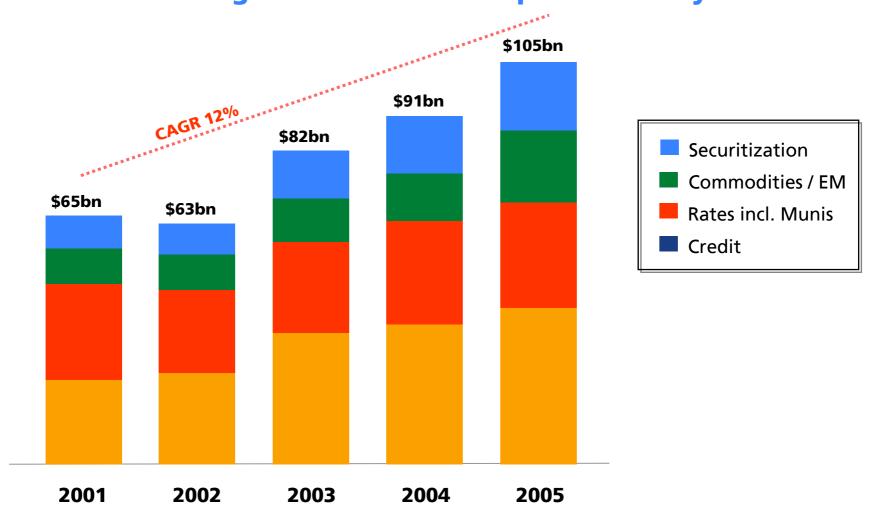


UBS Fixed Income Investor Day Strategic Initiatives for Growth

Simon Bunce, Global Head of Fixed Income

Market revenue growth

Fixed Income markets have significantly outperformed total Investment Banking revenues over the past several years...



...and are expected to do so for the next several



Fixed Income – identified areas of opportunity

	Securitized Products Group		Credit Fixed Income	Rates	Commodities	
	Collateralized Debt Obligations		Global Credit Strategies	Structured LIBOR	Commodities Structuring	
	Real Estate Finance		Emerging Markets	Derivatives	Power & Gas Trading	
	Securitized Proprietary Trading		Global Syndicated Finance	Government Bonds	Crude Oil Trading	
	Residential Mortgages		Investment Grade		 Agriculturals	
	ABS		High Yield		Precious Metals ¹	
oove Average Market Position verage Market Position nder Represented Market Position		Distressed Debt		Base Metals ¹		
		Structured Credit				



Growing presence in Emerging Markets

UBS in Russia

- '96 Moscow rep office opened
- '05 bought out JV partner in UBS Brunswick
- Banking license granted in June 06

UBS in China

- UBS Securities JV Full domestic offering
- Beijing Bank branch
 FX & WM
- UBS HK full cross border service
- SIDIC unit trusts, discretionary FM

UBS Pactual

UBS in Latin America

- UBS Pactual is cornerstone of LATAM strategy
- Bank branch license granted in Mexico, Jan 07
 - UBS location
 - New banking licenses granted

UBS in UAE

- Opened rep offices in Abu
 Dhabi in '76 and in Dubai '93
- Dubai branch license granted in Sept 06

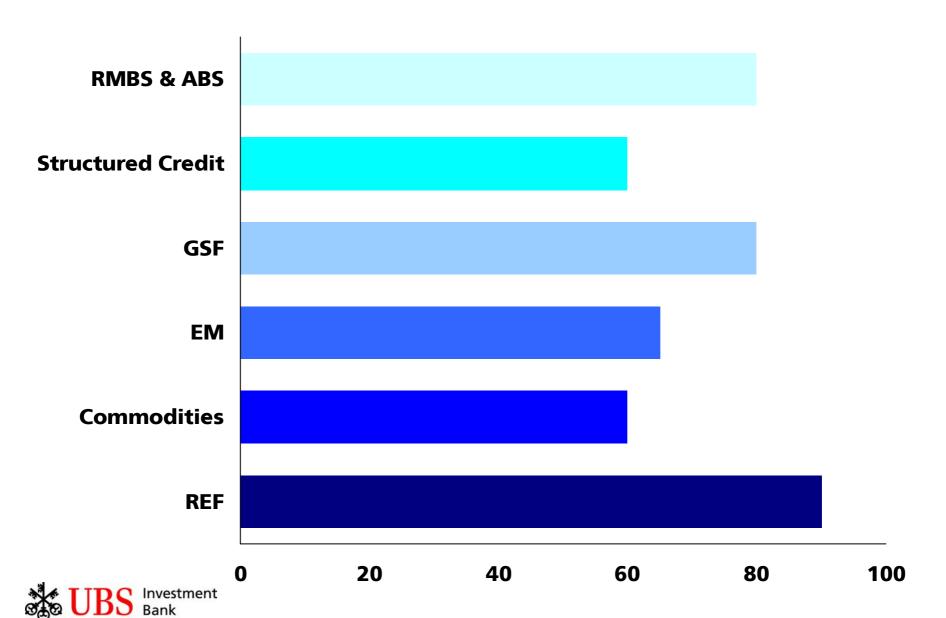
UBS in India

- UBS Securities India full onshore presence
- Acquired Standard Chartered mutual funds business



How far through investments?

Our growth investments are approximately 75% complete



Return on investment

We are confident in our investments for growth...

Client vs. Proprietary

Though our ring-fenced proprietary trading activities are growing, the vast majority of Fixed Income revenues is still derived from our client business

Cost / Income Ratio

Though FIRC's cost/income ratio is temporarily elevated while we make our investments for growth, we are confident we will drive it back down to more organic levels

Risk

We are experienced risk managers who take an intelligent and informed approach to risk – and we are convinced that our growth plan can be achieved in harmony with our robust risk management attitude

Mature vs. New Businesses

We are making significant strides in high-margin new businesses, which showcase our ability to innovate tailored solutions for our clients

Return on Equity

UBS's Return on Equity continues to sustain higher-than-targeted level – and our Fixed Income growth initiatives will only contribute to this outstanding result over time

...and we are already beginning to see results



Our ambitions

Real Estate Finance

 Achieve a full-service globally coordinated operating model by year end

RMBS & ABS

•Grow our non-US revenue to over 25% by 2009

Global Leveraged Finance

•Achieve a #6-8 league ranking in 2008 from current 10th position

Structured Credit

•Grow into top 3 competitor from current 6th position

Commodities

•Establish UBS as top of tier two competitors by 2009

Emerging Markets

 Become top tier player in local markets, EM structured business and liquid credits & financing business by 2009



Q & A

Ten things you didn't know about UBS Fixed Income...

#1 physical supplier of natural gas in North America

Top municipal debt origination franchise in the US

Joint lead manager on record \$26.3bn tender for Freddie Mac

CreditDelta named Best In-House System of the Year in 2007 Risk Awards

Sole financial advisor on the largest LBO financing deal ever in Australia

#1 Fixed Income Research House in APAC

Executed the largest USD/JPY structured swap in China in 2006

#1 in Structured LIBOR and European Public Sector Derivatives

First to launch Sharia-compliant suite of products in Commodities

#1 ABS Trading House in Europe

