforcement proceeds in the following order of priority (as fully described in the Programme's Programme Memorandum and the Constituting Instrument):

1. In payment of the fees, costs, charges, expenses, liabilities and legal fees of the Trustee;
2. In meeting the amounts due to the Reinvestment Agent;  
In meeting the amounts due to the holders of the Certificates pari passu and rateably; and  
In payment of the balance (if any) to the Issuer.

|                               |  |          |  |
|-------------------------------|--|----------|--|
| Listing:                      | Application will be made to list on the Irish Stock Exchange   |          |  |
| Business Days:                | London and TARGET  |          |  |
| Tax Redemption:               | Applicable, as detailed in the Pricing Supplement  |          |  |
| Settlement                    | Standard EMTN via Euroclear / Clearstream Banking  |          |  |
| Market Making                 | It is the current practice (but not the legal obligation) of UBS Limited to quote on request a live price, which it might pay/charge for buying back any certificate of this type that it arranges. A live buy-back price would be affected by then-current market conditions, liquidity and market standard denomination. UBS is under no obligation to hold a price quoted for any length of time unless this is agreed at the time of giving the quote. The Certificateholder should have the ability and intention to hold the Certificates until the Redemption Date. |          |  |
| Documentation                 | Issued off the Issuer's Secured Medium Term Note Program. Purchase of the Certificates is subject to and should be read in conjunction with the terms and conditions of the Certificates, the Information Memorandum for the Programme and the Pricing Supplement relating to this issue of Certificates. A copy of these will be provided upon request to investors.  |          |  |
| Security No./ codes           | ISIN: XS0292292363   | WKN: [ ] |  |
|                               | Valor: 2809306   |          |  |
| Product Risk Disclosure       | The Investor is exposed to the basket of sovereign and or supranational obligations. A Certificateholder is exposed to the performance risk of the Basket. Upon redemption the Certificate holders may receive an amount less than the principal amount of the Certificates, subject to a minimum of zero. The Certificates are subject to early redemption for tax reasons in accordance with terms and on such early redemption UBS shall determine the market value of Certificates at its discretion.  |          |  |
| EU Savings Tax (Swiss Ruling) | For Swiss paying agents, the product is not subject to the EU Savings tax (TK10).  |          |  |

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## Disclaimers

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### CLASSIFICATION

„This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ss of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the supervision of the Swiss Federal Banking Commission (Eidgenössische Bankenkommission). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.“

### IMPORTANT INFORMATION

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which 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 this product 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 this product (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.

### SELLING RESTRICTIONS

**Any Notes purchased by any person for resale 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 Notes in such jurisdiction.**

**Noteholders are advised to read the selling restrictions described more fully in the Offering Memorandum regarding the issuer's Euro Medium Term Note Programme. The restrictions listed below must not be taken as definitive guidance as to whether this note can be sold in a jurisdiction. Noteholders should seek specific advice before onselling a Note.**

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**Europe**

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

For EEA jurisdictions (EU member states plus Norway, Iceland and Liechtenstein) that have implemented the EU Prospectus Directive, the Final Terms and Base Prospectus for these Notes DO NOT QUALIFY as a prospectus published in accordance with the requirements of the EU Prospectus Directive. Unless and until a prospectus has been published in accordance with the requirements of the EU Directive, these Notes may not be offered or sold other than 1) in minimum denominations of, or total consideration per investor of at least, EUR 50,000 (or equivalent in other currencies) or 2) only to Qualified Investors; and/or (aggregated for all distributors) to less than 100 offerees that are not Qualified Investors per EEA jurisdiction. A "Qualified Investor" is a legal entity that (i) is authorised or regulated to operate in the financial markets or has the sole purpose to invest in securities; or (ii) meets two of the following three criteria (as shown in its last annual or consolidated accounts): (a) an average number

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

**USA**

The Notes may not be sold or offered within the United States or to U.S. persons.

**Hong Kong**

*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.*

The Notes have not been offered and sold, and each purchaser represents and agrees that it will not offer and sell the Notes in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy and sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32 of the laws of Hong Kong) or to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571), 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 the Notes, each purchaser represents and agrees that it has not issued and will not issue any advertisement, invitation or document relating to the Notes, 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 Notes which are or are 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 (Cap. 571) of Hong Kong and any rules made thereunder.

**Singapore**

*The following applies subsequent to the coming into force of the amendments to Part XIII of the SFA (as amended by the Securities and Futures (Amendment) Act 2005).*

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.

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In the event where the bonds/securities are subscribed or purchased under Section 275 by a relevant person which 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**

The Notes should not be sold with a consideration of less than 50,000 EUR or equivalent.

**Others**

As detailed in the Base Prospectus for the Programme.

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