

# Media release

## UBS Investment Bank Launches UBS Blue Sea Index

London, 23rd April 2008 – UBS Investment Bank is pleased to announce the launch of the UBS Blue Sea Index (UBS-BSI).

The UBS-BSI is the first tradable investment benchmark for global investments in the freight derivatives market, constructed using liquid, actively traded dry-bulk Forward Freight Agreements (FFAs)\*.

Global freight rates are highly dependent on a range of factors, including commodity prices, supply and demand but also port congestion around the globe. To ensure the dynamic evolution of the Index, UBS has designed the UBS-BSI to incorporate a proprietary port congestion factor which takes into consideration the impact on prices in the freight derivative market of delays in the loading and unloading of dry freight in over 60 iron ore and coal ports worldwide.

Ilija Murisic, Executive Director, Hybrid Derivatives Trading at UBS, said: “Dry freight transportation volumes to countries including China and India have grown dramatically over the last 12 months. At the same time, the number of freight derivative contracts traded has increased exponentially. FFAs remain however predominantly a hedging instrument for ship-owners, charterers and other organizations involved in the transportation of commodities and are largely inaccessible for the broad investor community. The UBS Blue Sea Index opens up this asset class to institutional investors and private banking clients looking for portfolio diversification as well as providing end-users with a simple way to hedge their exposure to freight price volatility.”

The UBS-BSI Governance committee will meet annually to determine the composition and the weighting of the Index and its three sub-indices: the UBS Blue Sea Capesize Index (UBS-BSIC); the UBS Blue Sea Panamax Index (UBS-BSIP) and the UBS Blue Sea Supramax Index (UBS-BSIS).

\* Freight Forward Agreements (FFAs) are over-the-counter forward contracts based on one of several underlying freight indices. FFAs are not standardized. They are agreed between two parties for a specific route, for a specific delivery rate and a specific vessel type.

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**Notes to editors:****About UBS**

UBS is one of the world's leading financial firms, serving a discerning international client base. Its business, global in scale, is focused on growth. As an integrated firm, UBS creates added value for clients by drawing on the combined resources and expertise of all its businesses.

UBS is the leading global wealth manager, a leading global investment banking and securities firm, and one of the largest global asset managers. In Switzerland, UBS is the market leader in retail and commercial banking.

UBS is present in all major financial centers worldwide. It has offices in 50 countries, with about 38% of its employees working in the Americas, 33% in Switzerland, 17% in the rest of Europe and 12% in Asia Pacific. UBS's financial businesses employ more than 80,000 people around the world. Its shares are listed on the SWX Swiss Exchange (SWX), the New York Stock Exchange (NYSE) and the Tokyo Stock Exchange (TSE).