

Media release

For immediate release

UBS Launches Two New Algorithmic Trading Strategies

New York, February 11, 2007- –UBS announced today the launch of two new liquidity-seeking algorithms, Tap and TapNow, as part of the expansion of the firm's global algorithmic trading capability.

The two new algorithms are specifically designed to seek liquidity from all available sources, including UBS PIN – the firm's large internal pool of liquidity, alternative trading systems (ATSS) – often referred to as "dark pools," and traditional exchanges and displayed markets. Tap is highly customizable, offering the trader a range of urgency options which control how fast an order fills, and how much of the order may interact with displayed markets.

"Tap enables an order to move seamlessly in and out of the dark." said Phil Allison, Managing Director, Head of Algorithmic Trading. "If a trader had to seek all these forms of liquidity manually – the process would be far more labor and time intensive."

The algorithm is selective about when and how it accesses dark liquidity. Tap also has a number of unique safeguards built into the logic to minimize exposure to 'gaming' and 'negative selection' – commonly cited drawbacks of dark pool interaction. One of the biggest differentiators is that this liquidity-seeking algorithm is provided by UBS – one of the top trading organizations in the world. As such, the sheer magnitude of order flow gives clients a real advantage when seeking liquidity. Not only does the scale translate to significant crossing rates, it also means clients can benefit from the firm's broad and deep local market expertise, as well as UBS's worldwide access.

TapNow is a highly aggressive variant of Tap. It seeks liquidity with high urgency for situations in which speed of execution is critical. TapNow is designed to also access dark and displayed market liquidity sources simultaneously. Its objective is to execute as quickly, quietly, and effectively as possible.

"Clients want algorithms with more customization, more embedded intelligence, and comprehensive access to liquidity" said Will Sterling, Managing Director, Head of Electronic Trading.

"Tap is our most agile algorithm, giving traders ultimate control – they set the level of urgency based on the circumstances and objectives of the order. TapNow is ideal for orders that require immediate execution. It searches for liquidity opportunistically, bound only by the price limit set by the client."

"We trade over 400 million shares a day in the US -- and, nearly half of that is retail order flow. That constitutes a liquidity pool that is highly diverse, offering volume along the

spectrum of small cap and large cap stocks," said Sterling. "Since our objective is to always try to help clients effectively find liquidity with minimal market impact, every UBS algorithm enables our clients to search for crossing opportunities."

UBS's suite of algorithms includes liquidity-seeking, price-sensitive, and time-sensitive strategies. UBS also offers traders Direct Market Access (DMA), providing access to the world's markets, and a comprehensive array of sophisticated desktop trading and analytical tools.

UBS is one of the world's leading financial firms, serving a discerning global client base. As an organization, it combines financial strength with an international culture that embraces change. 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 top tier 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 39% of its employees working in the Americas, 35% in Switzerland, 16% in the rest of Europe and 10% in Asia Pacific. UBS's financial businesses employ some 78,000 people around the world. Its shares are listed on the SWX Swiss Stock Exchange, the New York Stock Exchange (NYSE) and the Tokyo Stock Exchange (TSE).