

# UBS Fixed Income Investor Day Strategic Initiatives for Growth

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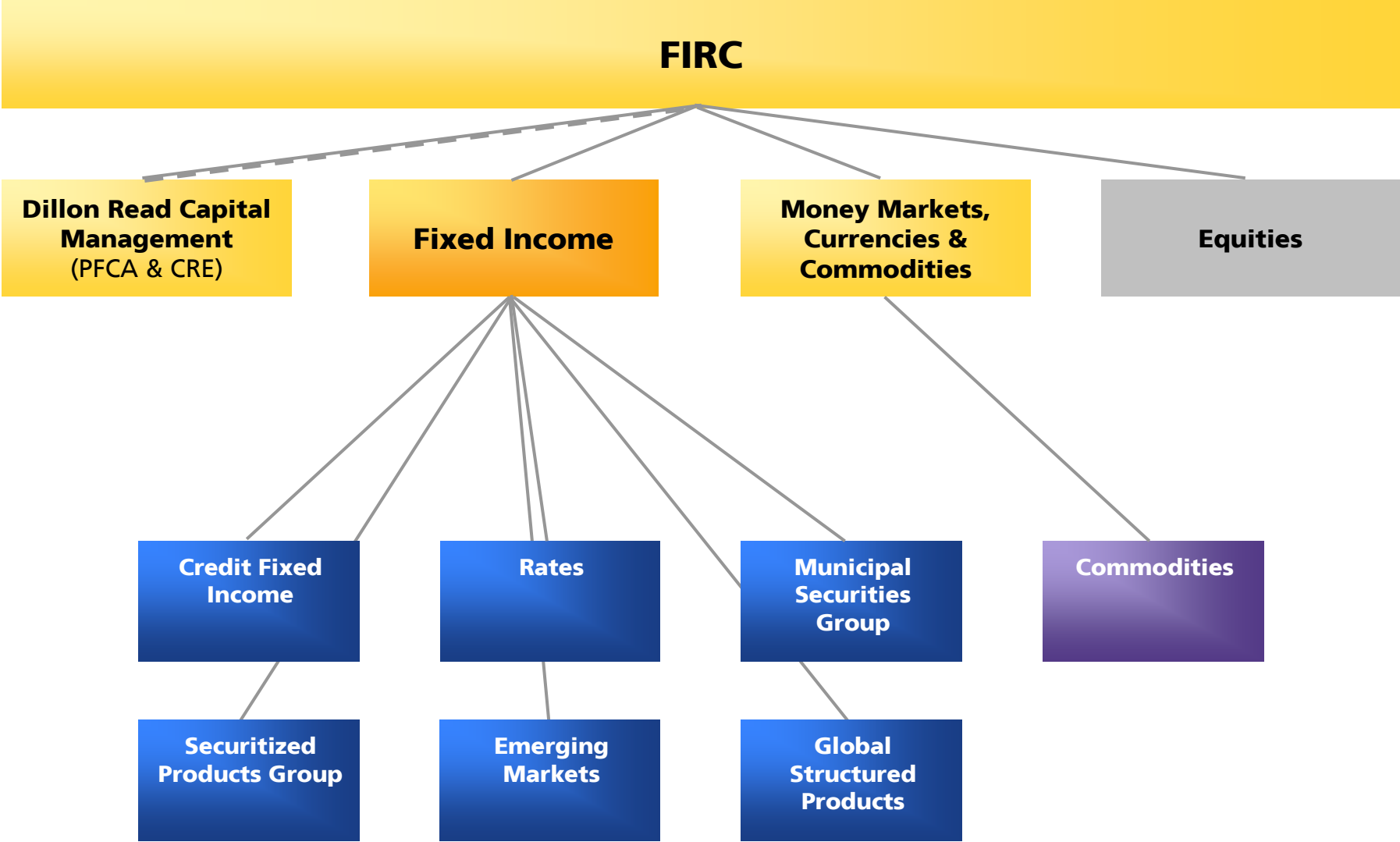
*Simon Bunce, Global Head of Fixed Income*

# Caution regarding forward looking statements

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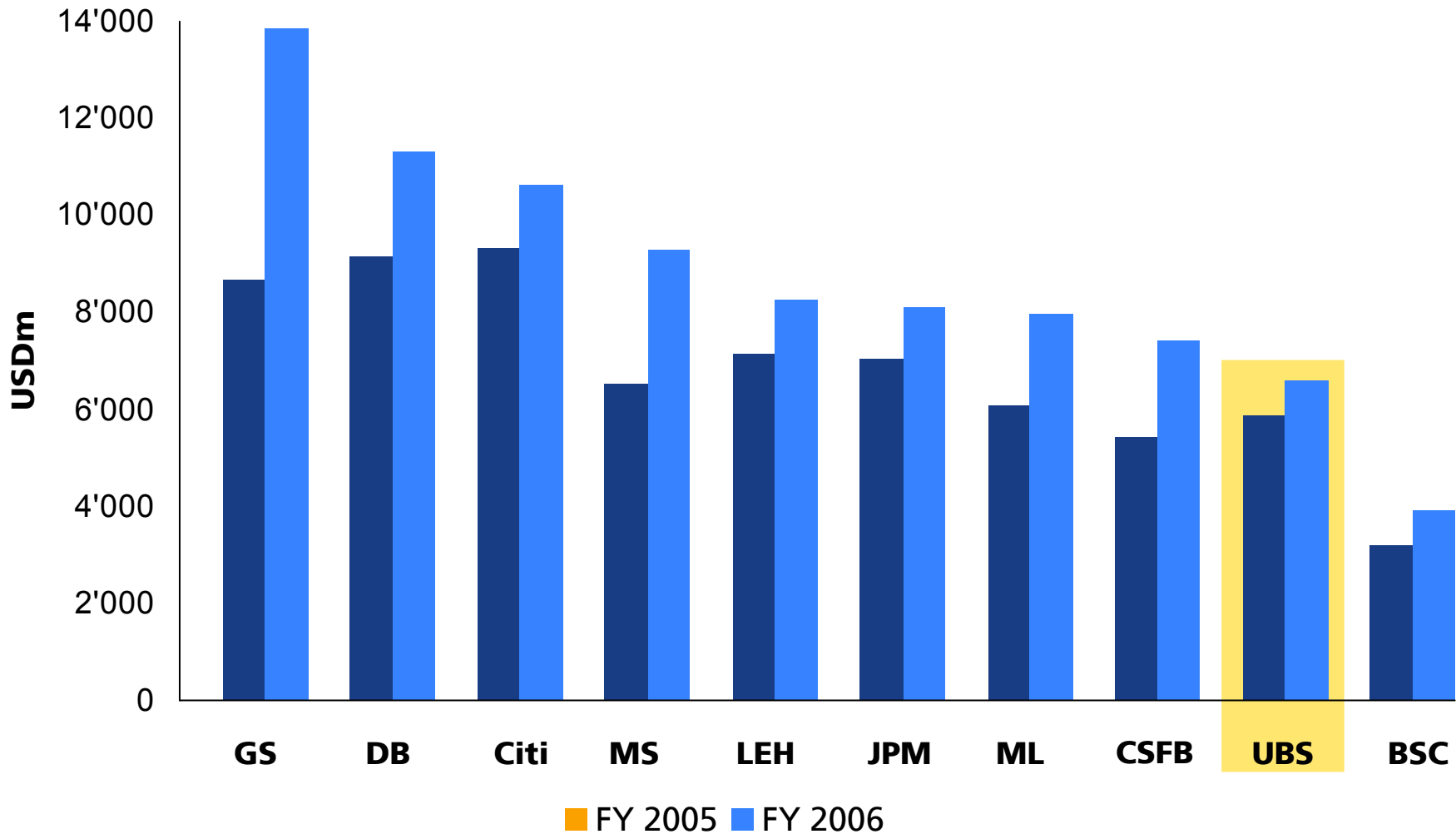
This communication contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives and other statements relating to our future business development and economic performance. While these forward-looking 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 and macro-economic trends, (2) legislative developments, governmental and regulatory trends, (3) movements in local and international securities markets, currency exchange rates and interest rates, (4) competitive pressures, (5) technological developments, (6) changes in the financial position or creditworthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (7) management changes and changes to our Business Group structure 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 2006. UBS is not under any obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

# Fixed Income organization



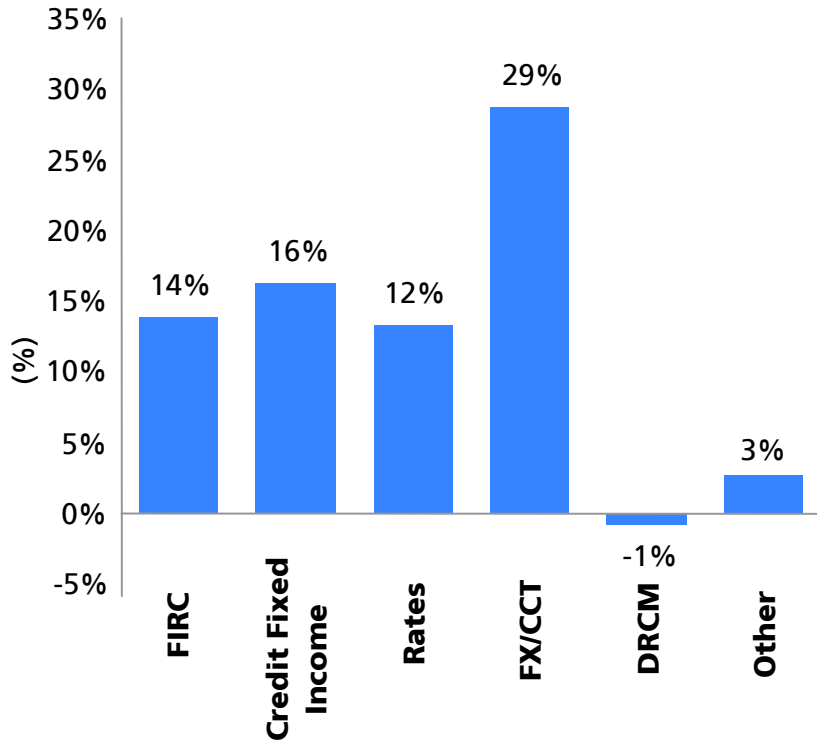
# Competitor results

## FIRC revenues 2005 / 2006<sup>1</sup>

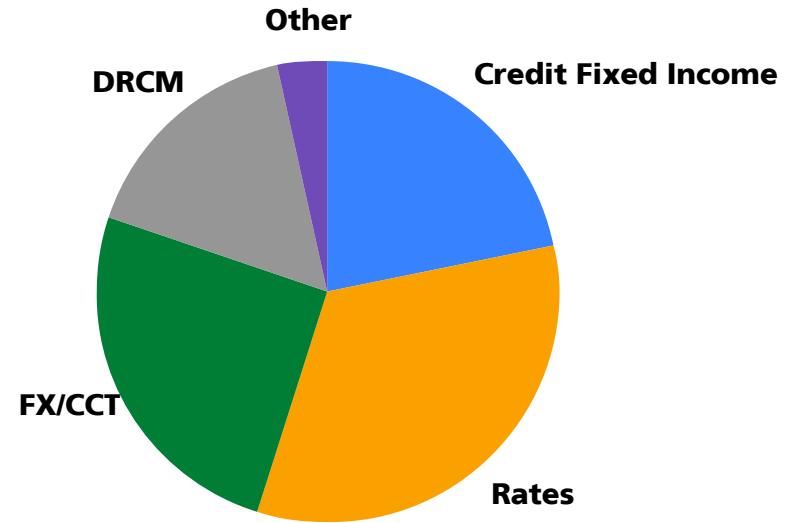


# Revenues - Fixed Income, Rates and Currencies (FIRC)

2006 versus 2005



2006 FIRC revenue US\$7,245m<sup>1</sup>



**Rates: Commodities, Government Bonds, Rates Derivatives, Structured LIBOR, MBS/ABS**

**Peter Ghavami, David Martin**

**Credit Fixed Income: Global Credit Trading, Structured Credit, Global Syndicated Finance, Loan Trading & Asset Based Lending, Credit Exposure Management, Retail Trading, Global Credit Strategies**

**Chris Ryan, Paul Czekalowski**

**Other includes Municipal Securities and Securitized Products**

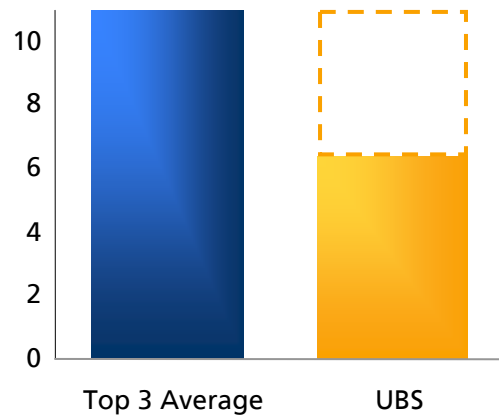
**Ramesh Singh**

<sup>1</sup> Average full year exchange rate CHF 1.25

# Size of the revenue opportunity<sup>1</sup>

Key areas of investment to address revenue opportunities are consistent with the UBS model

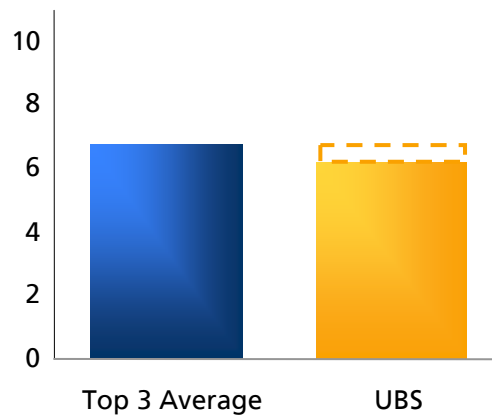
**FIRC (US\$bn)**



**US\$4.6bn gap**

- ◆ Structured Credit/LIBOR
- ◆ Commodities
- ◆ Securitized Products
- ◆ Leveraged Finance
- ◆ Emerging Markets

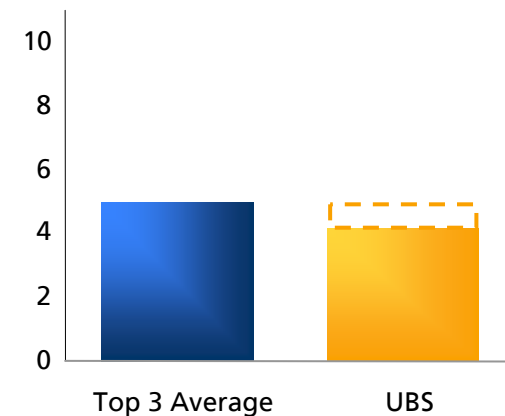
**Equities (US\$bn)**



**US\$0.6bn gap**

- ◆ Prime Services
- ◆ Derivatives

**IBD (US\$bn)**



**US\$0.9bn gap**

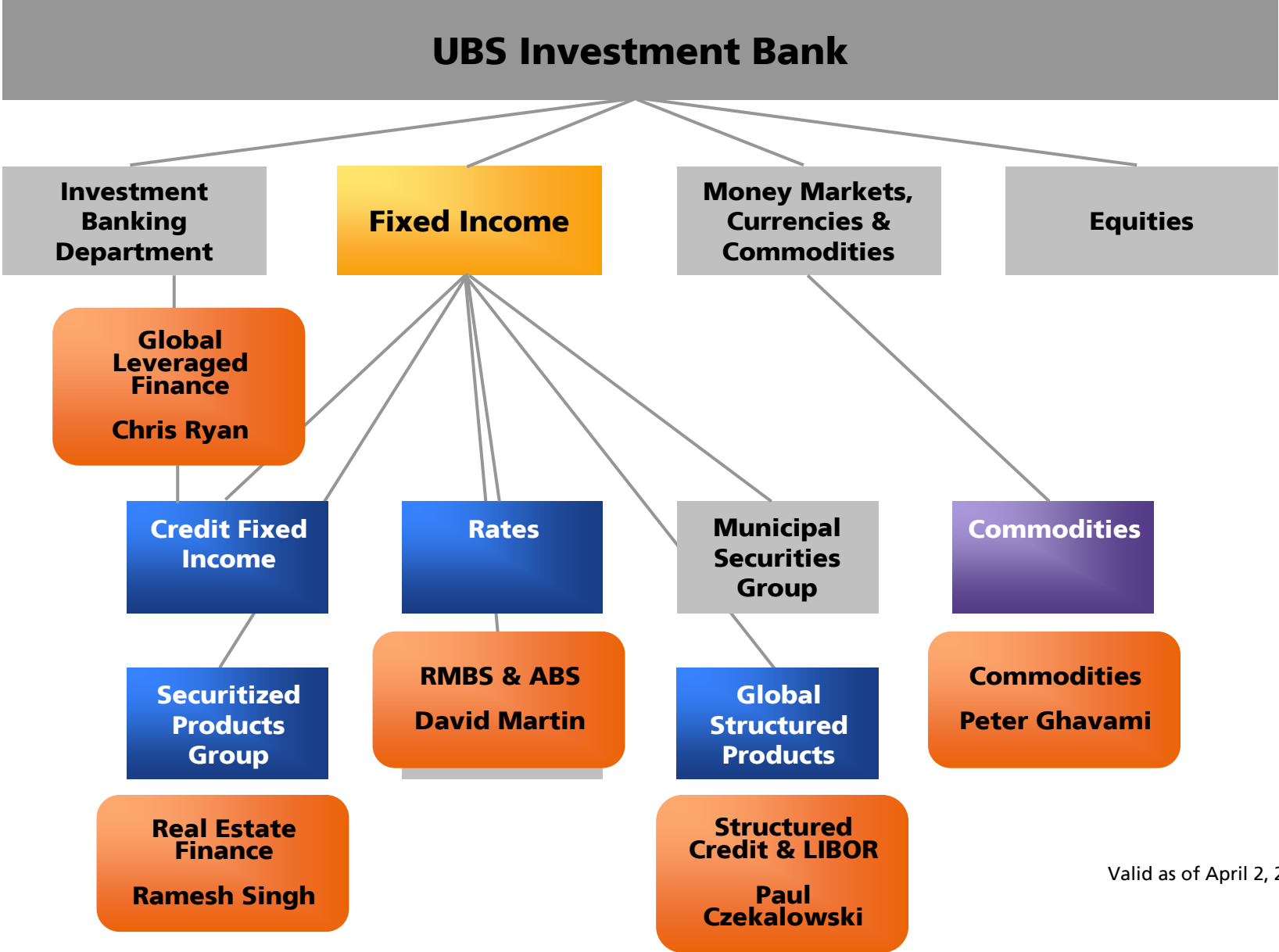
- ◆ US large cap
- ◆ Financial Sponsors

Note: These three gaps are not additive as the top 3 IBs do not have top 3 positions in all three businesses. The UBS gap to a "virtual" top 3 firm is US\$4.3bn

Source: Mercer Oliver Wyman, UBS (UBS vs "virtual" top 3 firm, adjusted for equity and debt capital markets revenues based on internal estimates)

1) As shown in November 2006

# Fixed Income organization



Valid as of April 2, 2007