

Third Quarter 2003

11 November 2003

Dear Shareholders,

We are pleased to report our most profitable quarter in three years. We have benefited from recovering equity markets and improving sentiment while securing substantial competitive gains – demonstrated most visibly by the CHF 20 billion in net new assets that clients have brought to UBS in third quarter.

At the same time, we have retained our cost discipline, pushing our pre-goodwill cost/income ratio to its lowest since PaineWebber became part of UBS. In particular, we were able to significantly reduce costs in our Swiss domestic and US wealth management businesses.

Net profit for the quarter was CHF 1,673 million (up 78% from third quarter 2002). Before goodwill, net profit was CHF 1,911 million, up 53% from a year earlier. All our businesses have increased profits and improved their cost/income ratios compared to third quarter 2002. This strong business performance, combined with our continued share buybacks, has helped us significantly improve shareholder returns, with pre-goodwill return on equity for the year close to 20%.

Our wealth management businesses around the world reported total net new money inflows of CHF 15.1 billion, the strongest result for over two years. Our European wealth management business again excelled with net new money inflows of CHF 2.8 billion and revenues up 57% from a year earlier. We also recorded strong inflows from Asian clients, and in the US we again outperformed most peers.

Operating income was up 6% from third quarter last year, particularly benefiting from improved fee and commission income. Corporate finance fees increased, reflecting a pick-up in corporate activity, but more importantly, our competitive gains. Asset-based and investment fund fees are benefiting from recovering equity market valuations. Our Investment Bank's Fixed Income, Rates and Currencies business has grown substantially over the last year. Although results were slightly lower compared to the exceptionally strong first two quarters of the year, it was a very positive performance in view of the turbulent bond markets in third quarter. Compared to third quarter 2002, private equity writedowns have significantly fallen.

Costs remained under tight control and were cut in almost all categories. Operating expenses fell 6% compared to third quarter 2002. Accruals for performance-related compensation rose in line with higher revenues, but were offset by lower salary expenses, reflecting a 5% year on year decrease in headcount. Lean structures and careful management of resources have proven to be a crucial success factor during the recent downturn in the financial services industry. We will therefore continue to streamline our processes across the firm

and closely monitor our staffing levels, keeping productivity levels competitively high.

The performance of our credit portfolio reflects the initial signs of global economic recovery. We realized a net recovery of CHF 26 million this quarter, compared to a net credit loss expense of CHF 95 million a year ago.

The progress of our organic growth drive continues. In Asia, for example, we were the first financial services firm to offer clients direct access to the Chinese domestic financial market. This strategy of organic growth has been boosted by a series of small acquisitions that expand the presence of our core businesses. For example, our recently announced acquisition of Merrill Lynch's German private client business will significantly enhance our profile in the German market for wealthy individuals. It is a further step in our systematic effort to expand in our European target markets following the acquisition of Lloyds TSB's French wealth management business earlier this summer. At the same time, our Investment Bank continues to invest in growth areas, most clearly evidenced by our acquisition of ABN AMRO's US prime brokerage operations in September.

The success of a company is not only due to pure commercial factors, but also depends on the quality of governance and management. We were therefore pleased when ethos, a Swiss investment foundation, and the Cantonal Bank of Zurich confirmed the quality of our governance structures and financial disclosure in two separate studies released recently which rated us top among Swiss companies. Continuous strengthening of our leadership and clear succession planning are also key priorities for us. In that context, we were pleased to announce the reintroduction of the Chief Financial Officer role with the appointment of current Asia Pacific CEO Clive Standish to that post, effective 1 April 2004. On 1 January 2004, Mark B. Sutton will succeed Joseph J. Grano, Jr. as CEO of Wealth Management USA. We are also proposing that Stephan Haeringer, currently Deputy CEO, be elected to the Board of Directors at the next Annual General Meeting, and that Chief Credit Officer Marco Suter be proposed to the Board a year later, in 2005, to succeed retiring Vice Chairman Alberto Togni. We have also re-established the title of Chief Executive Officer.

The use of employee stock options has been broadly debated in recent times – it is a discussion that you as investors may have been following closely. We recently reviewed the use of options in our compensation schemes. Our conclusion is that the selective use of stock options as an element in our

overall compensation strategy gives employees an appropriate long-term incentive to pursue sustainable share price appreciation. Consequently, we will continue to use options, but from 2004 onwards we will be granting them far more selectively than before. We will use them solely to encourage voluntary investments in UBS shares, or offer them as a targeted incentive to those who make key contributions to our long-term success.

Outlook – Throughout the year, market conditions have fluctuated, with trading opportunities shifting from one area to another. We have proven to be well positioned to capture those opportunities at the right times. Our diversified revenue mix, with its stable core of wealth and asset management income, has helped us contain market-driven volatility. Underlying these fluctuations, however, global economies and market conditions have been gradually improving. The stronger and more certain that recovery proves, the more positive the effect on our revenues.

Our successful track record in delivering consistently excellent results across different market challenges and environments gives us confidence that UBS will continue to offer first-class shareholder returns.

11 November 2003

UBS



Marcel Ospel
Chairman



Peter Wuffli
Chief Executive Officer



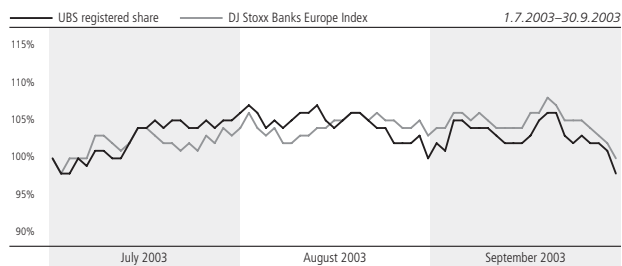
Our full report includes a number of feature articles that look at what we do around the world.

This quarter, we wrote about our global real estate business and our Swiss-based Small Caps M&A team. You can access them at www.ubs.com/investors by clicking "Quarterly Themes".

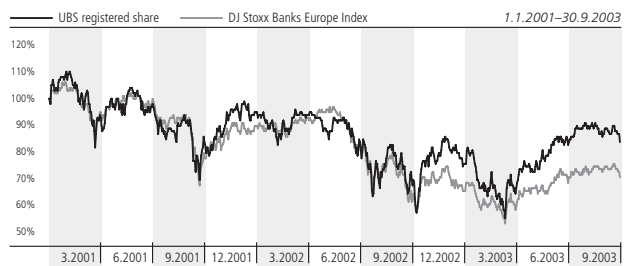
Or you can order the full quarterly report (English only) from UBS AG, Economic Information Center, GHDE, CA50-AUL, P.O. Box, CH-8098 Zurich, Switzerland.

UBS Share Performance

Third Quarter 2003



Since 2001



Shareholder returns

	Quarter ended		% change from		Year to date		
	30.9.03	30.6.03	30.9.02	2Q03	3Q02	30.9.03	30.9.02
Basic EPS (CHF)							
as reported ¹	1.52	1.44	0.79	6	92	4.00	2.98
before goodwill and adjusted for significant financial events ²	1.73	1.65	1.04	5	66	4.64	3.65
RoE (%)							
as reported ³						16.9	11.8
before goodwill and adjusted for significant financial events ⁴						19.5	14.6

Financial strength & ratings

As at	30.9.03	30.6.03	31.12.02
BIS Tier 1 capital ratio (%) ⁵	11.5	12.0	11.3
Long-term ratings			
Fitch, London	AA+	AAA	AAA
Moody's, New York	Aa2	Aa2	Aa2
Standard & Poor's, New York	AA+	AA+	AA+

Key income statement figures

CHF million, except where indicated	Quarter ended		% change from		Year to date		
	30.9.03	30.6.03	30.9.02	2Q03	3Q02	30.9.03	30.9.02
Income statement key figures							
Operating income	8,490	9,111	8,000	(7)	6	25,374	26,597
Operating expenses	6,353	6,788	6,788	(6)	(6)	19,318	21,801
Operating profit before tax	2,137	2,323	1,212	(8)	76	6,056	4,796
Net profit	1,673	1,639	942	2	78	4,526	3,636
Cost/income ratio (%) ⁶	75.1	74.7	83.9			76.0	81.3
Earnings adjusted for significant financial events and pre-goodwill^{7,8}							
Operating income	8,490	8,950	8,000	(5)	6	25,213	26,442
Operating expenses	6,115	6,550	6,483	(7)	(6)	18,600	20,858
Operating profit before tax	2,375	2,400	1,517	(1)	57	6,613	5,584
Net profit	1,911	1,875	1,247	2	53	5,242	4,454
Cost/income ratio (%) ⁹	72.2	73.4	80.1			73.6	78.2

Other key figures

CHF million, except where indicated	30.9.03	30.6.03	31.12.02	% change from	
				30.6.03	31.12.02
As at					
Balance sheet key figures					
Total assets	1,328,140	1,365,491	1,181,118	(3)	12
Shareholders' equity	35,704	36,692	38,991	(3)	(8)
Market capitalization	84,440	88,219	79,448	(4)	6
Invested assets (CHF billion)	2,182	2,168	2,037	1	7
Headcount (full-time equivalents)					
Switzerland	26,901	27,209	27,972	(1)	(4)
Europe (excluding Switzerland)	9,922	10,063	10,009	(1)	(1)
Americas	25,506	25,914	27,350	(2)	(7)
Asia/Pacific	3,824	3,787	3,730	1	3
Total	66,153	66,973	69,061	(1)	(4)

Footnotes: ¹ Details of the EPS calculation can be found in the Third Quarter 2003 Report. ² Net profit less the amortization of goodwill and other intangible assets and significant financial events (after tax)/weighted average shares outstanding. ³ Year to date annualized net profit/average shareholders' equity less dividends. ⁴ Year to date annualized net profit less the amortization of goodwill and other intangible assets and significant financial events (after tax)/average shareholders' equity less dividends. ⁵ Includes hybrid Tier 1 capital, please refer to the BIS capital and ratios table in the Third Quarter 2003 Report. ⁶ Operating expenses/operating income less credit loss expense or recovery. ⁷ Excludes the amortization of goodwill and other intangible assets. ⁸ Details of significant financial events can be found in the Third Quarter 2003 Report. ⁹ Operating expenses less the amortization of goodwill and other intangible assets and significant financial events/operating income less credit loss expense or recovery and significant financial events.

Throughout this document, 2002 segment results have been restated to reflect the transfer of the Private Banks & GAM to Corporate Center.

All financial information included in this document is unaudited, except for balance sheet information as at 31 December 2002, which is audited.

UBS Income Statement

CHF million, except per share data	Quarter ended			% change from		Year to date	
	30.9.03	30.6.03	30.9.02	2Q03	3Q02	30.9.03	30.9.02
Operating income							
Interest income	10,144	10,644	10,409	(5)	(3)	30,420	31,266
Interest expense	(6,787)	(7,618)	(7,683)	(11)	(12)	(21,128)	(23,417)
Net interest income	3,357	3,026	2,726	11	23	9,292	7,849
Credit loss (expense) / recovery	26	24	(95)	8		(54)	(217)
Net interest income after credit loss expense	3,383	3,050	2,631	11	29	9,238	7,632
Net fee and commission income	4,386	4,313	4,299	2	2	12,525	13,985
Net trading income	642	1,333	1,027	(52)	(37)	3,236	4,906
Other income	79	415	43	(81)	84	375	74
Total operating income	8,490	9,111	8,000	(7)	6	25,374	26,597
Operating expenses							
Personnel expenses	4,372	4,619	4,411	(5)	(1)	13,193	14,503
General and administrative expenses	1,422	1,600	1,720	(11)	(17)	4,419	5,232
Depreciation of property and equipment	321	331	352	(3)	(9)	988	1,123
Amortization of goodwill and other intangible assets	238	238	305	0	(22)	718	943
Total operating expenses	6,353	6,788	6,788	(6)	(6)	19,318	21,801
Operating profit before tax and minority interests	2,137	2,323	1,212	(8)	76	6,056	4,796
Tax expense	383	592	202	(35)	90	1,285	887
Net profit before minority interests	1,754	1,731	1,010	1	74	4,771	3,909
Minority interests	(81)	(92)	(68)	(12)	19	(245)	(273)
Net profit	1,673	1,639	942	2	78	4,526	3,636
Basic earnings per share (CHF)	1.52	1.44	0.79	6	92	4.00	2.98
Diluted earnings per share (CHF)	1.47	1.42	0.76	4	93	3.93	2.84

Reporting by Business Group

CHF million	Wealth Management & Business Banking		Global Asset Management		Investment Bank		Wealth Management USA		Corporate Center		UBS
	30.9.03	30.9.02	30.9.03	30.9.02	30.9.03	30.9.02	30.9.03	30.9.02	30.9.03	30.9.02	
For the quarter ended											
Income	3,042	3,039	471	359	3,428	2,865	1,284	1,315	239	517	8,464
Credit loss (expense) / recovery ¹	(26)	(74)	0	0	(12)	(22)	(2)	(6)	66	7	26
Total operating income	3,016	2,965	471	359	3,416	2,843	1,282	1,309	305	524	8,490
Personnel expenses	1,145	1,167	221	168	1,866	1,821	970	1,010	170	245	4,372
General and administrative expenses	529	598	116	106	508	534	229	278	40	204	1,422
Depreciation	80	101	6	6	81	89	42	36	112	120	321
Amortization of goodwill and other intangible assets	20	21	41	46	70	100	84	109	23	29	238
Total operating expenses	1,774	1,887	384	326	2,525	2,544	1,325	1,433	345	598	6,353
Business Group performance before tax and excluding significant financial events	1,242	1,078	87	33	891	299	(43)	(124)	(40)	(74)	2,137
Significant financial events	0	0	0	0	0	0	0	0	0	0	0
Tax expense											383
Net profit before minority interests											1,754
Minority interests											(81)
Net profit											1,673

Footnotes: ¹In management accounts, statistically derived actuarial expected loss adjusted by deferred releases rather than the net IFRS actual credit loss is reported for each Business Group. The breakdown by Business Group of the net credit loss expense for financial reporting purposes of CHF 26 million recovery for the quarter ended 30 September 2003 (CHF 95 million expense for the quarter ended 30 September 2002) is as follows: Wealth Management & Business Banking CHF 29 million recovery (CHF 57 million expense), Investment Bank CHF 5 million expense (CHF 30 million expense), Wealth Management USA CHF 0 million expense (CHF 10 million expense) and Corporate Center CHF 2 million recovery (CHF 2 million recovery).

Cautionary statement regarding forward-looking statements

This communication contains statements that constitute "forward-looking statements", including, but not limited to, statements relating to the implementation of strategic initiatives, such as the implementation of the European wealth management strategy, expansion of our corporate finance presence in the US and worldwide, and other statements relating to our future business development and economic performance. While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, (1) general market, macro-economic, governmental and regulatory trends, (2) movements in local and international securities markets, currency exchange rates and interest rates, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit-worthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) legislative developments, (7) management changes and changes to our business group structure in 2001, 2002 and 2003 and (8) other key factors that we have indicated could adversely affect our business and financial performance which are contained in other parts of this document and in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth elsewhere in this document and in documents furnished by UBS and filings made by UBS with the SEC, including UBS's Annual Report on Form 20-F for the year ended 31 December 2002. UBS is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.