

3.50% Multi Defender VONTI on Alstom/Philips/SAP

Barrier monitoring at maturity

PRODUCT DESCRIPTION

Multi Defender VONTI refer to several underlyings and are characterised upon issue by a nominal value and a guaranteed coupon as well as by conditional capital protection. The redemption at the end of the term is determined on the basis of the performance and final fixing of the respective underlyings: A redemption at the nominal value is guaranteed as long as the underlyings have not touched their barriers during relevant barrier monitoring. If one of the underlyings has touched its barrier but all underlyings are again above the respective strike prices at final fixing, the nominal price is also repaid. If, however, one of the underlyings has touched its barrier during barrier monitoring and at least one of the underlyings closes below its strike price at final fixing, the number of underlyings is delivered with the poorest performance or a cash compensation is paid (for details see "Redemption/delivery").

In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Product Information

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| Issuer | Vontobel Financial Products Ltd., DIFC Dubai |
| Guarantor | Vontobel Holding AG, Zurich (Standard & Poor's A; Moody's A2) |
| Lead Manager | Bank Vontobel AG, Zurich |
| Paying, exercise and calculation agent | Bank Vontobel AG, Zurich |
| Placement Agent | Aspermont Capital AG, Zürich |
| SSPA product type | Barrier Reverse Convertible (1230), see also www.svsp-verband.ch |

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| Underlyings | Alstom SA Royal Philips Electronics N.V. SAP AG (further details on the underlyings see below) |
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| Issue price | 100% |
| Notional | EUR 1000.00 |

| Strikes / Barriers | Underlying | Strike | Barrier (in %) |
|--------------------|--------------------------------|------------------|-----------------|
| | Alstom SA | EUR 42.72 (100%) | EUR 32.04 (75%) |
| | Royal Philips Electronics N.V. | EUR 23.08 (100%) | EUR 17.31 (75%) |
| | SAP AG | EUR 43.10 (100%) | EUR 32.33 (75%) |

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| Barrier monitoring | At final fixing, July 1, 2011 (closing prices) |
| Coupon | 3.50% (10.16129% p.a.) - one-time payment, 30/360 (total duration: 124 days) |
| Interest component | 0.40% (premium component: 3.10%) |

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| Initial fixing | February 24, 2011 |
| Payment date | March 4, 2011 |
| Last trading day | July 1, 2011 (12:00 CET) |
| Final fixing | July 1, 2011, closing prices |
| Repayment date | July 8, 2011 |

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| Reference currency | EUR; issue, trading and redemption will follow in the reference currency |
| Swiss Security Number / ISIN / Telekurs Symbol | 1208 8092 / CH0120880924 / VONBBM |

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| Settlement mode | <ul style="list-style-type: none"> - In the event that none of the underlying securities reach or fall below the relevant barrier at final fixing, both the coupon and 100% of the nominal value shall be repaid. - In the event that one or more of the underlying securities reach or fall below the relevant barrier at final fixing, the nominal value minus the percentage difference between the strike price and the closing price of the underlying with the most negative performance shall be paid out. Furthermore, the coupon shall be payable on the maturity date. |
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Further Information

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| Issue size | 30'000 Multi Defender VONTI, the size may be increased |
| Clearing / Settlement | SIX SIS AG |
| Listing | Will be applied for in the main segment at the SIX Swiss Exchange |
| Secondary market trading | Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at www.derinet.ch . |
| Price setting | Secondary market price quotations are "clean," that is, accumulated interests are not included. |
| Minimum investment | 1 Multi Defender VONTI |
| Minimum trading lot | 1 Multi Defender VONTI |
| Tax treatment in Switzerland | <p>This product qualifies as transparent with predominantly one-off interest payments (IUP). The return determined on the bond component of the product for the holding period is subject to direct federal taxes (modified taxation of the difference). For foreign currency products, please note that the daily exchange rates applied may constitute a key factor.</p> <p>Neither withholding tax nor the stamp duty at issuance is imposed.</p> <p>Secondary market transactions are not subject to Swiss stamp duty. If delivery of the underlying is stipulated, the securities transfer tax may, however, be imposed.</p> <p>For Swiss paying agents the interest part of the coupon is subject to the EU tax on interest (TK6). The above taxation is a non-binding summary of the tax implications applicable to private investors resident in Switzerland.</p> <p>The specific situation of the investor has, however, not been considered for the summary; furthermore, tax legislation and tax-administration practices may change at any time. Potential investors should have the tax effects of the purchase, holding, sale or repayment of this product examined by their own tax adviser - especially with respect to the effects of taxation under another jurisdiction.</p> |
| Net present value of bond components upon issue | EUR 1000.00 |
| Discounting factor (IRR) upon issue | 1.17190% |
| Title | <p>The structured products are issued in the form of non-certificated book-entry securities of the issuer.</p> <p>No certificates, no printing of bonds.</p> |
| Early termination | Only possible for fiscal or other extraordinary reasons (as specified in detail in the issuance programme). |
| Applicable Law / Jurisdiction | Swiss law / Zurich 1, Switzerland |
| Prudential supervision | As a bank, Bank Vontobel AG is subject to the supervision of individual banks, while Vontobel Holding AG and Vontobel Financial Products Ltd. as group member companies are subject to complementary, consolidated group supervision by the Federal Financial Markets Regulator FINMA. Vontobel Financial Products Ltd. is registered in the register of the Dubai International Finance Centre as a non-regulated company. |
| Description of the underlying Alstom SA | <p>Name: Alstom SA, Bearer Shares Company and place of registration: Alstom, 3, avenue André Malraux, 92309 - Levallois-Perret, France Identification: ISIN FR0010220475 / Swiss Sec. No. 2229080 / Bloomberg <ALO FP Equity> Reference stock exchange: Euronext Paris Futures exchange: Eurex; the calculation agent can determine another futures exchange at its discretion Performance: Available at www.bloomberg.com (Symbol: ALO:FP) Transferability: As per the articles of association Alstom SA Financial statements: Available at www.alstom.com</p> |
| Description of the underlying Royal Philips Electronics N.V. | <p>Name: Royal Philips Electronics N.V., Bearer Shares Company and place of registration: Koninklijke Philips Electronics NV, PO Box 77900, NL-1070 MX Amsterdam Identification: ISIN NL0000009538 / Swiss Sec. No. 1106818 / Bloomberg <PHIA NA Equity> Reference stock exchange: Euronext Amsterdam Futures exchange: Eurex; the calculation agent can determine another futures exchange at its discretion Performance: Available at www.bloomberg.com (Symbol: PHIA:NA) Transferability: As per the articles of association Royal Philips Electronics N.V. Financial statements: Available at www.philips.com</p> |
| Description of the underlying SAP AG | <p>Name: SAP AG, Bearer Shares Company and place of registration: SAP AG, Neurottstrasse 16, D-69190 Walldorf Identification: ISIN DE0007164600 / Swiss Sec. No. 345952 / Bloomberg <SAP GY Equity> Reference stock exchange: XETRA Futures exchange: Eurex; the calculation agent can determine another futures exchange at its discretion Performance: Available at www.bloomberg.com (Symbol: SAP:GY) Transferability: As per the articles of association SAP AG Financial statements: Available at www.sap.com</p> |

PROSPECTS OF PROFIT AND LOSSES

Any possible gain results from the guaranteed fixed coupon. Nevertheless, there is an upper limit to the gain as a maximum of the nominal value plus the coupon is paid.

These products have only conditional capital protection defined by the individual barriers: If at least one of the underlyings touches or breaches its barrier during barrier monitoring, this conditional capital protection ceases to apply immediately. Investors should be aware that this can happen at any time during relevant barrier monitoring (period of time, resp. point(s) of time). Accordingly, the risks of an investment in a Multi Defender VONTI are considerable; given upwardly limited chances of gains, they correspond largely to the risks of a direct investment in the underlying with the poorest performance. The lower the closing price of the underlying with the poorest performance after falling below its barrier, the greater the losses sustained. In extreme cases (with a closing price of one underlying of zero), the maximum loss can lead to a loss of the capital invested.

Even if the performance of the underlyings is positive and the barriers are not touched, the price of the product during the term can be considerably below the issue price. Potential investors should bear in mind that price changes to the underlyings, as well as other influencing factors, may have a negative effect on the value of structured products.

SIGNIFICANT RISKS FOR INVESTORS

Currency risks

If the underlying or underlyings is/are denominated in a currency other than the product's reference currency, investors should bear in mind that this may involve risks due to fluctuating exchange rates and that the risk of loss does not only depend on the performance of the underlying(s) but also on any unfavourable performance of the other currency or currencies. This does not apply for currency-hedged products (quanto structure).

Market risks

The general market performance of securities is dependent in particular on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the underlying(s) or the structured product. There is also the risk of market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective underlyings and/or their stock exchanges or markets taking place during the term or upon maturity of the structured products. Such occurrences can have an effect on the time of redemption and/or on the value of the structured products.

Secondary market risks

Under normal market conditions, the issuer or the lead manager intend to post bid- and ask-prices on a regular basis. However, neither the issuer nor the lead manager is under any obligation with respect to investors to provide such bid- and ask-prices for specific order or securities volumes, and there is no guarantee of a specific liquidity or of a specific spread (i.e. the difference between bid- and ask-prices), for which reason investors cannot rely on being able to purchase or sell the structured products on a specific date or at a specific price.

Issuer risk

The value of structured products may depend not only on the performance of the underlying(s), but also on the creditworthiness of the issuer/guarantor, which may change during the term of the structured product. The investor is exposed to the risk of default of the issuer/guarantor. For further information on the rating of Vontobel Holding AG or Bank Vontobel AG, please see the issuance programme.

Publication of notifications

All notifications to investors concerning the products and adjustments to the product terms (e.g. due to corporate actions) are published at www.derinet.ch, and, in the case of products listed on the SIX Swiss Exchange in accordance with the valid provisions at www.six-swiss-exchange.com.

Classification

In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Restrictions on sales

U.S.A., U.S. persons, UK, EEA, DIFC Dubai (UAE).

Further risk information

Please also note the additional risk factors and selling restrictions set out in detail in the issuance programme.

LEGAL NOTICES

Product documentation

The original version of the Termsheet is in German; foreign-language versions constitute non-binding translations. The issuer and/or Bank Vontobel AG is entitled to correct spelling mistakes, calculation or other obvious errors in this Termsheet and to make editorial changes, as well as to amend or supplement contradictory or incomplete provisions, without the consent of the investors.

Up until the fixing date, the product terms of the "Termsheet (Indication)" are indicative and may be adjusted. The issuer is under no obligation to issue the product. The "Termsheet (Final Terms)" contains a summary of the most important final terms and information, and constitutes the "Final Terms" pursuant to art. 21 of the Additional Rules for the Listing of Derivates of SIX Swiss Exchange. Together with the issuance programme of March 08, 2010, registered with SIX Swiss Exchange (the "Issuance Programme"), the Final Terms constitute the complete listing prospectus according to the Listing Rules. In the event of discrepancies between this Termsheet and the Issuance Programme, the provisions of the Final Terms shall take precedence.

For structured products not listed on the SIX Swiss Exchange, the Termsheet constitutes the simplified prospectus pursuant to art. 5 of the Federal Act on Collective Investment Schemes (CISA). In addition, reference is also made (with the exception of the provisions authoritative for a listing) to the Issuance

Programme, in particular to the detailed information on risks contained therein, to the General Terms and Conditions and to the descriptions of the corresponding product types.

During the entire term of the structured product, all documents may be ordered free of charge from Bank Vontobel AG, Financial Products documentation, Dreikönigstrasse 37, 8002 Zurich (telephone: +41 (0)58 283 78 88, fax +41 (0)58 283 57 67). Termsheets may also be downloaded on the www.derinet.ch website.

Further information

The list and information shown do not constitute a recommendation concerning the underlying in question; they are for information purposes only and do not constitute either an offer or an invitation to submit an offer, or a recommendation to purchase financial products. Indicative information is provided without warranty. The information is not a substitute for the advice that is indispensable before entering into any derivative transaction. Only investors who fully understand the risks of the transaction to be concluded and who are commercially in a position to bear the losses which may thereby arise should enter into such transactions. Furthermore, we refer to the brochure "Special Risks in Securities Trading" which you can order from us. In connection with the issuing and/or selling of structured products, companies from the Vontobel Group can pay reimbursements to third parties directly or indirectly in different amounts. Such commission is included in the issue price. You can obtain further information from your sales agent upon request. We will be happy to answer any questions you may have concerning our products on +41 (0)58 283 78 88 from 08.00 – 17.00 CET on bank business days. Please note that all calls to this number are recorded. By calling this number, your consent to such recording is deemed given.

Material changes since the most recent annual financial statements

Subject to the information in this Termsheet and the Issuance Programme, no material changes have occurred in the assets and liabilities, financial position and profits and losses of the issuer/guarantor since the reporting date or the close of the last financial year or the interim financial statements of the issuer and, as the case may be, of the guarantor.

Responsibility for the listing prospectus

Bank Vontobel AG takes responsibility for the content of the listing prospectus and hereby declares that, to the best of its knowledge, the information is correct and that no material facts or circumstances have been omitted.

Zurich, February 24, 2011

Bank Vontobel AG, Zurich

Your customer relationship manager will be happy to answer any questions you may have.



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