

Invitation to the Annual General Meeting of UBS AG

Wednesday, 18 April 2007, 10.30 a.m.
(Doors open at 9.30 a.m.)

Hallenstadion Zurich-Oerlikon, Wallisellenstrasse 45, Zurich

Agenda

1. Annual Report, Group and Parent Company Accounts for Financial Year 2006
Reports of the Group and Statutory Auditors
2. Appropriation of Retained Earnings
Dividend for Financial Year 2006
3. Discharge of the Members of the Board of Directors and the Group Executive Board
4. Elections
 - 4.1. Re-election of Board Members
 - 4.1.1. Stephan Haeringer
 - 4.1.2. Helmut Panke
 - 4.1.3. Peter Spuhler
 - 4.2. Election of a new Board Member
 - 4.2.1. Sergio Marchionne
 - 4.3. Election of the Group and Statutory Auditors
5. Capital Reduction
 - 5.1. Cancellation of Shares Repurchased under the 2006/2007 Share Buyback Program
and respective amendment of Article 4 para. 1 of the Articles of Association
 - 5.2. Approval of a New Share Buyback Program for 2007–2010

Introduction

Requests for the inclusion of items on the agenda

On 2 February 2007, UBS published a notice in various Swiss and international newspapers as well as on its Internet website at www.ubs.com/shareholder-meeting, inviting qualifying shareholders to submit their requests for the inclusion of individual items on the agenda by 23 February 2007. No such requests were submitted.

Call to register claims

The capital reduction to be achieved by means of cancellation of repurchased shares (Agenda Item 5.1) may only take place after the expiration of the period during which creditors may request satisfaction or security by filing their claims, in accordance with Article 733 of the Swiss Code of Obligations. Notice to the creditors will be published in the Swiss Commercial Gazette after the Annual General Meeting. Claims may then be registered during a two-month period. Also required for the capital reduction is a report by the Statutory Auditors confirming that even after the capital reduction, creditors' claims will remain fully covered and the liquidity of the Bank assured. Accordingly, the Statutory Auditors' report as of 31 December 2006 has been provided.

Organizational Issues

Admission Cards for the Annual General Meeting

Shareholders listed in the Share Register of UBS AG *in Switzerland* may order their admission cards by sending the order form attached to this invitation to the following address until 12 April 2007:
UBS SA, Shareholder Services, P.O. Box, CH-8098 Zurich.

Shareholders listed in the Share Register *in the United States* may request their admission cards, in writing, at the following address until 12 April 2007:

Mellon Investor Services, Proxy Processing, P.O. Box 3510,
S. Hackensack, NJ 07606-9210.

Previously issued admission cards will become invalid if the corresponding shares are sold prior to the Annual General Meeting. These cards will be recalled if the Share Register is informed of the sale.

Representation at the Annual General Meeting

Shareholders may be represented at the Annual General Meeting by their legal representative or, with a written proxy, by their custodial bank or by any other shareholder entitled to vote at the Annual General Meeting. In addition, every shareholder has the option of having his or her shares represented at the Annual General Meeting by:

- UBS AG, P.O. Box, CH-8098 Zurich
as a corporate or custody proxy
- Altorfer Duss & Beilstein AG
(Dr. Urs Zeltner, Attorney and Notary)
P.O. Box 1156, CH-8021 Zurich
as an independent proxy.

Zurich and Basel, 9 March 2007

UBS AG
For the Board of Directors:

Marcel Ospel, Chairman

Item 1

Annual Report, Group and Parent Company Accounts for Financial Year 2006 Reports of the Group and Statutory Auditors

A. Motion

The Board of Directors proposes that the Report on the Financial Year 2006 and the Group and Parent Company Accounts for 2006 be approved.

B. Explanations

The reports of the Board of Directors and the Group Executive Board on the financial year 2006 are contained in the "Financial Report". Additional information on the strategy, organization and activities of the Group and the Business Groups, as well as on risk management and control may be found in the "Handbook 2006/2007". The Handbook also contains comprehensive information relating to corporate governance as required by the SWX Swiss Exchange Directive, including the report on senior executive compensation. Shareholders may order copies of these publications with the company. The publications are also available on the Internet at www.ubs.com/investors. Shareholders registered in the Share Register in Switzerland will receive these publications as per their individual orders. Shareholders in the USA, who are registered with Mellon Investor Services, will receive a copy of the Annual Review, which contains the most important information relating to performance in 2006.

The Group income statement shows a total operating income of CHF 48,165 million and total operating expenses of CHF 33,498 million, resulting in an operating profit from continuing operations before tax of CHF 14,667 million and a net profit attributable to UBS shareholders of CHF 12,257 million. The Financial Businesses (excluding Industrial Holdings) achieved a net profit attributable to UBS shareholders of CHF 11,253 million. Total consolidated assets increased by CHF 338.2 billion to reach a new total of CHF 2,396.5 billion. Equity attributable to UBS shareholders totalled CHF 49.7 billion.

Parent Company net profit was CHF 6,558 million. Total operating income of CHF 26,988 million and total operating expenses of CHF 17,622 million resulted in an operating profit of CHF 9,366 million. Depreciations, write-offs and provisions amounted to CHF 1,694 million and extraordinary income to CHF 1,095 million. Extraordinary expenses totaled CHF 239 million and taxes amounted to CHF 1,970 million.

In its reports to the Annual General Meeting, Ernst & Young Ltd., as Group and Statutory Auditors, recommended without qualification that the Group and Parent Company Accounts be approved. The Group Auditors confirm that, in their opinion, the Group Financial Statements accurately reflect the consolidated financial position of UBS AG and the consolidated results of operations and cash flows, in conformity with the International Financial Reporting Standards (IFRS), and that they comply with Swiss law. With respect to the Parent Company, the Statutory Auditors confirm that the accounting records and financial statements and the proposal of the Board of Directors relating to the proposed appropriation of available earnings comply with Swiss law and with the Articles of Association of UBS AG.

Item 2

Appropriation of Retained Earnings Dividend for Financial Year 2006

A. Motion

The Board of Directors proposes that the Parent Company profit be appropriated as follows:

Profit for the financial year 2006 as per the income statement	CHF 6,558 million
Appropriation to general statutory reserves	CHF 457 million
Proposed dividends	CHF 4,582 million
Appropriation to other reserves	CHF 1,519 million
Total appropriation	CHF 6,558 million

The Board of Directors proposes distribution of a gross dividend of CHF 2.20 per share. Treasury shares held by UBS AG on the record date are not entitled to dividends.

B. Explanations

The proposal of the Board of Directors to distribute a gross dividend of CHF 2.20 per share, an increase of 38% from the previous year, reflects the excellent financial results achieved in 2006 and the firm's policy of returning excess capital to its shareholders. The proposal is also an indication of the Board of Directors' and the Group Executive Board's confidence in the future of UBS.

Provided that the proposal of the Board of Directors is approved, on 23 April 2007 a distribution of CHF 1.43 per share (after deduction of 35% Swiss withholding tax) will be made to all shareholders on record as of 18 April 2007. The shares will be traded ex dividend on 19 April 2007.

Item 3

Discharge of the Members of the Board of Directors and the Group Executive Board

Motion

The Board of Directors proposes that the discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2006 be approved.

Item 4

Elections

4.1. Re-election of Board Members

4.1.1. Re-election of Stephan Haeringer

A. Motion

The Board of Directors proposes that Stephan Haeringer be re-elected for an additional three-year term of office.

B. Explanations

The term of office of Stephan Haeringer, Vice Chairman of the Board of Directors, expires at the 2007 Annual General Meeting. He is prepared to stand for re-election.

Stephan Haeringer (1946) was elected to the Board of Directors at the Annual General Meeting in April 2004 and thereafter appointed as Executive Vice Chairman. He has chaired the Chairman's Office meetings relating to Group Internal Audit since 2005 and has been a member of the Corporate Responsibility Committee since 2004. Prior to this, Stephan Haeringer served as Deputy President of the Group Executive Board, a position he held between 2002 and 2004. Between 2000 and 2002, he was Chief Executive Officer of UBS Switzerland and the Private and Corporate Clients business.

A more detailed CV may be found in the "Handbook 2006/2007" as well as on the Internet under www.ubs.com/boards.

4.1.2. Re-election of Helmut Panke

A. Motion

The Board of Directors proposes that Helmut Panke be re-elected for an additional three-year term of office.

B. Explanations

The term of office of Helmut Panke expires at the 2007 Annual General Meeting. He is prepared to stand for re-election.

Helmut Panke (1946) was elected to the Board of Directors at the Annual General Meeting in April 2004. He has chaired the Nominating Committee since 2006. Helmut Panke was Chairman of the Board of Management of BMW AG, Munich, between 2002 and September 2006. He currently holds several board memberships, including as a member of the Board of Directors of Microsoft Corporation.

A more detailed CV may be found in the "Handbook 2006/2007" as well as on the Internet under www.ubs.com/boards.

4.1.3. Re-election of Peter Spuhler

A. Motion

The Board of Directors proposes that Peter Spuhler be re-elected for an additional three-year term of office.

B. Explanations

The term of office of Peter Spuhler expires at the 2007 Annual General Meeting. He is prepared to stand for re-election.

Peter Spuhler (1959) was elected to the Board of Directors at the Annual General Meeting in April 2004 and since then he has been a member of the Compensation Committee.

Peter Spuhler is the owner of Stadler Rail AG (Switzerland), which he acquired in 1989 when it was a small firm with 18 employees. Today the Stadler Rail Group has more than 2,500 staff and is an internationally successful light railway vehicle business. He is also a member of the National Council of the Swiss Parliament (lower house).

A more detailed CV may be found in the "Handbook 2006/2007" as well as on the Internet under www.ubs.com/boards.

4.2. Election of a new Board Member

The term of office of Sir Peter Davis, who has been a member of the Board of Directors since 2001, expires at the 2007 Annual General Meeting. As he has reached the retirement age in 2006, he will not be standing for re-election.

4.2.1. Election of Sergio Marchionne

A. Motion

The Board of Directors proposes that Sergio Marchionne be elected to the Board of Directors as a non-executive member for a three-year term of office.

B. Explanations

Sergio Marchionne (1952) serves as Chief Executive Officer (CEO) of Fiat S.p.A., Turin, and Fiat Auto. Sergio Marchionne began his professional career in 1983 as Chartered Accountant and Tax Specialist for Deloitte & Touche in Canada. Two years later, he became Group Controller and then Director of Corporate Development at the Lawson Mardon Group of Toronto. In 1989 and 1990, he served as Executive Vice President of Glenex Industries. In the following two years Sergio Marchionne acted as Vice President of Finance and Chief Financial Officer at Acklands Ltd. Between 1992 and 1994 he was Vice President of Legal and Corporate Development and Chief Financial Officer of the Lawson Group, which was acquired by Alusuisse Lonza (Algroup) in 1994. He held various positions of increasing responsibility within Algroup in the period from 1994 until 2000, finally becoming

CEO. In the following two years, he acted as CEO and Chairman of the spin-off Lonza Group Ltd. In 2002, Sergio Marchionne was appointed CEO of the Société Générale de Surveillance (SGS) Group of Geneva and in early 2006 he became Chairman of the same company. He has been a member of the Board of Fiat S.p.A. since 2003 and served as CEO of the company from 2004 onwards. Furthermore, Sergio Marchionne has held the position as CEO of Fiat Auto since 2005. Sergio Marchionne studied business at the University of Windsor, Canada, and is a qualified lawyer, accountant and tax specialist. He is a citizen of both Italy and Canada.

In addition to his professional responsibilities at Fiat, he is a member of the Fondazione Giovanni Agnelli, of Assonime (Association for Italy's limited liability companies) and is Chairman of the European Automobile Manufacturers Association in Brussels.

4.3. Election of the Group and Statutory Auditors

A. Motion

The Board of Directors proposes that Ernst & Young Ltd., Basel, be re-elected for a one-year term of office as Group and Statutory Auditors.

B. Explanations

Upon the recommendation of the Audit Committee, the Board of Directors proposes that Ernst & Young Ltd., Basel, be re-elected for a further one-year term of office as Group and Statutory Auditors. Ernst & Young Ltd. have confirmed to the Audit Committee of the Board of Directors that they possess the level of independence required to take on this role and that their independence will not be affected by additional mandates performed for UBS AG. Any such additional mandates will require pre-approval by the Audit Committee. Ernst & Young Ltd. further confirm that they did not provide any services for UBS prohibited by the US Securities and Exchange Commission (SEC) for a company's principal auditor.

Ernst & Young Ltd. have been responsible for UBS AG audits since the merger in 1998. Further information concerning the independence of the auditors, the costs of the audit, and the lead auditors is available in the "Handbook 2006/2007".

Item 5

Capital Reduction

5.1. Cancellation of Shares Repurchased under the 2006/2007 Share Buyback Program and respective amendment of Article 4 para.1 of the Articles of Association

A. Motion

The Board of Directors proposes that the 33,020,000 shares repurchased under the buyback program that was authorized by the 2006 Annual General Meeting be cancelled and that, as a result, the share capital of UBS AG be reduced by CHF 3,302,000.00.

Article 4 para. 1 of the Articles of Association shall be amended as follows:

Current version	Proposed new version (changes in <i>italics</i>)
Article 4	
Share capital	
1	1
The share capital of the Corporation is CHF 210,527,328.60 (two hundred and ten million, five hundred and twenty-seven thousand, three hundred and twenty-eight Swiss francs and sixty centimes), divided into 2,105,273,286 registered shares with a par value of CHF 0.10 each. The share capital is fully paid up.	The share capital of the Corporation is <i>CHF 207,225,328.60 (two hundred and seven million, two hundred and twenty-five thousand, three hundred and twenty-eight Swiss francs and sixty centimes)</i> , divided into <i>2,072,253,286</i> registered shares with a par value of CHF 0.10 each. The share capital is fully paid up.

B. Explanations

The Annual General Meeting on 19 April 2006 authorized the Board of Directors to buy back a maximum of CHF 5 billion worth of UBS shares via a second trading line on virt-x, in order to subsequently cancel them. As of 7 March 2007, 33,020,000 shares, with an overall market value of CHF 2,415,064,106.50, had been repurchased. The average purchase price was CHF 73 per share (rounded). The value of the shares repurchased under the program was less than the maximum value authorized by the Annual General Meeting.

The Board of Directors now proposes that the Annual General Meeting approve the cancellation of the 33,020,000 repurchased shares and that the share capital in Article 4 para. 1 of the Articles of Association be reduced accordingly.

Ernst & Young Ltd. as Statutory Auditors have confirmed in a special audit report prepared for the Annual General Meeting that, from today's perspective, the claims of creditors would remain covered and the liquidity of the Bank assured even with the proposed reduction in capital.

5.2. Approval of a New Share Buyback Program for 2007–2010

A. Motion

The Board of Directors proposes approval of the following resolution:

“The Board of Directors is hereby authorized to buy back a maximum amount of 10% of the issued share capital in the time period ending on 8 March 2010 via a second trading line on virt-x. These shares are to be cancelled definitively and are thus not subject to the 10% threshold for UBS’s “own shares” within the meaning of Article 659 of the Swiss Code of Obligations. The necessary amendments to the Articles of Association (reduction of share capital) shall be submitted to the respective Annual General Meetings of 2008–2010 for approval.”

B. Explanations

In order to ensure the most efficient capital management, the future repurchase of shares for cancellation is also advisable, to the extent that the capitalization of the Bank permits. The Board of Directors thus proposes that the Annual General Meeting authorize the repurchase of a maximum of 10% of the share capital (210,527,328 shares) over the next three-year period. At the current share price, this corresponds to a total value of ap-

proximately CHF 15 billion. The buyback program for 2007–2010 was announced on 13 February 2007.

The Board of Directors has decided to submit a three-year buyback program to the Annual General Meeting for approval. This will permit maximum flexibility with respect to capital management, although the Board of Directors continues to have no intention of deviating from the goal of a high capitalization of UBS. The shareholders shall decide on the definitive cancellation of the shares purchased pursuant to the buyback program 2007–2010 at the respective Annual General Meetings of 2008–2010.

This two-step procedure, with the shareholders voting on the general issue at a first Annual General Meeting and deciding on the definitive cancellation of the shares at subsequent Annual General Meetings, has the advantage that, by obtaining shareholders’ approval for the future cancellation of a maximum number of shares, these shares no longer fall within the statutory limit of Swiss Company Law which prohibits companies from holding more than 10% of their own shares. The proposed procedure thus provides UBS with greater flexibility, which is in the interest of efficient capital management and of the ongoing trading activities of the Bank.



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