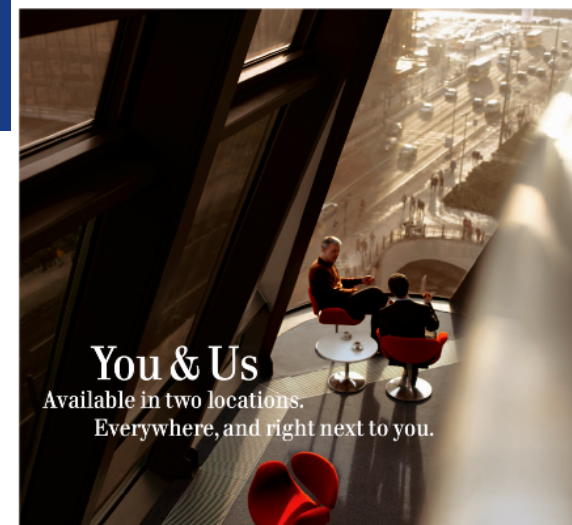


UBS Product Day – Zurich Investment Banking Division

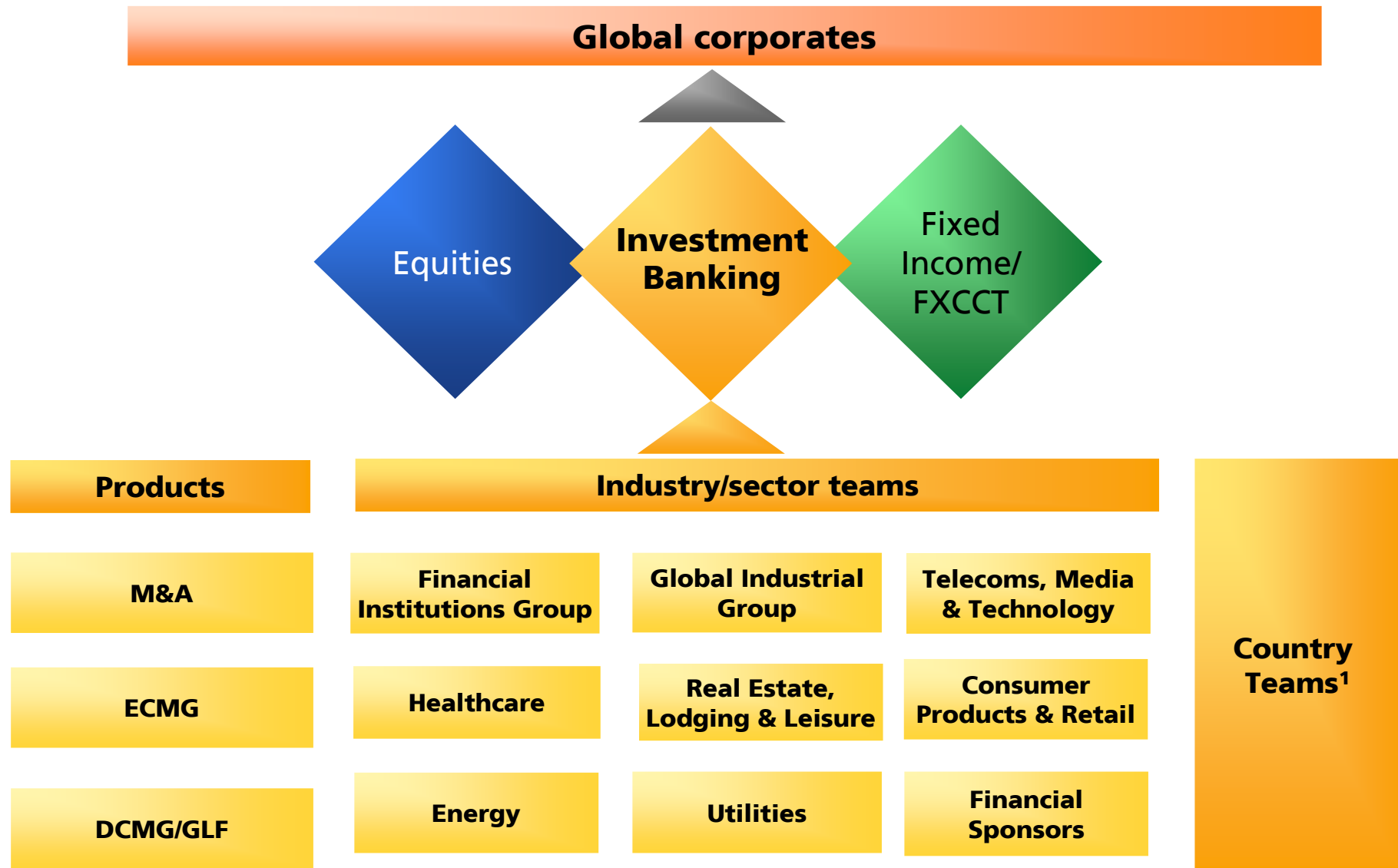
Jeff McDermott, Joint Global Head of IBD



June 1, 2006

Introduction to Investment Bank Division

IBD Coverage model – A complex map

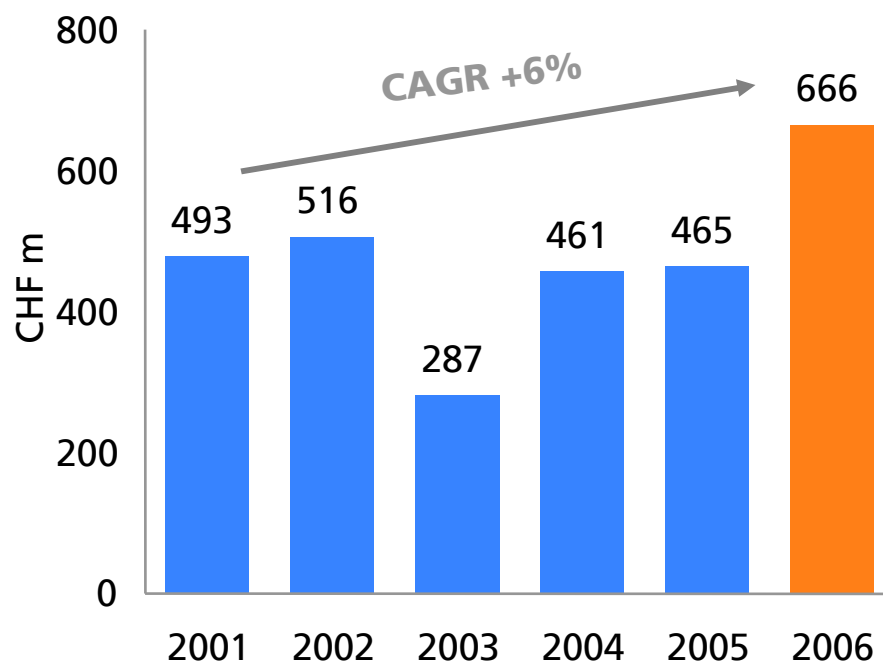


Note:
¹ EMEA and APAC only

Q1 2006 financial performance

Q1 2006 represents record first quarter revenues for IBD

UBS IBD Q1 operating income



Key Q1 2006 transactions

M&A

Transaction	Rank value
Gaz de France/Suez	\$44.7bn
Arcelor/Mittal Steel	\$23.6bn
BAA/Grupo Ferrovial	\$21.0bn

ECM

Transaction	Rank value
Time Warner	\$2.2bn
BNP Paribas	\$6.6bn
Korea Exchange Bank	\$726m

DCM

Transaction	Rank value
Sainsbury	\$3.6bn
Republic of Philippines	\$2.1bn
Honeywell International	\$1.3bn

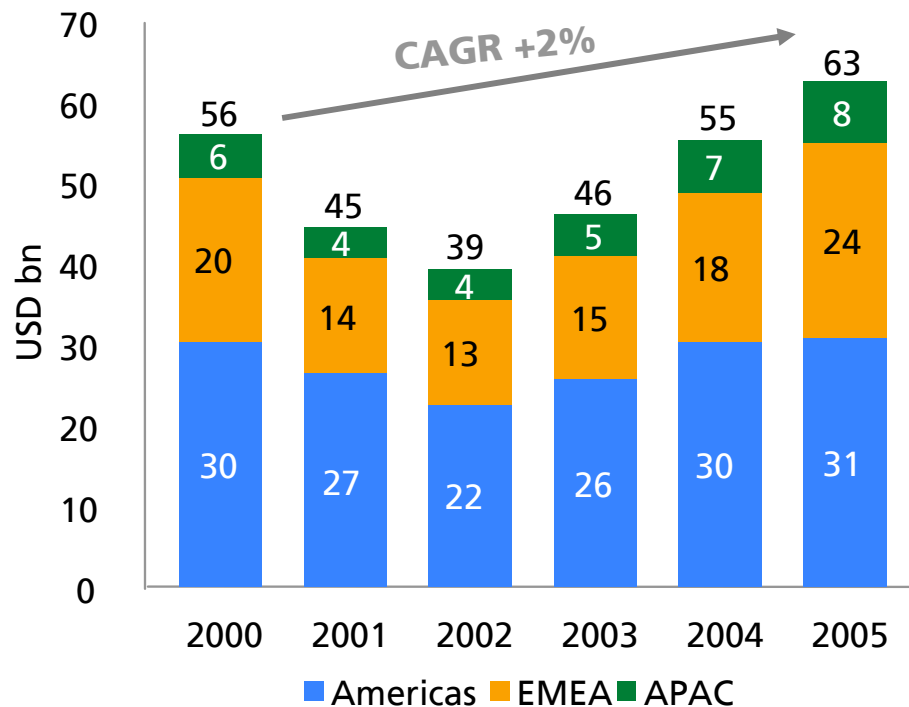
We expect continued momentum across all sectors and products

IBD Achievements

2000-2005 Global fee pool evolution

Growth in IBD gross revenues has outperformed the market's

Development of global fee pool¹



Source: Dealogic

Notes: 1 Includes fees from M&A, ECM, DCM and GLF

- ◆ Global fee pool grew by CAGR 2% in the period 2000-2005
 - Americas remained relatively flat
 - EMEA and APAC saw double-digit growth
- ◆ Over the same period, UBS's gross revenues have grown by 42% globally
 - Americas and APAC led with impressive double-digit growth
 - EMEA slightly decreased

**Counter-cyclical investment
resulted in greater IBD earnings capacity**

2000-2005: Progress across all products¹

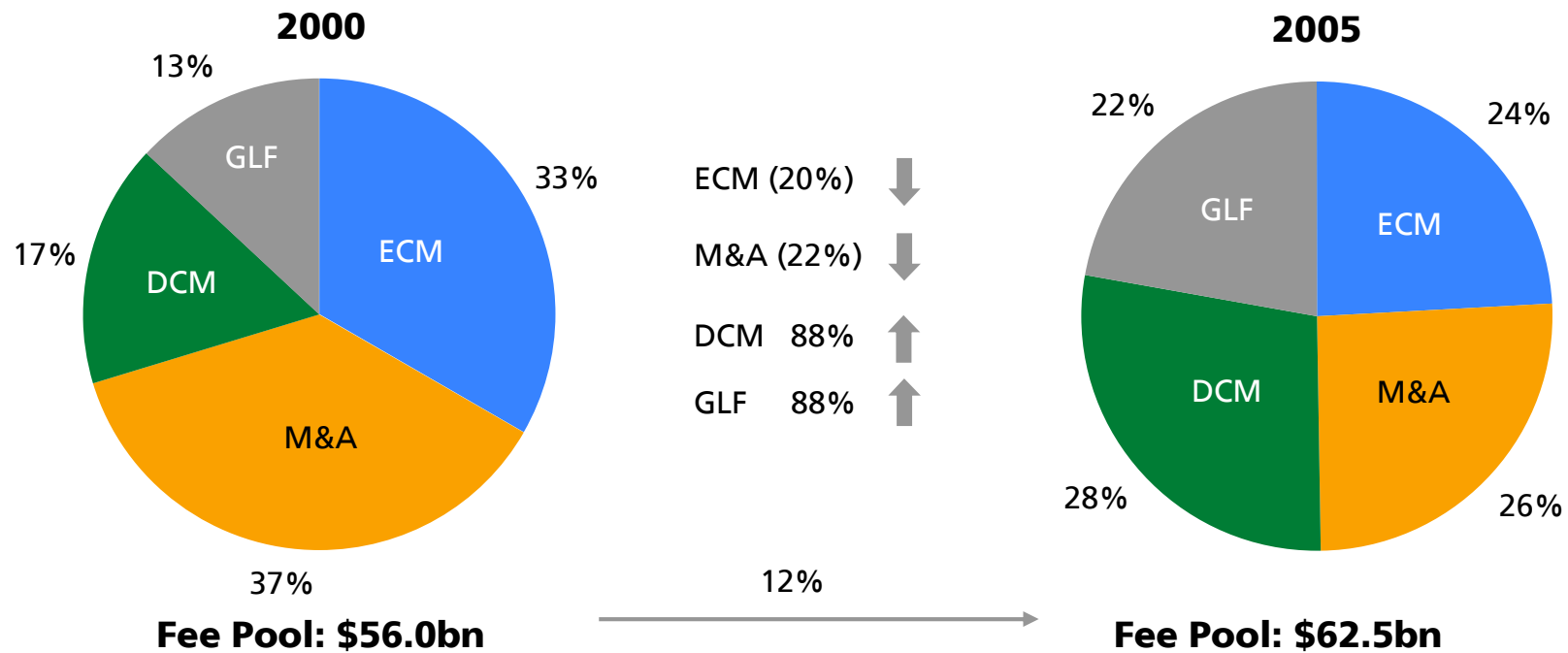
	2000				2005				Change 00-05		
	Rank	Bank	Net Rev (\$m)	Mkt Shr (%)	Rank	Bank	Net Rev (\$m)	Mkt Shr (%)	Rank Δ	Mkt Shr pp Δ	
DCM	1	JP Morgan	800	8.5	1	Citigroup	1,281	7.3			
	2	Citigroup	775	8.3	2	Deutsche	1,042	5.9			
	3	CSFB	654	7.0	3	JP Morgan	1,011	5.8			
	6	UBS	476	5.1	5	UBS	922	5.2	↑	+1	+0.1
ECM	1	Goldman Sachs	2,037	10.8	1	Citigroup	1,155	7.7			
	2	CSFB	1,794	9.5	2	Morgan Stanley	965	6.4			
	3	Merrill Lynch	1,617	8.6	3	Goldman Sachs	921	6.1			
	9	UBS	705	3.7	4	UBS	907	6.0	↑	+5	+2.3
Lev Fin	1	BofA	1,218	16.4	1	JP Morgan	1,386	9.7			
	2	JP Morgan	1,211	16.3	2	BofA	1,092	7.6			
	3	Citigroup	503	6.8	3	Citigroup	983	6.9			
	20	UBS	79	1.1	14	UBS	346	2.4	↑	+6	+1.3
M&A	1	CSFB	2,241	11.0	1	Goldman Sachs	1,555	9.7			
	2	Goldman Sachs	2,236	10.9	2	Morgan Stanley	1,236	7.7			
	3	Morgan Stanley	1,932	9.5	3	JP Morgan	1,156	7.2			
	7	UBS	888	4.3	6	UBS	933	5.8	↑	+1	+1.5
Total								↑	+1	+1.2	

Source: Dealogic

Notes:

1. Analysis based on Dealogic's estimates not actual revenues

Mix change of global fee pool



- ◆ Credit products (DCM & GLF) now comprise 50% of the total fee pool vs. 30% in 2000
- ◆ ECM has been negatively impacted by fee compression
- ◆ M&A has not returned to 2000 levels, but has rebounded in 2005 and in 2006

Scope of Opportunity

The importance of Financial Sponsors

Top fee paying clients globally

Top Global Sponsor Clients

Sponsor	Fees Paid¹ (\$m)
Apax	364
Blackstone	359
KKR	351
Warburg Pincus	316
Texas Pacific Group	313
Permira	298
Goldman Sachs	285
CVC Capital Partners	271
Thomas H. Lee	271
Cinven	264

Top Corporate Fee Payers²

Company	Fees Paid (\$m)
General Motors	513
General Electric	492
France Telecom	233
Vivendi Universal	180
Deutsche Telekom	93
Temasek Holdings	81
Vodafone	72
Deutsche Post	66
Westfield Group	64
Proctor & Gamble	52

Source: Dealogic

Notes:

1 2005 fee data

2 Highest fees in a given year from 2003–2005

Competitive positioning

Financial Sponsors' global league tables

FY 2004

Bank	Net revenues (\$m)	Mkt. Share (%)
JP Morgan	916	8.8
Citigroup	845	8.1
Goldman Sachs	826	8.0
Credit Suisse	808	7.8
Deutsche Bank	629	6.1
Banc of America	516	5.0
Morgan Stanley	488	4.7
Lehman Brothers	466	4.5
Merrill Lynch	462	4.5
UBS	438	4.2
Industry Total	10,386	100.0

FY 2005

Bank	Net revenues (\$m)	Mkt. Share (%)
JP Morgan	925	7.7
Goldman Sachs	862	7.2
Credit Suisse	859	7.1
Citigroup	788	6.5
Deutsche Bank	741	6.1
Lehman Brothers	668	5.5
Merrill Lynch	527	4.4
UBS	520	4.3
Morgan Stanley	501	4.2
Banc of America	465	3.9
Industry Total	12,064	100.0

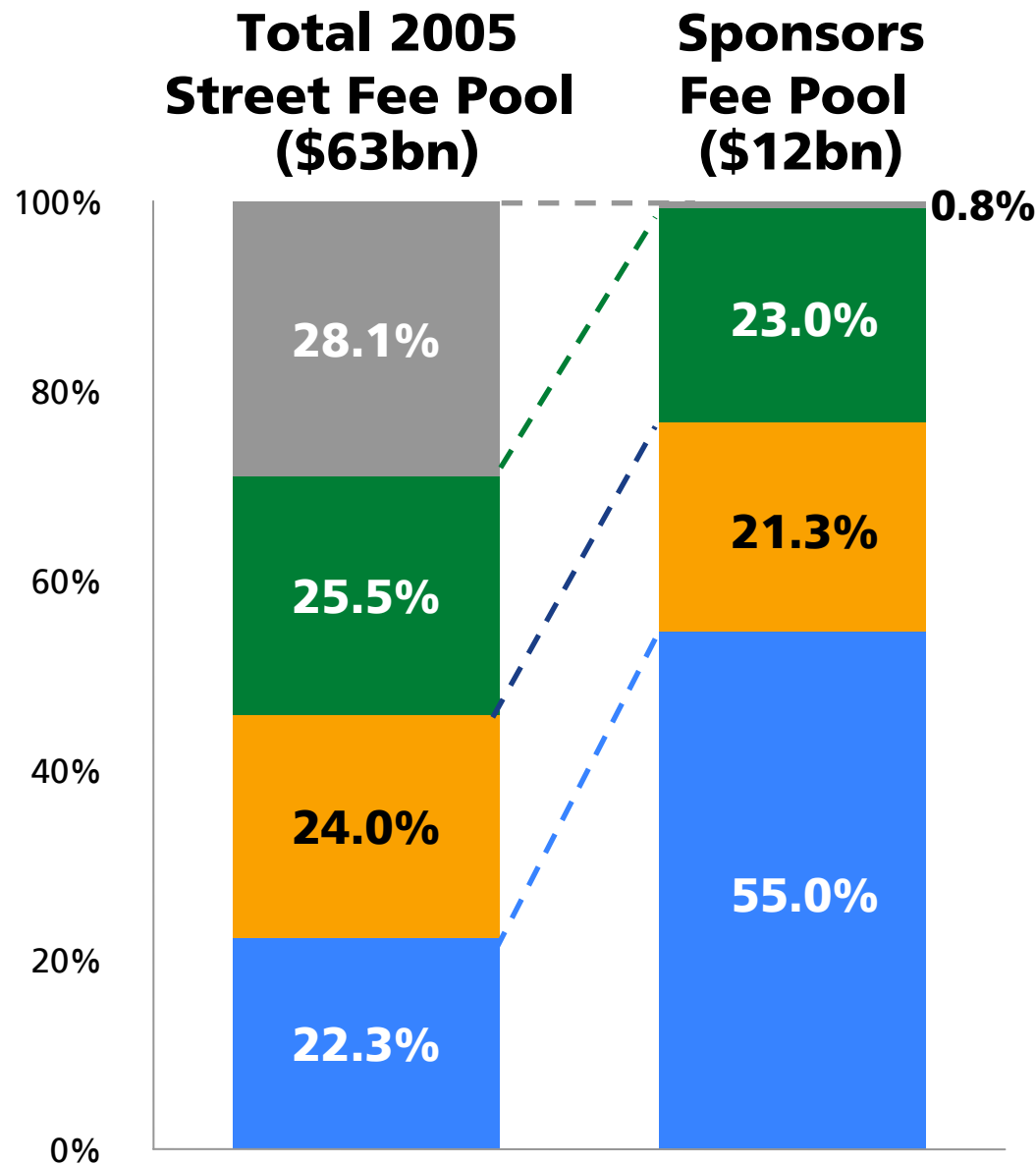
Q1 2006

Bank	Net revenues (\$m)	Mkt. Share (%)
JP Morgan	259	10.2
Credit Suisse	198	7.8
Goldman Sachs	187	7.4
Merrill Lynch	131	5.2
Lehman Brothers	131	5.1
Citigroup	125	4.9
Deutsche Bank	122	4.8
UBS	109	4.3
RBS	108	4.3
Barclays Capital	96	3.8
Industry Total	2,542	100.0

Source: Dealogic

Our objective is to achieve a sustainable global Top 5 / 6 position

Financial Sponsors fee pool



Sponsors are critical to ECM and M&A revenues. For every dollar of Lev Fin revenue earned from Sponsors, an additional \$0.80 of ECM and M&A revenue results, implying a 1.8x Lev Fin revenue multiplier (or 1.4x on the most conservative basis)

- DCM
- Advisory
- ECM
- GLF


Source: Dealogic

Recent Financial Sponsors' case studies



Advent International
GLOBAL PRIVATE EQUITY

M&A	\$3 million of fees	\$545 mm TEV
LBO Financing	\$13 million of fees	6 Months
Dividend Recap	\$12 million of fees	To come: Recap, Acquisition, IPO




32 Months

M&A (3)	\$18 mm
GSF (5)	\$21 mm
TOTAL FEES	\$39 mm



16 Months

M&A	\$ 7 mm
GSF (2)	\$17 mm
ECM	\$ 4 mm
TOTAL FEES	\$28 mm



16 Months

GSF (2)	\$17 mm
ECM	\$ 7 mm
TOTAL FEES	\$24 mm

Global Leveraged Finance -adjusted market positioning

When excluding all impact associated with GLF, UBS ranks 4th overall¹

2005 Global—All IB Products

Rank	Bank	Net Revenue (\$m)	% Mkt Sh
1	Citigroup	4,514	7.2
2	JPMorgan	4,296	6.9
3	Goldman Sachs	3,670	5.9
4	Morgan Stanley	3,285	5.3
5	Deutsche Bank	3,208	5.1
6	CSFB	3,179	5.1
7	Merrill Lynch	3,161	5.1
8	UBS	3,117	5.0
9	Lehman Brothers	2,438	3.9
10	Banc of America	2,247	3.6
Subtotal		33,115	52.9
TOTAL		62,547	100.0

2005 Global—Unaffected by Lev Fin¹

Rank	Bank	Net Revenue (\$m)	% Mkt Sh	Rev. Change (\$m)
1	Citigroup	3,197	7.4	(1,316)
2	Goldman Sachs	3,071	7.1	(599)
3	Morgan Stanley	2,850	6.6	(435)
4	UBS	2,618	6.1	(499)
5	Merrill Lynch	2,559	5.9	(602)
6	JPMorgan	2,413	5.6	(1,883)
7	CSFB	2,051	4.8	(1,128)
8	Deutsche Bank	2,016	4.7	(1,192)
9	Lehman Brothers	1,828	4.3	(610)
10	Banc of America	725	1.7	(1,522)
Subtotal		23,329	54.2	(9,786)
TOTAL		43,005	100.0	(19,542)

Source: Dealogic

Note:

1 Assumes a 1.4x multiplier effect for GLF related revenue.

IBD Growth Strategy

- ◆ Focus on Growth Markets and Clients
 - Sponsors
 - Emerging Markets
 - Large Cap
 - Real Estate
 - FIG
 - Technology

- ◆ Superior execution: increase client accountability focus within IBD and better align with Equities and FI

Questions...

