

## VONCERT on a "Energy III" Basket

### PRODUCT DESCRIPTION

As tracker certificates, VONCERTs provide the opportunity to participate in an underlying instrument's performance in a transparent way and with a single transaction. The potential yield is comparable to that of the underlying instrument.

**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

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
SSPA product type	Tracker Certificate (1300), see also www.svsp-verband.ch
Underlying	"Energy III" Basket
Number of underlyings per VONCERT	1 VONCERT represents 1 "Energy III" Basket
Issue price	USD 100.00
Reference price	USD 98.00
Initial fixing	April 27, 2011, closing prices
Payment date	May 3, 2011
Last trading day	April 26, 2012 (17:00 CET)
Final fixing	April 27, 2012, closing prices
Redemption	May 3, 2012
Reference currency	USD; issue, trading and redemption will follow in the reference currency
Swiss Security Number / ISIN / Telekurs Symbol	1257 2004 / CH0125720042 / VZEEQ
Redemption amount	The redemption amount corresponds to the sum of the closing prices of the shares included in the basket, as established at the respective stock exchange on the closing fixing date, multiplied by the number of shares per VONCERT and converted into the reference currency, if applicable. Conversions are carried out on closing fixing at the respective stock exchange and at the applicable exchange rates.

Basket composition (the underlying)	Share	Stock Exchange	ISIN	Currency	Weighting	Shares per VONCERT
	BG Group PLC	London Intl.	GB0008762899	GBP	5.56%	0.070451
	BP PLC	London Intl.	GB0007980591	GBP	5.56%	0.213544
	ConocoPhillips	NYSE	US20825C1045	USD	5.56%	0.707077
	EnSCO PLC	NYSE	US29358Q1094	USD	5.56%	0.068200
	Halliburton Co.	NYSE	US4062161017	USD	5.56%	0.093115
	Hess Corporation	NYSE	US42809H1077	USD	5.56%	0.107811
	Meyer Burger Technology AG	SIX SE	CH0108503795	CHF	5.56%	0.065802
	National Oilwell Varco Inc.	NYSE	US6370711011	USD	5.56%	0.110979
	Noble Corporation	NYSE	CH0033347318	USD	5.56%	0.070817
	OAO Gazprom	London Intl.	US3682872078	USD	5.56%	0.128771
	OAO Lukoil	London Intl.	US6778621044	USD	5.56%	0.325041
	Peabody Energy Corp.	NYSE	US7045491047	USD	5.56%	0.079714
	Technip SA	EN Paris	FR0000131708	EUR	5.56%	0.084032
	Tenaris SA	Borsa Italiana	LU0156801721	EUR	5.56%	0.048359

Total SA	EN Paris	FR0000120271	EUR	5.56%	0.087249
Transocean Ltd.	SIX SE	CH0048265513	CHF	5.56%	0.077479
Vestas Wind Systems A/S	OMX Copenhagen	DK0010268606	DKK	5.56%	0.157234

### Further Information

Issue size	200'000 VONCERTs, the size may be increased
Treatment of dividends	Net dividends will be reinvested in the corresponding share. When determining the level of the individual net dividends, the Paying and Calculation Agent will consider the applicable foreign taxes at source.
Basket composition adjustment	The issuer reserves the right to make adjustments to the basket composition in accordance with market standards in order to safeguard interests if events arise or are announced which affect individual or several titles in the basket, i.e. mergers, acquisitions, restrictions on tradability or the introduction of taxes (list not exhaustive).
Early termination option	If, at the issuer's discretion, (1) a proper adjustment of the basket is not possible for whatever reason, or (2) a foreign authority imposes new taxes or duties (e.g. taxes at source) on basket components and/or on the VONCERT, the issuer shall be entitled, but not obliged, to terminate the VONCERT early. The termination shall take effect from the date on which the notice is published. In the event of a termination, the redemption amount shall be established on the relevant termination date.
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 <a href="http://www.derinet.ch">www.derinet.ch</a> .
Minimum investment	1 VONCERT
Minimum trading lot	1 VONCERT
Fiscal treatment in Switzerland	<p>For natural persons resident in Switzerland the reinvested net dividends qualify as taxable income. Any further capital growth from this product represents a capital gain and is in principle not subject to direct federal taxes.</p> <p>No transfer tax. No Swiss withholding tax. Secondary market transactions are not subject to Swiss stamp duty.</p> <p>For Swiss paying agents: this product is not subject to EU taxation on investment income (TK9).</p> <p>The above taxation is a non-binding summary of the tax implications applicable to private investors resident in Switzerland. 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>
Title	The Structured Products are issued in the form of non-certificated book-entry securities of the issuer. No certificates, no printing of bonds.
Applicable Law / Place of 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.

### PROSPECTS OF PROFIT AND LOSSES

VONCERTs are tracker certificates which allow participating in an underlying instrument's performance in a transparent way and with a single transaction. The potential yield of the VONCERTs is comparable to that of the underlying instrument. Any potential profit consists of the positive difference between the sales price achieved, i.e. the redemption price, and the purchase price. VONCERTs do not provide ongoing revenues. The value of the VONCERTs during their term is significantly influenced by the price development and the volatility of the underlying instrument and the respective remaining term.

A loss is made if the VONCERTs are sold or redeemed at a lower rate than the purchase price paid.

Such a loss scenario can arise if the underlying instrument develops negatively due to value-determining factors, such as interest rate developments and changes to the rating or creditworthiness of basket components. Therefore, the price of the VONCERTs may fall significantly below the issue price/purchase price during the term and/or on maturity, which results in a corresponding loss.

Even if the performance of the underlying is positive, 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 underlying, 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](http://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](http://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, 2011, 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](http://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, April 27, 2011

Bank Vontobel AG, Zurich

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



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