

15 YEAR USD UBS SPREAD CALLABLE DAILY RANGE ACCRUAL NOTE (“SPREAD CDRAN”)

TRADED TERMSHEET as of October 12, 2004

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| Description: | 15 Year USD-denominated Spread Callable Daily Range Accrual Note (the “Notes”) with Interest linked to the Spread between USD 30y CMS Rate - USD 10y CMS Rate (CMS = Constant Maturity Swap). The Notes are callable by the Issuer after 3 months and quarterly thereafter. |
| Issuer: | UBS AG, acting through its Jersey branch. |
| Issuers Rating: | AA+ S&P's / Aa2 Moody's / AA+ Fitch |
| Status: | Senior Unsubordinated |
| Specified Denomination: | USD 10,000 per Note |
| Aggregate Nominal Amount: | USD 3,300,000 |
| Issue Price: | 100.00% |
| Launch Date: | 12 October 2004 |
| Issue Date: | 12 November 2004 |
| Maturity Date: | 12 November 2019 (15 year from Issue Date) |
| Interest Amount: | Coupon Rate x (n/N) x Day Count Fraction x Notional Amount n = number of days in the Interest Period during which the: USD 30y CMS Rate - USD 10y CMS Rate \geq 0.00% N = the number of calendar days in the Interest Period |

| Period | Coupon Rate |
|-------------------|-------------|
| Year 1 – Year 10 | 9.00 % |
| Year 11 – Year 15 | 20.00 % |

If a particular calendar day in the Interest Period is not a Business Day, then the USD 30y CMS Rate - USD 10y CMS Rate for the previous Business Day shall be used. For the observation days starting at 5 Business Days prior to each Interest Payment Date, the USD 30y CMS Rate - USD 10y CMS Rate observed 5 Business Days prior to that Interest Payment Date shall be used

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| Interest Period: | The initial interest period will be the period from the Issue Date ending on the day preceding the first Interest Payment Date. Subsequent Interest Periods will be the period between two successive Interest Payment Dates, starting on the Interest Payment Date and ending on the day before the next Interest Payment Date. |
| Interest Payment Dates: | 12 February, 12 May, 12 August and 12 November each year commencing on 12 February 2005, adjusted as per the Business Day Convention. |
| Day count: | 30/360 |
| Business Day Convention: | Modified Following Adjusted |
| Interest Determination Date: (Fixing) | On Business Days at 11am New York Time |
| Rate Source: | Reuters Page ISDAFIX1 |
| Calculating Agent: | UBS AG, London Branch |
| Redemption Amount: | 100% |
| Early Redemption Option (Call): | The Issuer may redeem the Notes, in whole but not in part, on each Interest Payment Date commencing on 12 February 2005, upon giving written notice at least five (5) Business Days prior to the Interest Payment |

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| | Date to the Program's Issuing and Paying Agent. The note holder will be entitled to any Interest payments due on the Early Redemption Date. |
| Early Redemption Date: | If the Notes are called, the Interest Payment Date in respect of which the Early Redemption Option is exercised. |
| Optional Redemption Amount: | 100% of the Aggregate Nominal Amount |
| Calculation Agent: | UBS AG, London Branch |
| Listing: | No Listing |
| Business Days: | London, New York |
| Tax Redemption: | Applicable, as detailed in the Pricing Supplement |
| Settlement: | Standard EMTN via Euroclear / Clearstream Banking |
| Documentation: | Issued off the Issuer's Euro Medium Term Note Program. Purchase of the Notes is subject to and should be read in conjunction with the terms and conditions of the Notes, the Information Memorandum for the Programme and the Pricing Supplement relating to this issue of Notes. A copy of these will be provided to investors. |
| Market Making: | It is the current practice (but not the legal obligation) of UBS to quote on request a live price, which it might pay/charge for early termination of any note of this type that it issues. A live unwind price may 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 |
| Global Contacts: | FI Structured Products - Private Banks Switzerland : +41 1 239 7830 London : +44 20 756 77562 USA : +1 203 719 7393 Asia : +65 68365312/+65 6431 8621 |
| Valoren: | 1975328 |
| ISIN: | XS0203758924 |
| Product Risk Disclosure: | The investor must be aware that if, on any Business Day during the Interest Period, the Spread is outside the Range, there will be no accrued interest for that particular Business Day. |
| Selling Restrictions: | USA, US persons Selling Restriction (Note 1) Hong Kong Selling Restrictions (Note 2) Singapore Selling Restrictions (Note 3) UK Minimum Levels (Note 4) Others - As detailed in the Information Memorandum for the Programme |

Note 1- USA Selling Restrictions.

The Notes may not be sold or offered within the United States or to U.S. persons; the foregoing shall not, however, prohibit sales to U.S. offices of UBS AG.

Note 2- Hong Kong Selling Restrictions.

The Notes have not been offered or sold and purchasers of Notes may not offer or sell the Notes in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or 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. No advertisement, invitation or document relating to the Notes has been issued, and purchasers of Notes may not issue 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 there under.

Note 3 - Singapore Selling Restrictions.

This Term Sheet and the Information Memorandum have not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS") under the Securities and Futures Act 2001 (Act 42 of 2001) of Singapore (the "Securities and Futures Act"). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Term Sheet, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (1) to an institutional investor or other person falling within Section 274 of the Securities and Futures Act, (2) to a sophisticated investor (as defined in Section 275 of the Securities and Futures Act) and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (3) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Note 4 – UK and Germany Minimum Levels.

As a guide, this Note should not be sold with a consideration of less than Euro 40,000 or equivalent

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 may pay or receive brokerage or retrocession fees in connection with this transaction. Further details are available from UBS upon request. UBS's 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.

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, 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").

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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. Not for distribution in the United States or to U.S. persons.