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Media release

Statement from UBS Re: Complaint Filed by New York State Attorney General

New York, 12 December 2006 - UBS confirmed today the New York State Attorney General (NYAG) has filed a complaint regarding InsightOne, the firm's fee-based brokerage program for private clients in the United States.

UBS categorically denies that the program was part of a scheme to disadvantage clients, and intends to defend itself vigorously in this matter. We are disappointed that the NYAG did not review or consider relevant data that supports the firm's position prior to filing the complaint.

UBS is committed to clients' individual needs. The InsightOne program was designed to satisfy those clients who sought alternatives to the industry's traditional commission-based accounts. Fee-based brokerage, in which clients pay a fee for trading activity rather than commissions on a per trade basis, offers investors greater choice as well as a way to closely align the interests of financial advisors and clients with respect to growing the value of the brokerage account. While InsightOne is not a discount program, since the program's inception in 1999 UBS clients have saved hundreds of millions of dollars, in aggregate, over what they would have paid in full commissions.

Fee-based brokerage programs are offered by most large broker-dealers. In 2005, U.S. investors had more than USD 268 billion in fee-based programs industry-wide. At UBS, InsightOne accounts constitute approximately 3.5 percent of the firm's U.S. brokerage accounts.

UBS disclosed in its third-quarter financial report the possibility of this civil litigation.

UBS