

First Quarter 2009

5 May 2009

Dear shareholders,

Our first quarter results were again negative despite continued and considerable efforts to reduce our balance sheet and risks, rebuild our capital base and cut costs. We recorded a net loss for first quarter 2009 of CHF 2.0 billion. As reported at the time of our annual general meeting in April, this loss stemmed mainly from trading losses made by the Investment Bank as it continued to reduce risk in businesses it has now exited or is in the process of exiting. This result also includes a goodwill impairment charge related to the sale of UBS Pactual announced in April.

Net new money outflows were CHF 23.4 billion in Wealth Management & Swiss Bank, including the effect of deleveraging by clients. In Wealth Management Americas we successfully attracted a large number of high producing financial advisors, which contributed to net inflows of CHF 16.2 billion. Global Asset Management outflows slowed to CHF 7.7 billion and the net new money outlook became more promising as improved performance of key capabilities, notably in equities, should aid retention and stimulate inflows. In the Investment Bank, the business (excluding risk positions from businesses now exited or in the process of being exited) generated a significant increase in revenue compared with the fourth quarter in most of our client-facing activities, notably in equities and the rates and emerging markets businesses within FICC.

Our most important task is to rebuild the trust placed in us by you as shareholders, the trust of our clients and the trust of political institutions. The support we have been given by all our stakeholders has obliged us to do no less, and we take this obligation seriously. An indispensable condition for achieving this is having enough leeway in terms of our financial capital, and that can happen only if we are profitable. In order to achieve this, we are streamlining our business. During the first quarter, we reduced

the size of our balance sheet by CHF 153 billion and risk-weighted assets by CHF 25 billion, which resulted in a BIS tier 1 ratio of 10.5% and a FINMA leverage ratio of 2.56% at the end of March 2009.

We are continuing to reduce costs because our cost base remains too high for current conditions. Our goal is to reduce Group expenses by approximately CHF 3.5 to 4 billion by the end of 2010 compared with 2008 levels. We expect that the effect of these measures will start to become visible during the second half of 2009. Our cost-cutting measures are targeted at those areas where they will have the greatest impact. Unfortunately, our cost-saving program requires a major reduction in staff numbers. We will employ about 10,000 fewer people in 2010 compared with year-end 2008. While approximately 2,500 of these job losses will be in Switzerland, these cuts do not indicate a decrease in our commitment to the Swiss economy – we remain committed to optimizing UBS's role in the Swiss financial market.

We are reviewing all our areas of business to determine their long-term viability as part of UBS. Our decision to streamline certain business areas reflects near-term pressure on revenues as well as expected permanent changes to industry profitability. For the Investment Bank, there are fewer business opportunities and increased capital costs, and in Wealth Management & Swiss Bank lower invested assets are coupled with negative trends for margins as clients opt for simpler, lower-risk and lower-margin products.

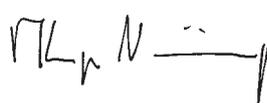
As announced on 20 April, we are disposing of our Brazilian financial services business, UBS Pactual. The transaction is expected to be completed by mid-2009. Upon closing, it will reduce risk-weighted assets, increase BIS tier 1 capital and boost our BIS tier 1 ratio by approximately 50 basis points, resulting in a pro forma BIS tier 1 ratio of 11.0% as at 31 March 2009.

Outlook – There has been an improvement in market sentiment during the first quarter, with a strong rebound in global stock market indices since early March, but the credit markets improved only partly and trading in complex financial products remains illiquid. The markets continue to be unsettled, and we remain cautious on the immediate outlook for UBS. The strong influence that

government policy has on the market environment was clearly demonstrated in the first quarter as investors became less risk averse. However, the real economy has continued to deteriorate, and this is expected to have negative implications for credit-related provisioning in coming quarters.

Yours sincerely,

UBS



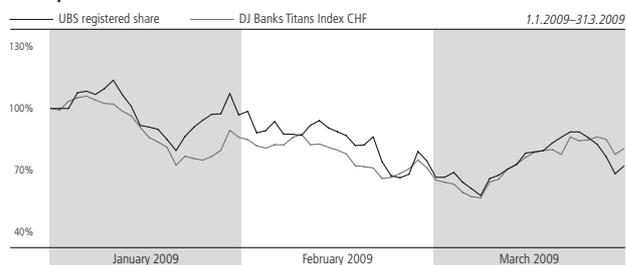
Kaspar Villiger
Chairman of the BoD



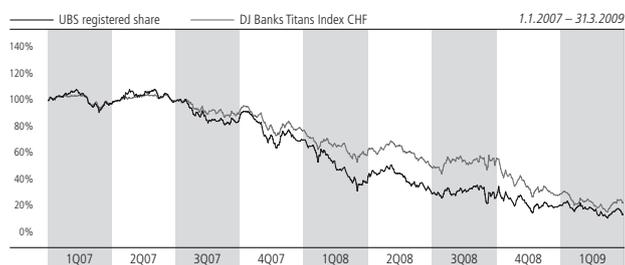
Oswald J. Grübel
Group Chief Executive Officer

UBS share performance

First quarter 2009



Since 2007



Group results

CHF million, except where indicated	As of or for the quarter ended			% change from	
	31.3.09	31.12.08	31.3.08	4Q08	1Q08
Operating income	4,970	(4,696)	(4,034)		
Operating expenses	6,528	6,562	7,847	(1)	(17)
Operating profit before tax (from continuing and discontinued operations)	(1,547)	(11,239)	(11,761)	86	87
Net profit attributable to UBS shareholders	(1,975)	(9,563)	(11,617)	79	83
Diluted earnings per share (CHF) ¹	(0.57)	(3.02)	(5.27)	81	89

Balance sheet and capital management

CHF million, except where indicated	As of or for the quarter ended		% change from
	31.3.09	31.12.08	
Total assets	1,861,326	2,014,815	(8)
Equity attributable to UBS shareholders	31,283	32,531	(4)
BIS total ratio (%) ²	14.7	15.0	
Risk-weighted assets ²	277,665	302,273	(8)

Key performance indicators³

CHF million, except where indicated	As of or for the quarter ended		
	31.3.09	31.12.08	31.3.08
Performance			
Return on equity (RoE) (%)	(24.8)	(58.7)	(169.2)
Return on risk-weighted assets, gross (%)	8.4	1.2	(4.4)
Return on assets, gross (%)	1.3	0.2	(0.7)
Growth			
Net profit growth (%) ⁴	N/A	N/A	N/A
Net new money (CHF billion) ⁵	(14.9)	(85.8)	(12.8)
Efficiency			
Cost / income ratio (%) ⁶	106.9	N/A	N/A
Capital strength			
BIS tier 1 ratio (%) ²	10.5	11.0	
FINMA leverage ratio (%) ²	2.56	2.46	

Footnotes: ¹ Refer to "Note 8 Earnings per share (EPS) and shares outstanding" in the financial statements of the first quarter 2009 report. ² Refer to the "Capital management" section of the first quarter 2009 report. ³ Refer to the "Key performance indicators" section of the first quarter 2009 report. ⁴ Not meaningful if either the current period or the comparison period is a loss period. ⁵ Excludes interest and dividend income. ⁶ Not meaningful if operating income is negative.

Reporting by division

CHF million	Total operating income			Total operating expenses			Performance before tax from continuing operations		
	31.3.09	31.12.08	% change	31.3.09	31.12.08	% change	31.3.09	31.12.08	% change
For the quarter ended	31.3.09	31.12.08	% change	31.3.09	31.12.08	% change	31.3.09	31.12.08	% change
Wealth Management & Swiss Bank	2,892	3,153	(8)	1,815	2,617	(31)	1,077	535	101
Wealth Management Americas	1,409	1,439	(2)	1,444	1,883	(23)	(35)	(444)	92
Global Asset Management	502	478	5	561	242	132	(59)	236	
Investment Bank	(661)	(6,516)	90	2,501	1,580	58	(3,162)	(8,096)	61
Corporate Center	827	(3,250)		206	239	(14)	621	(3,489)	
UBS	4,970	(4,696)		6,528	6,562	(1)	(1,558)	(11,258)	86

Additional information

CHF million, except where indicated	As of or for the quarter ended			% change from	
	31.3.09	31.12.08	31.3.08	4Q08	1Q08
Invested assets (CHF billion)	2,182	2,174	2,759	0	(21)
Personnel (full-time equivalents)	76,206	77,783	83,839	(2)	(9)
Market capitalization ¹	31,379	43,519	59,843	(28)	(48)
Long-term ratings					
Fitch, London	A+	A+	AA		
Moody's, New York	Aa2	Aa2	Aaa		
Standard & Poor's, New York	A+	A+	AA		

Footnotes: 1 Refer to the "UBS registered shares" section of the first quarter 2009 report.

Cautionary Statement Regarding Forward-Looking Statements | This document contains statements that constitute "forward-looking statements", including but not limited to statements relating to the anticipated effect of transactions described herein, risks arising from the current market crisis and other risks specific to UBS's business, strategic initiatives, future business development and economic performance. While these forward-looking statements represent UBS's judgments and expectations concerning the development of its business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. These factors include, but are not limited to: (1) the extent and nature of future developments in the market segments that have been or may be affected by the current market crisis and their effect on UBS's assets and exposures, including UBS's remaining net and gross exposures related to the United States mortgage market; (2) developments affecting the availability of capital and funding to UBS and other financial institutions, including any changes in UBS's credit spreads and ratings; (3) other market and macroeconomic developments, including movements in local and international securities markets, credit spreads, currency exchange rates and interest rates; (4) changes in internal risk control and limitations in the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (5) the possible consequences of efforts to enforce the US Internal Revenue Service's "John Doe" summons and of pending or future inquiries concerning UBS's cross-border banking businesses by tax or regulatory authorities in other jurisdictions; (6) the degree to which UBS is successful in implementing its remediation plans and strategic and organizational changes, including the recently announced cost and headcount reductions, and whether those plans and changes will have the effects anticipated; (7) changes in the financial position or creditworthiness of UBS's customers, obligors and counterparties, and developments in the markets in which they operate, including possible failures resulting from the current market crisis and adverse economic environment; (8) management changes and changes to the internal or overall structure of UBS's business divisions; (9) the occurrence of operational failures, such as fraud, unauthorized trading and systems failures; (10) legislative, governmental and regulatory developments, including the effect of more stringent capital requirements and of regulatory constraints on UBS's activities; (11) changes in accounting standards or policies, and accounting determinations affecting the recognition of gain or loss, the valuation of goodwill and other assets or other matters; (12) changes in and the effect of competitive pressures, including the possible loss of key employees as a result of compensation issues or for other reasons; (13) technological developments; and (14) the impact of all such future developments on positions held by UBS, on its short-term and longer-term earnings, on the cost and availability of funding and on UBS's capital ratios. In addition, these results could depend on other factors that we have previously indicated could adversely affect our business and financial performance which are contained in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth 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 2008. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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