

Open End PERLES on Ardour Global Alternative Energy Extra Liquid TR Index EUR (POWER)

PERformance Linked to Equity Securities

The Issuer has called this product on 27 December 2016 for early expiration effective 13 March 2018



Tax Treatment Switzerland adjusted

Final Terms

Product Description / Risk Information

The **Ardour Global Alternative Energy Extra Liquid TR Index EUR** ("the Index") is a global capitalization weighted, float adjusted index comprising publicly traded companies engaged in the production of alternative fuels and/or technologies related to the production of alternative energy power. The index strives to be inclusive of all companies worldwide that are principally engaged in the Industry and it represents the thirty stocks in the composite with the highest average of daily turnover and market capitalization. The Index is a total return index with net dividends reinvested daily. The Index is denominated in EUR.

Product Details

Underlying Index

Ardour Global Alternative Energy Extra Liquid TR Index EUR

(Bloomberg: AGIXLET)

Issue Amount

Up to 200'000 PERLES (with reopening clause)

Conversion Ratio

The value of 37.9015 Open End PERLES relate to the level of the Underlying Index, adjusted by the prevailing currency exchange rate and the Management Fee according to the following formula:

$$\frac{\text{Underlying Index} * \text{FX}_{\text{EUR/CHF}}}{(1 + 0.003)^n}$$

Where:

n = the number of quarters that have passed since the Pricing Date as defined by the Calculation Agent.

FX_{EUR/CHF} = prevailing EUR/CHF exchange rate

FX_{EUR/CHF initial} = initial EUR/CHF exchange rate. Was set at 1.6193

The 1.2% per annum risk Management Fee is to be deducted quarterly and in arrears, for the first time on 13 June 2007, thereafter on September 13, December 13, March 13 and June 13 (each a "Risk Management Fee Calculation Date"). In case that any of these dates is not an Exchange Business Day, the next following Exchange Business Day applies

Initial Underlying Index Level

2'340.61

Issue Price

CHF 101.00

Currency Risk

The investor is exposed to the EUR/CHF exchange rate

Security Numbers

ISIN: CH0029383772

Valor: 2 938 377

WKN: UB6K55

Common Code: 028860340

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Dates

Issue Date	16 February 2007
Subscription Period	Until 8 March 2007 (16h00 CET)
Pricing Date	9 March 2007
First Listing Date	16 March 2007
Payment Date	16 March 2007
Expiration Date	Open End

General Information

Issuer	UBS AG, London Branch
Rating	Aa2 / AA+
Lead Manager	UBS AG, Zurich (UBS Investment Bank)
Calculation Agent	UBS AG, London Branch
Index Sponsor	Ardour Global Indexes, LLC, New York
Exchange Business Day	A day at which the Underlying Index is calculated and published by the Index Sponsor
Settlement	Cash settlement in CHF
Trading	Indicative prices will be available on Reuters UBSDEEW05, www.ubs.com/keyinvest and Telekurs
Listing	SWX-Listing
Trading Lot	Minimum 1 Open End PERLES or a multiple thereof for trading and exercise
Selling Restrictions	Europe, HongKong, Singapore, UK, USA, U.S. persons 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.
Clearing	SIS, Euroclear, Clearstream (booked at SIS SegalInterSettle AG)
Form of Deed	Book-entry Security
Law / Jurisdiction	Swiss / Zurich
Issuer Call right	The Issuer has the annual right, on 13 March, for the first time on 13 March 2008 ("Notice Date") to call the Open End PERLES for early redemption for a value equal to the Conversion Value effective 1 year after the "Notice Date" has been published to that effect (the "Termination Date"). In case that any of the dates is not an Exchange Business Day, the next following Exchange Business Day applies.
Investor exercise right	In addition to the possibility to sell the Open End PERLES at any time, each Investor has an annual right to exercise his Open End PERLES (notice to be received not later than 10 am Zurich time on 13 March of the relevant year (the "Exercise Date") for a value equal to the Conversion Value at the time of exercise. The exercise will become effective as of close of the fifth day after the Exercise Date of the relevant year. In case that any of the dates is not a business day, the next following business day applies.
Conversion Value	Average of spot prices for selling the shares which make up the Underlying Index realized on a best effort basis at the prevailing exchange rates over a period of 5 business days after the relevant Exercise Date or the Termination Date, as the case may be, divided by $[37.9015 * (1 + 0.003)^n]$, as reasonably determined by the Calculation Agent.

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n = the number of quarters that have passed since the Pricing Date as defined by the Calculation Agent.

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The Conversion Value is also depending on liquidity, currency exchange rates, taxes, charges, expenses, fees, costs or levies with respect to the sale of the relevant shares.

Tax Information

Swiss Stamp Duty	Secondary market transactions are not subject to Swiss Stamp Duty.
Swiss Income Tax	For private investors resident in Switzerland who hold the product on the Closing Date, any kind of distribution reinvested in the index or basket (dividends, repayments of nominal value and capital contribution reserves) is subject to income tax on an annual basis. The amount will be determined and reported to the Swiss Federal Tax Administration annually for publication in the Kursliste (list of tax values). Closing date (for Swiss tax purposes): December 31, for the first time December 31, 2018.
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 over the Swiss tax consequences linked to this product based on the tax laws and the practice of the tax administration. Tax laws and the practice of tax administrations may change, possibly with retroactive effect.

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This Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289)

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 - (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;
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 - (2) where no consideration is given for the transfer; or
 - (3) by operation of law.

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