



UBS Investor Day 2004

Investment Banking: UBS position and strategy

Ken Moelis and Robert Gillespie

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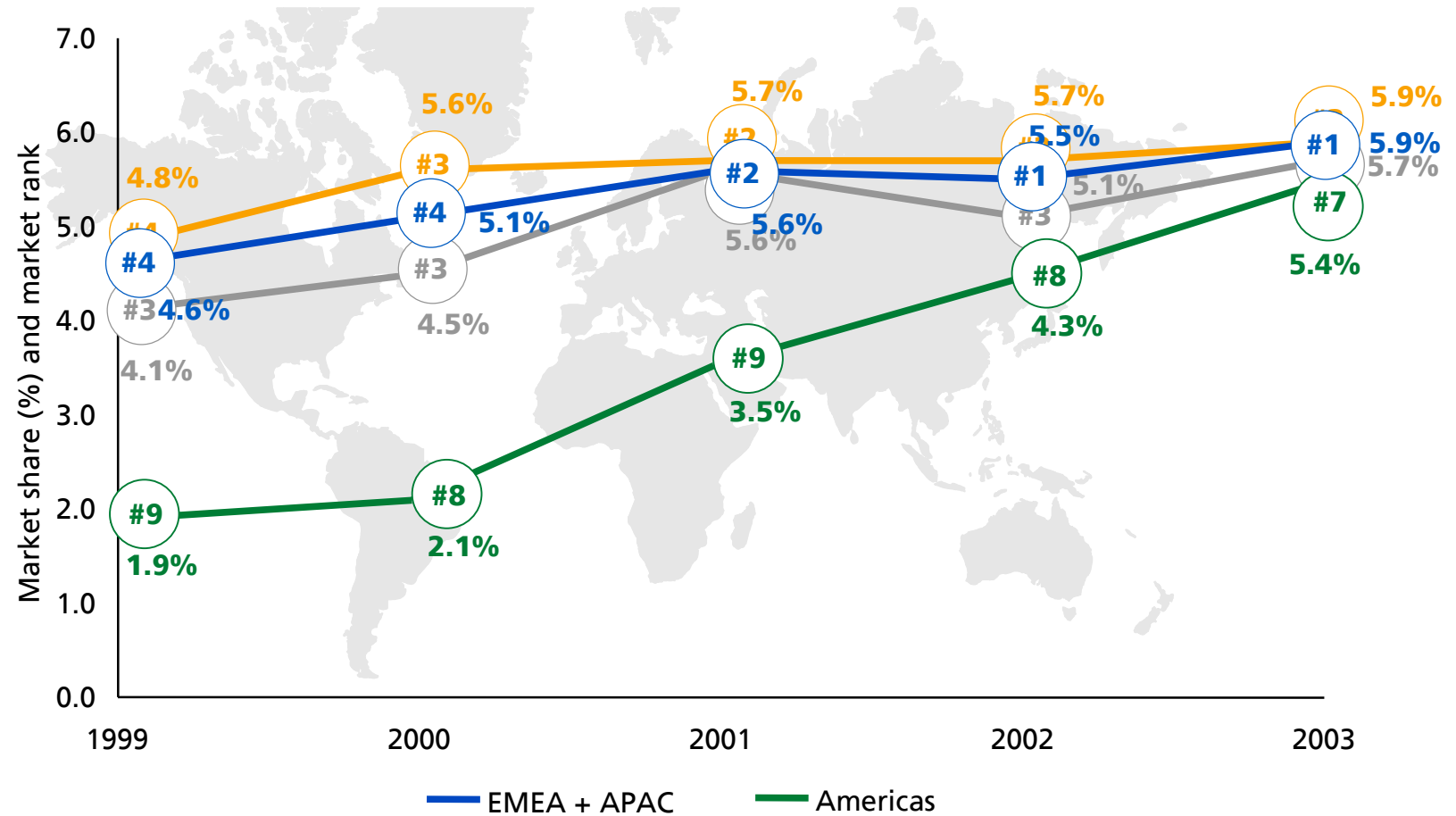
Beginning the Ascent

UBS Position and Strategy



UBS market share

The fastest growing investment banking business in the Americas and *the* leader in the rest of the world



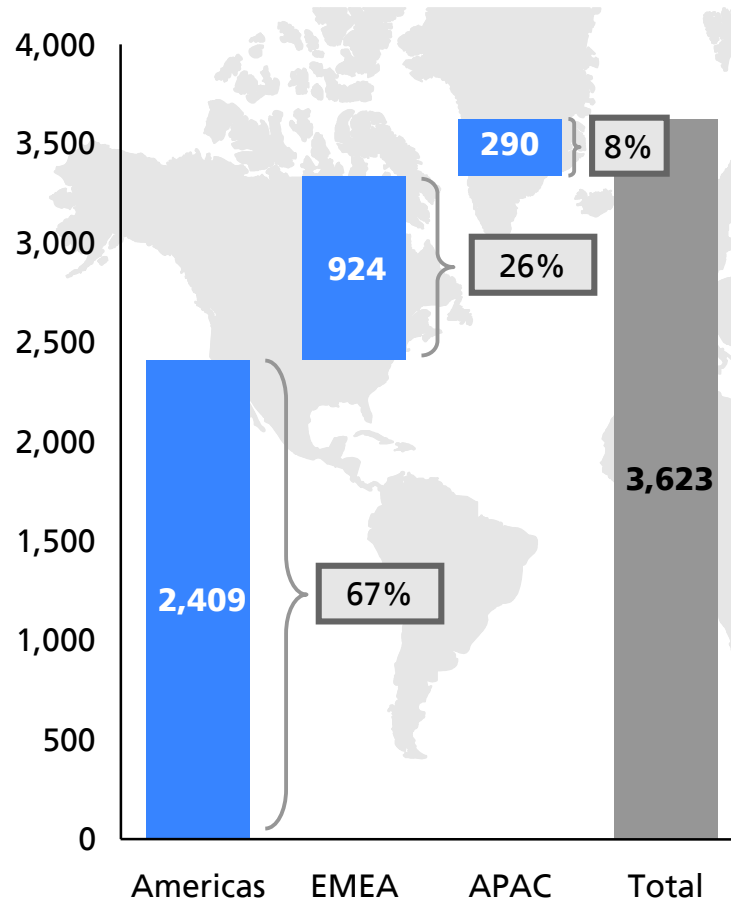
Source: Freeman & Co



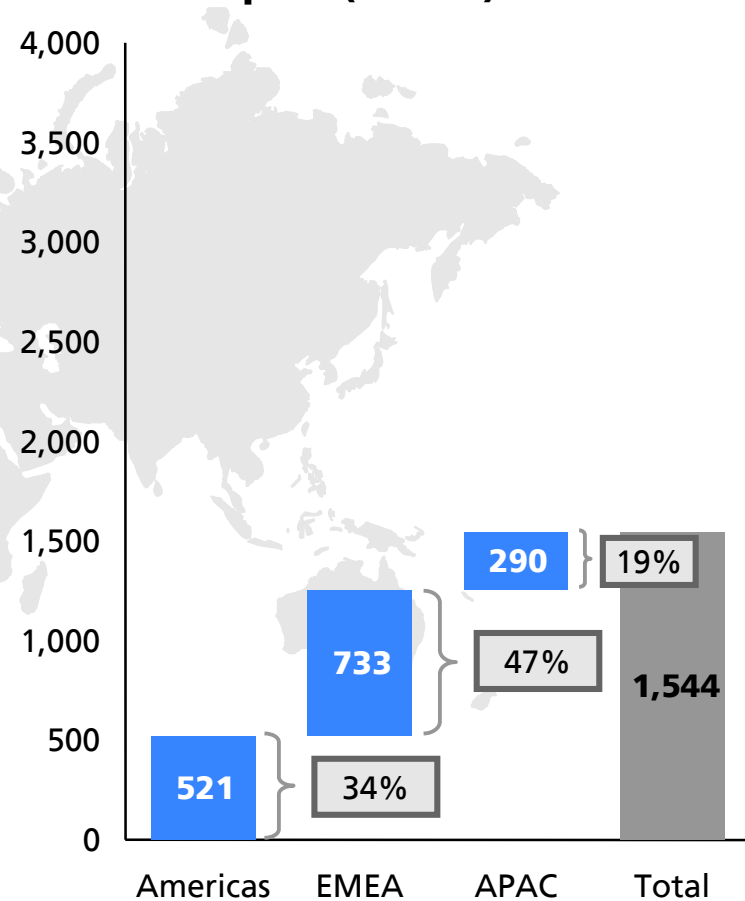
Identifying strengths and weaknesses

UBS fees vs average fees of top 3 – by region, 1999

Average fee pool of top 3 (USD m)



UBS fee pool (USD m)

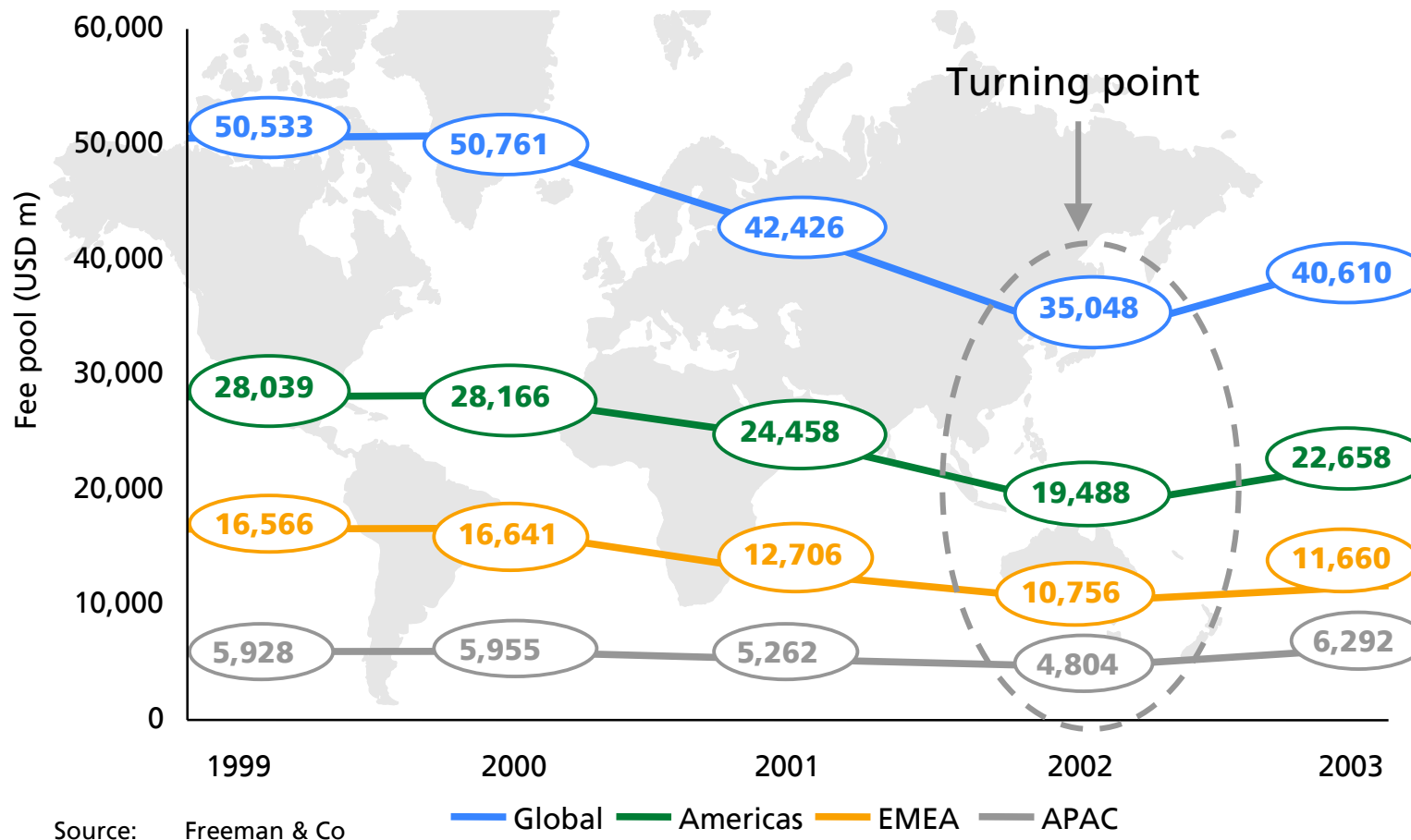


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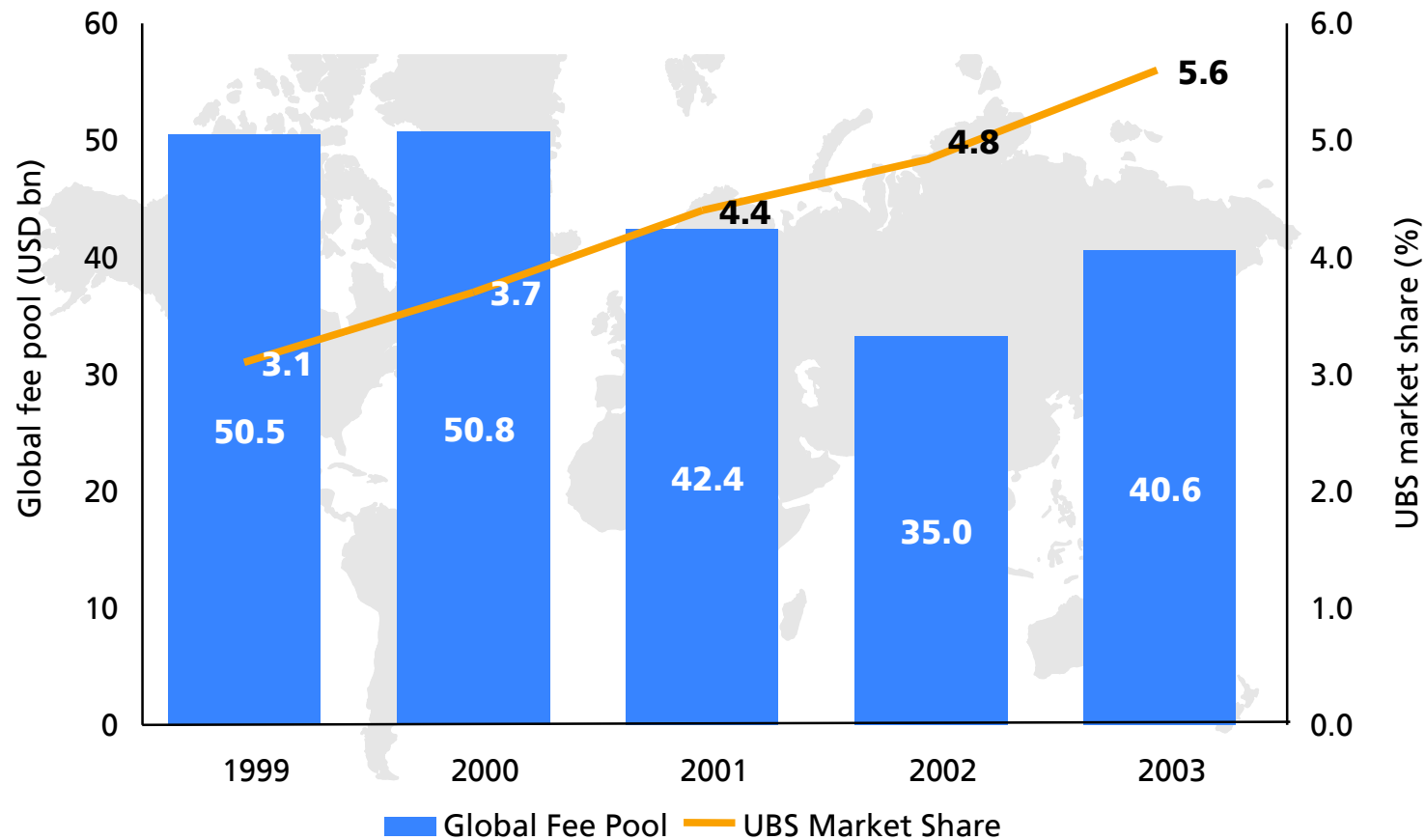
Investment Banking fee pool

By region



UBS market share

Increased share through the downturn in 2001 and 2002 ...



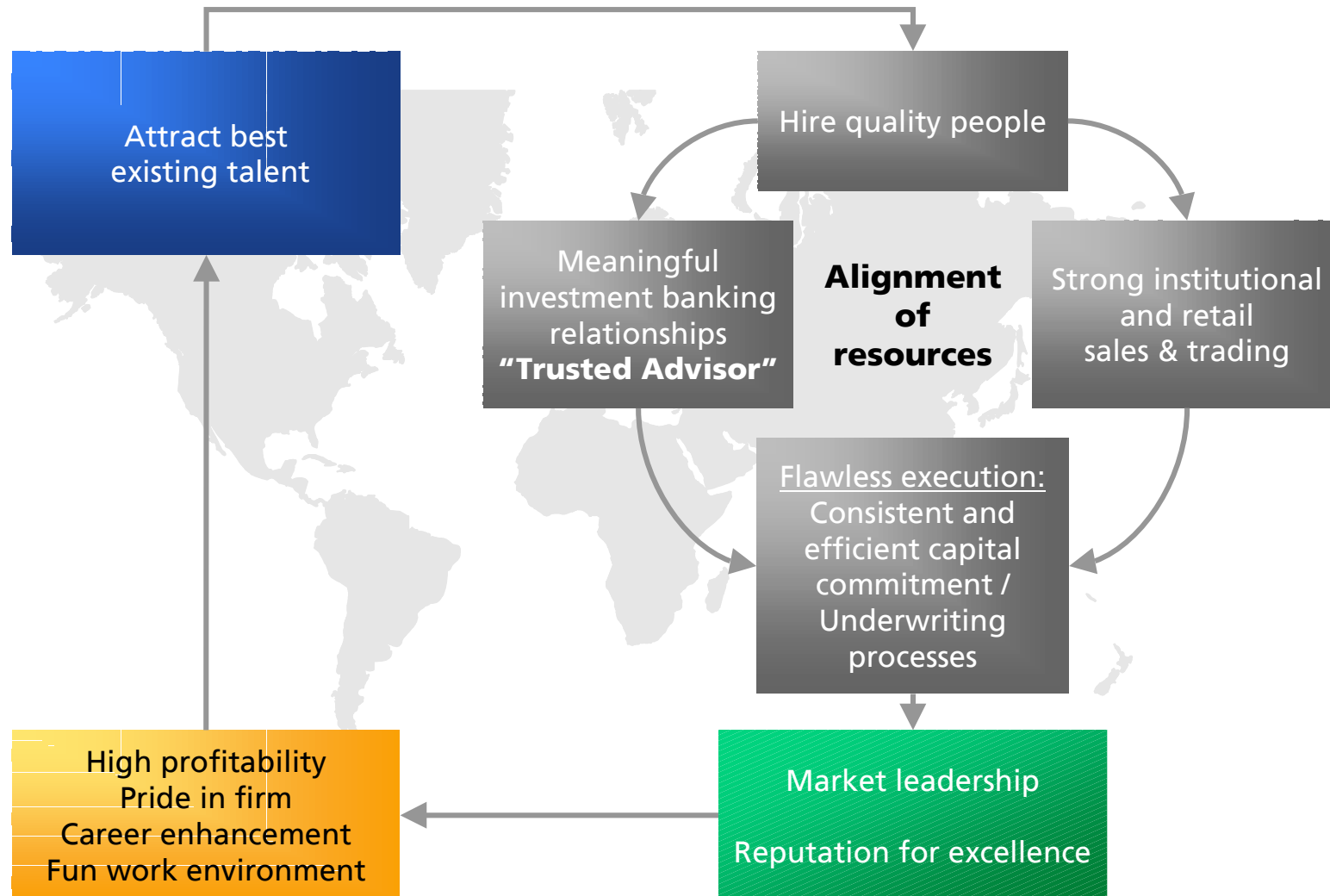
Source: Freeman & Co

... and positioned for the rebound that began in 2003



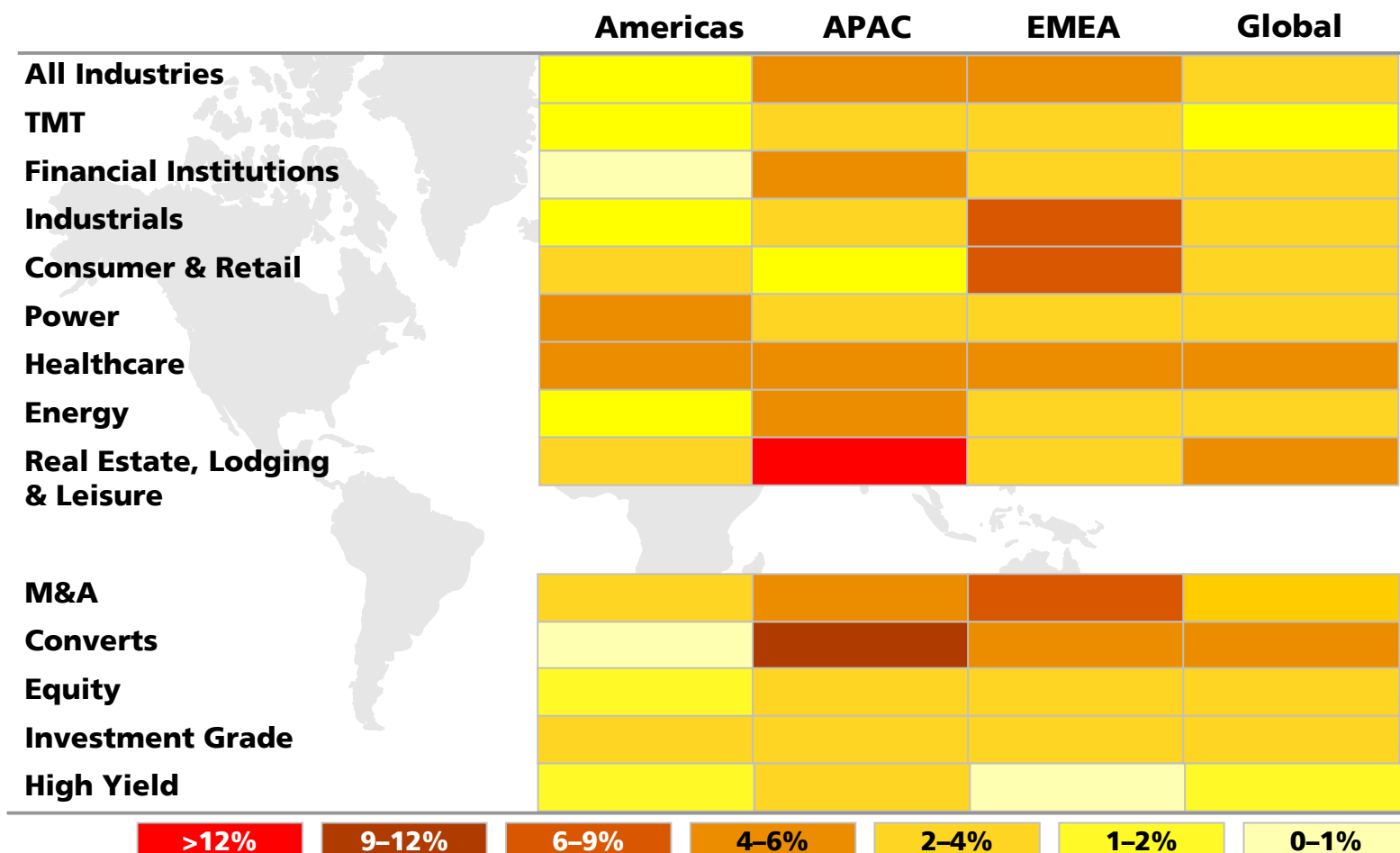
Our strategy

Creating the positive virtuous cycle



Targeting specific growth areas

Global heat chart (1999*) – *by market share*

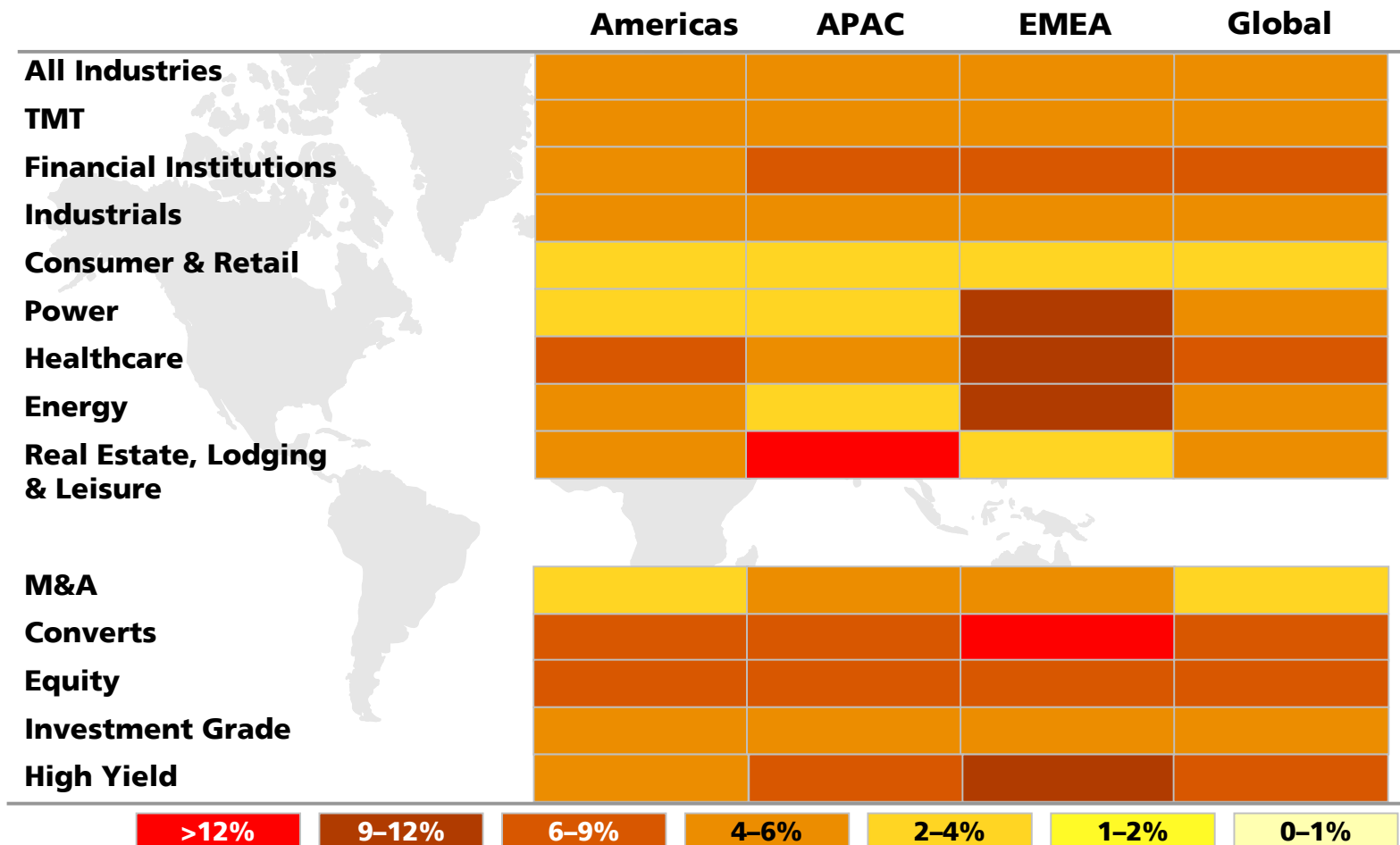


Source: Freeman & Co (*Note: some industry classifications have changed since 1999)



What we have accomplished

Global heat chart (2003*) – *by market share*



Source: Freeman & Co (*Note: some industry classifications have changed since 1999)



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The Journey

Regional Strategy







Focused on the full opportunity – Fortune 500

We have advised or joint bookrun a transaction for each of these Fortune 500 clients already in 2004



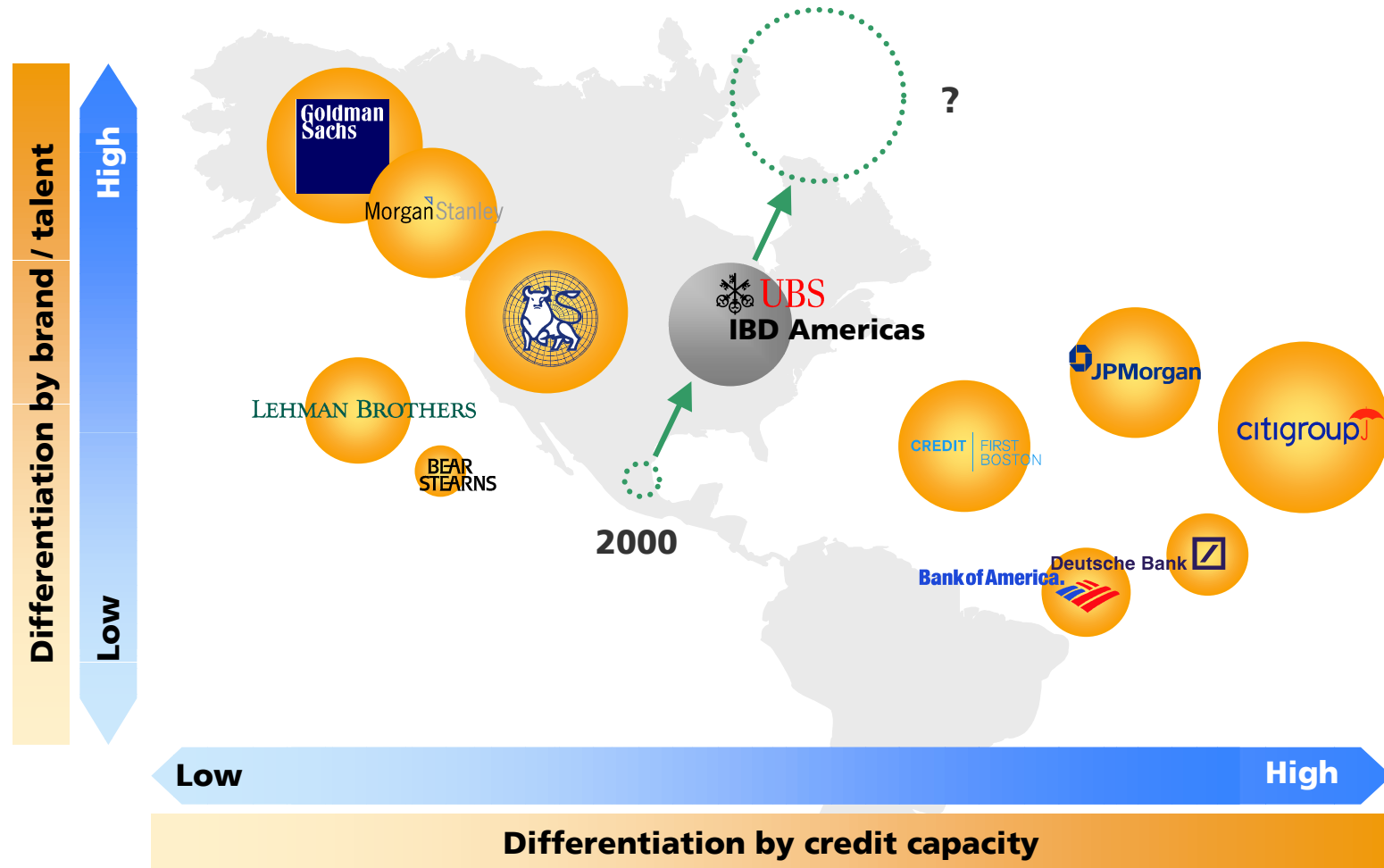
Focused on the full opportunity – opportunistic

Continuing to target smaller opportunities where there are cross-selling opportunities that lead to large fees

Client	Initial mandate	Additional business	Incremental Fee
	Sell-side advisor	High yield bond Credit facility	+ 77%
	Sell-side advisor	Credit facility	+ 147%
	Debt restructuring advisor	High yield bond	+ 59%
	Recapitalization advisor and dealer manager Equity placement advisor	Equity offering Convertible offering Block trade	+ 152%

Contacted over 100 strategic and financial buyers

Americas competitive landscape in 2004



Note: Size of the bubbles relates to estimated 2003 Fees (per Freeman & Co)



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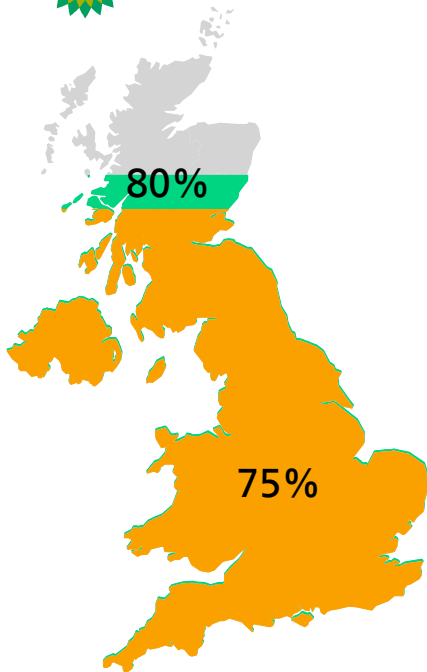
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UBS Position and Strategy

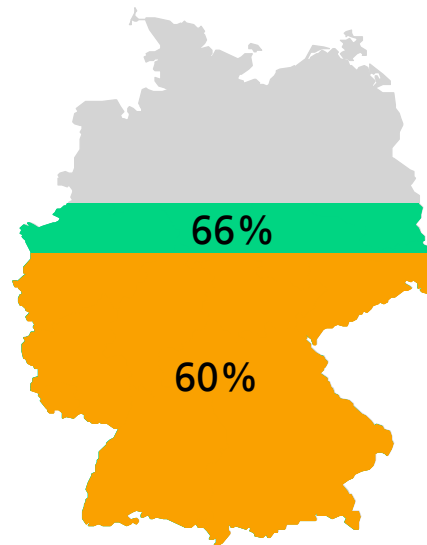


EMEA blue chip franchise

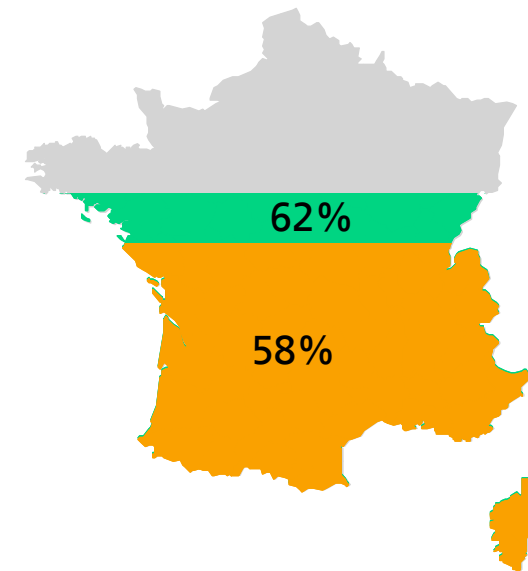
UK (FTSE 100)



Germany (DAX 30)



France (CAC 40)



■ Client penetration as % of index market cap

■ Client penetration as % of index constituents

Source: IBD Client Calling System, Datastream



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Investment Banking

UBS Position and Strategy



The winning team in EMEA

Well entrenched with the largest fee payers

Allianz   **vodafone**

Rank among all fee payers in EMEA	2	3
2001–2003 Street fees	US\$425m	US\$345m
UBS Investment Bank share / rank	17% / #2	46% / #1

Source: Freeman & Co



Investment Banking

UBS Position and Strategy



Opportunity in EMEA

Closing the gap to the top position

- ◆ We are only 1% away from market leadership

EMEA top investment banks by fees—2003

Rank	Firm	EMEA (US\$m)	Market share (%)
1	Deutsche Bank	801	6.9
2	Goldman Sachs	694	6.0
3	UBS Investment Bank	691	5.9
4	Citigroup	655	5.6
5	Morgan Stanley	579	5.0
6	JP Morgan Chase	555	4.8
7	Merrill Lynch	455	3.9
8	Credit Suisse First Boston	443	3.8
9	ABN AMRO	334	2.9
10	BNP Paribas	333	2.9
TOTAL MARKET SIZE		11,660	100.0

**US\$110m/
1.0% to
number 1
in EMEA**

Source: Freeman & Co



Unrivalled track record in APAC

Leadership across the region

2002

Rk	Firm	Market Share (%)
1	Nomura	7.5
2	Goldman Sachs	5.2
3	UBS	5.1
4	Daiwa	4.6
5	Nikko	4.5
6	Citigroup	3.9
7	JP Morgan Chase	3.6
8	Morgan Stanley	3.3
9	Merrill Lynch	3.3
10	CSFB	2.6
Total		100.0

2003

Rk	Firm	Market Share (%)
1	Nomura	7.9
2	UBS	5.7
3	Daiwa	5.2
4	Nikko	4.7
5	Morgan Stanley	4.3
6	Goldman Sachs	4.2
7	Merrill Lynch	3.7
8	Citigroup	3.5
9	JP Morgan Chase	3.2
10	CSFB	2.8
Total		100.0

Australia / NZ #1 13.8%



Asia (ex Japan) #5 3.6%



Japan #6 4.0%



Source: Freeman & Co



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Reaching the Summit

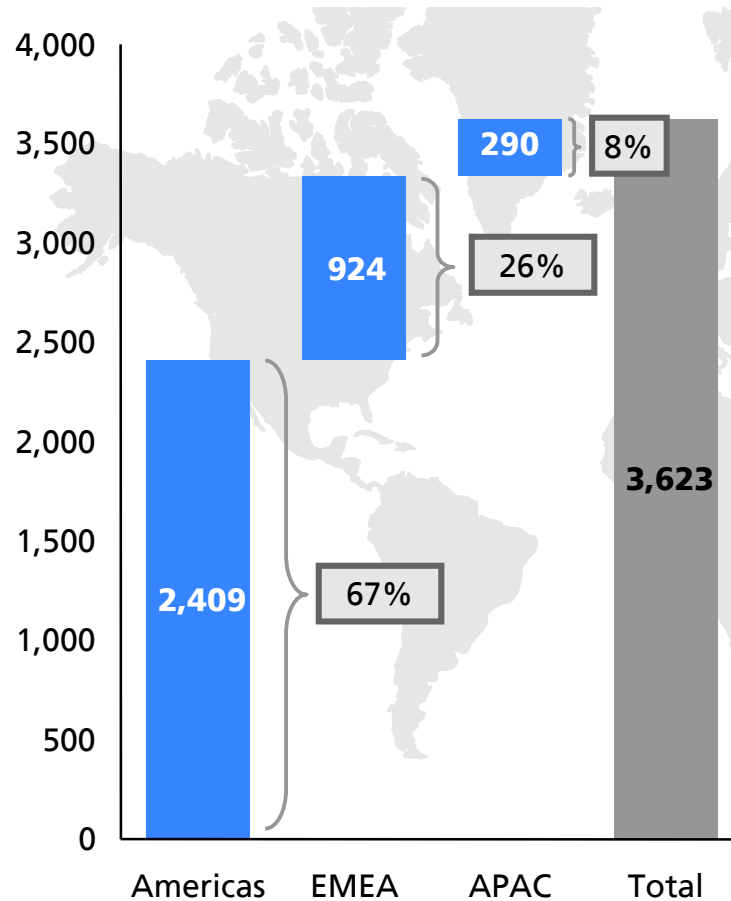
Positioning UBS for Future Growth



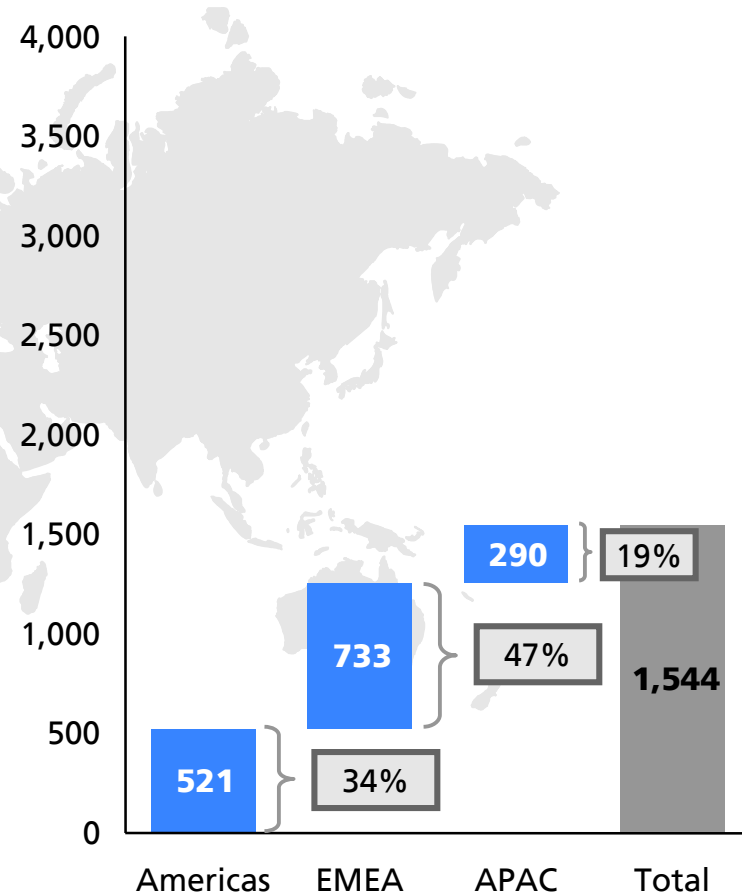
Our starting point

UBS fees vs average fees of top 3 – by region, 1999

Average fee pool of top 3 (USD m)



UBS fee pool (USD m)



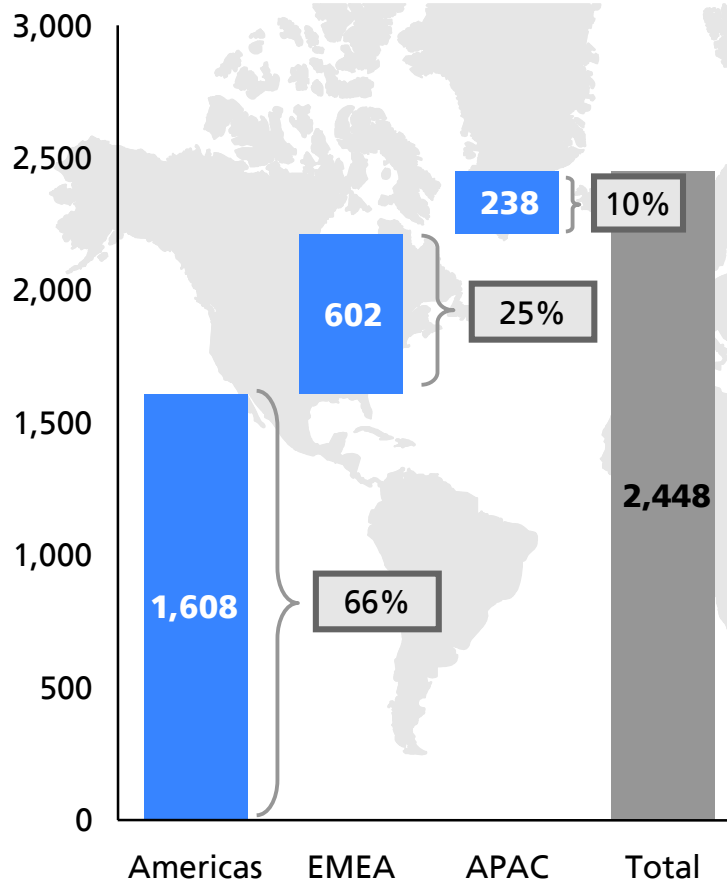
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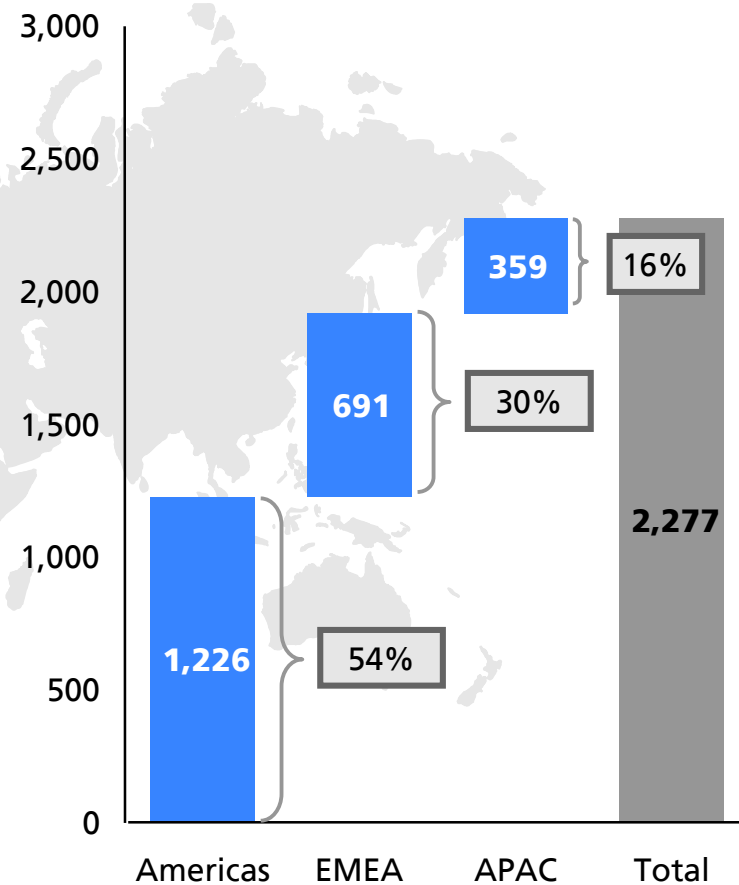
What we have accomplished

UBS fees vs average fees of top 3 – by region, 2003

Average fee pool of top 3 (USD m)



UBS fee pool (USD m)



Source: Freeman & Co



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“Today, we are focused on being recognized as *the* leading bulge bracket firm by our clients and our competitors.”