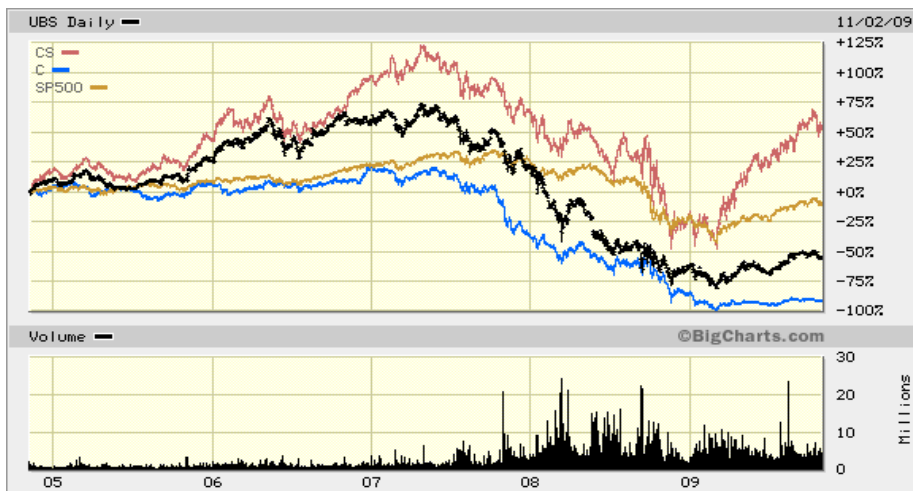


UBS AG (UBS) 11/2/09

UBS operates as a global financial services company with business segments in; investment banking, wealth management, and commercial banking. The company employs approximately 70,000 people in 50 offices worldwide. UBS was founded in 1862 and headquartered in Zürich, Switzerland.

Current Price	\$16.78
52 Week High	\$19.32
52 Week Low	\$7.04
One Yr Target	n/a
Market Cap (in billions)	\$52.80
P/E (Trailing)	-4.63
P/E(1 Yr Forward)	11.04
P/E/G	6.32
ROA	-0.65%
ROE	-31.88%
EPS	-\$3.62
Beta	2.11
Annualized Dividend	\$0.00
Dividend Yield	0.00%
Analyst Consensus	3.00
Debt to Equity	46.50



Annual EPS

2005	\$4.60	
2006	\$5.43	18.19%
2007	-\$2.37	-143.67%
2008	-\$7.29	-207.09%
2009E	-\$3.62	50.27%

Annual Revenue (in millions)

2005	\$59,286.00	
2006	\$87,401.00	47.42%
2007	\$109,112.00	24.84%
2008	\$65,680.00	-39.80%

Annual Net Income (in millions)

2005	\$10,178.00	
2006	\$11,859.00	16.52%
2007	-\$5,111.00	-143.10%
2008	-\$20,920.00	-309.31%

Free Cash Flows (in millions)

2005	-\$65,099.00	
2006	-\$6,714.00	89.69%
2007	-\$53,988.00	-704.11%
2008	\$75,763.00	240.33%

Required Rate of Return

17.18%

Dividend Growth Model

Present Value of 2014 Price	n/a
Holding Period Return (5 years)	n/a

Expected Annualized Return Model

Present Value of 2014 Price	\$25.20
Holding Period Return (5 years)	8.20%

Residual Income Model

Intrinsic Stock Price	\$44.90
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Analysis

Positives

Residual Income valuation model says current stock price is undervalued

Negatives

Negative P/E, ROA, ROE and EPS numbers are a very poor sign

Financial Statements

Balance Sheet is decent but has lower than ideal Net Loans outstanding

Income Statement is weak due to shrinking margins and shrinking Non-Interest Income

Cash Flows are ok due to recent cuts in dividends and issuance of stock

Industry Analysis

Company is one of the largest banks in its regional industry

Company has some of the worst financial ratios in the industry

The daily VaR for UBS is very large compared to others

Summary

Right now UBS looks bad, and supported so by its stock price. Its financial ratios are ugly but financial statements aren't quite as bad. UBS's business has been recently hurt by the pressures of the US and other countries to force Switzerland and its banks to release customer information regarding tax evasion. UBS has long benefitted from privacy laws that allowed high net worth individuals to keep money and evade local taxes, but this competitive advantage may be declining. The company is making a conscious effort to reduce costs by trimming its large base of employees and reducing risk by increasing its Tier 1 capital. While these moves could be advantageous seeing as how UBS is a highly levered and risky firm, it seems these measures might be too late. On the plus side UBS is well positioned in emerging markets to expand its wealth management and investment banking businesses. UBS has a slight chance to be a steal at its current stock price, but it is highly risky and going through somewhat of a transition period. Overall UBS earns a **hold** rating.