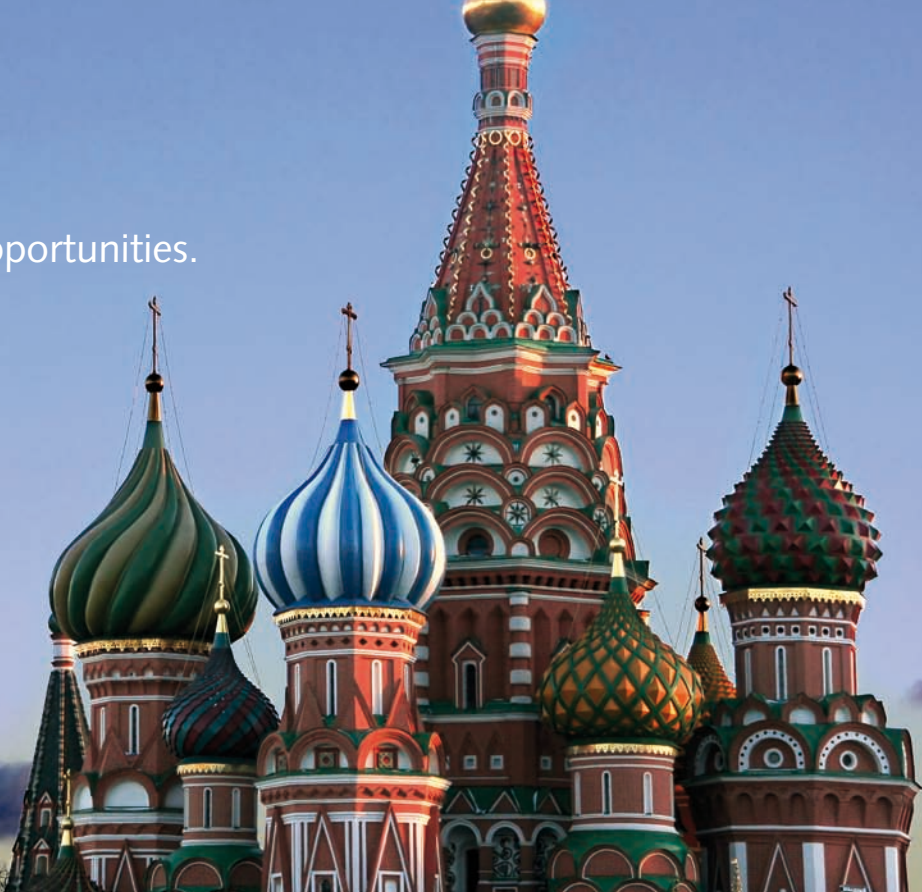


Russian

pent-up demand presents opportunities.
Capitalize on this

upturn.



Russia, the world's largest petroleum producer, is back on a growth path after having undergone some turbulent times. Experts see huge economic growth potential in the «sleeping giant».

Growing domestic demand

The worldwide financial crisis and the attendant plunge in oil, natural gas and metal prices severely affected the Russian economy, but Russia has returned to a growth path since 2010. Its biggest growth drivers are rising commodity prices and increasing domestic demand, which looks destined to play a key role in the ongoing process of restructuring the Russian economy.

Modernization and growth

High technology meets an agrarian economy in the biggest country on Earth. This makes structural modernization necessary, which in turn presents huge economic growth potential. Massive government investment and privatization programs additionally accelerate this modernization process. Confidence in Russia's financial strength is growing on the international capital markets in view of attributes including the country's strong current account balance, its small external debt burden and its more than USD 450 billion of foreign currency reserves, the third-largest in the world.

The government of Russia has repeatedly pledged its commitment to comprehensively modernizing and deregulating the country's economy. At this year's World Economic Forum in Davos, President Dmitry Medvedev stated that he wanted Russia's economy to grow at least at the rate shown by its BRIC partners, stressing that Russia's current growth rate is inadequate.

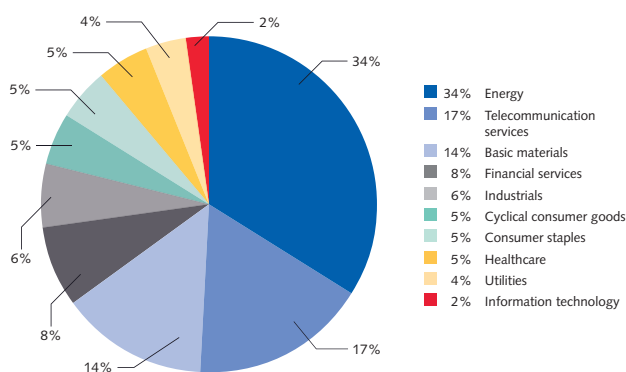
Vontobel Asset Management forecasts that Russia's economic upturn will continue, with growth projected to accelerate further to around 4.60% for 2011/2012 on the heels of 4% growth last year. The Russian stock market has performed less well than other markets and is still considered to be undervalued. The majority of Russian blue chips, for example, are around 40% below their peaks prior to the financial crisis.

VONCERT on a «Selected Russian» basket

Bank Vontobel has recently launched a tracker certificate on a basket of selected Russian stocks that stand to profit the most from Russia's economic upturn. The composition of the static equity basket was assembled by Aspermont Capital AG – a specialist on Russia – on the basis of proprietary analyses and valuation criteria with the goal of creating and offering a broadly diversified and sectorally balanced portfolio of Russian companies focused on Russia's domestic market. The basket consists of a selection of 30 publicly traded Russian stocks (or surrogate equity securities such as ADRs or GDRs*) from a variety of different sectors that are bound to benefit the most from Russia's economic development.

*American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) are liquid surrogate equity securities issued by banks outside Russia that hold the underlying equity securities in custody.

Sector breakdown of «Selected Russian» basket



Compared to the established Russian stock indices, the «Selected Russian» basket offers less exposure to commodities like petroleum and metals. This means that the basket contains companies that are focused on Russia's domestic market, such as Magnit and Pharmstandard (retailing), Globaltrans (transport/logistics), PIK (real estate), Mostotrest (construction), MTS and Rostelekom (telecommunications) as well as Yandex (Internet; search engine provider), but also energy giants like Gazprom and its smaller rival Novatek.

VONCERT on a «Selected Russian» basket

For those investors who would like to benefit from Russia's development potential, Bank Vontobel's new VONCERT tracker certificate on a «Selected Russian» basket presents an attractive opportunity to financially participate in Russia's economic upturn. The product has a two-year term to maturity

and is denominated in three different currencies: Swiss francs, euros and US dollars. Investors should be aware that the VONCERTs entail exchange-rate risk exposure to the respective currency denominations of the basket components, i.e. especially to the Russian ruble.

Product details

Issuer	Vontobel Financial Products Ltd., DIFC Dubai		
Guarantor	Vontobel Holding AG, Zurich (S&P A; Moody's A2)		
Composition advisor	Aspermont Capital AG		
SSPA designation	Tracker Certificate (1300)		
Underlying	«Selected Russian» basket		
Sec. no./symbol	12572257/VZRUC	12572258/VZRUE	12572259/VZRUU
Product currency	CHF	EUR	USD
Issue price/certificate reference price	CHF 100.00/CHF 99.15	EUR 100.00/EUR 99.15	USD 100.00/USD 99.15
Subscription deadline	July 22, 2011, 4:00 PM CET		
Initial fixing/payment date	July 25, 2011/July 29, 2011		
Final fixing/redemption date	July 22, 2013/July 29, 2013		
Listing	Will be applied for on the SIX Swiss Exchange		

Please note: An investment in a VONCERT (SSPA product type designation: Tracker Certificate (1300)) involves exposure to risks that are largely the same as those entailed in a direct investment in the underlying asset, particularly the corresponding forex, market and price risks. VONCERTs do not produce ongoing revenue streams and do not provide any capital protection.

The term sheet (final terms) stating the legally binding conditions, as well as further information about the rewards and risks, can be accessed at www.derinet.ch.

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Bank Vontobel AG, Financial Products, Dreikönigstrasse 37, CH-8022 Zurich
Telephone +41 (058) 283 78 88, Telefax +41 (0)58 283 57 67, www.vontobel.com



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