

Open End Certificate on the UBS Key Calls - Europe Investable Index Total Return (EUR)



Public Offering

Eusipa Code: 1300

Product Details

Underlying	UBS Key Calls - Europe Investable Index Total Return (EUR) (the "Index") Bloomberg: UBCIKCE Index
Initial Reference Price of Underlying ("Strike Price")	101.54 Index points
Initial Issue Price	EUR 100.00
Settlement Currency	EUR
Risk Management Fee	1.25% p.a. (calculated and deducted per calendar day in arrears). The Risk Management Fee is deducted by multiplication with a Risk Management Factor ("RMF"), where the RMF is calculated as described below.
Certificate Value	Certificate Value in EUR on the Valuation Date

$$CertificateValue(t) = Euro 100 * \frac{Index(t)}{Index(0)} * RMF$$

With :

Index (0) : Closing price of the Index on the Fixing Date

Index (t) : Closing price of the Index on the Valuation Date

The Risk Management Factor is calculated as follows:

$$1 - \left(\frac{0.0125 * n}{360} \right)$$

n = number of calendar days since and including the Fixing Date until and excluding the Valuation Date (calculated on an actual day count basis)

Redemption Amount	The Investor is entitled to receive from the Issuer on the Redemption Date the Certificate Value in the Settlement Currency.
Valuation Date	in case of Investor's Exercise: Effective Exercise Date; in case of Issuer's Termination: Termination Date

Security Identification Codes

ISIN: DE000UB6KCE6
 Valor: 11877105
 WKN: UB6KCE
 Common Code: 057873221

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Dates

Launch Date	14.01.2011
Fixing Date	13.01.2011 (closing)
Payment Date	18.01.2011
Last Trading Day	2 exchange trading days prior to the Termination Date
Expiration Date	Open End
Redemption Date	5 Banking Days after the Valuation Date or the Termination Date
Exercise Date	Date of Investor's Exercise Right
Effective Exercise Date	1 year after the Exercise Date
Termination Date	Date the Issuer's Call Right becomes effective

General Information

Issuer	UBS AG, London Branch
Rating	Aa3 / A+ / A+
Lead Manager	UBS Limited, London
Calculation Agent	UBS AG, London Branch
Issue Size	50,000 Units
Trading	08:00 - 22:00 hours
Listing	Frankfurt, Stuttgart (Third Section)
Minimum Trading Size	1.00 Certificate(s)
Smart / Euwax	Max. Spread (homogenized): 2% Min. Size: 100 Certificate(s)
Recurring Retrocession	Up to 0.75% p.a. (included in the Management Fee)
Sales Restrictions	U.S.A.; U.S. Persons / U.K.
Clearing	Euroclear, Clearstream Banking AG, Clearstream Banking S.A. (Global Certificate at Clearstream Banking AG)
Custody	Clearstream Banking AG eligible (up-to Global Certificate)
Governing Law	German Law
Place of Jurisdiction	Frankfurt am Main
EU Savings Tax Treatment	For Swiss paying agents, the product is not subject to the EU Savings Tax (TK9).

Issuer's Call Right: The Issuer has a right to call the Certificates for early redemption by giving notice to that effect. The Certificates can be terminated at any time and the termination becomes effective after a notice period of 3 months, for the value of the current Redemption Amount. The Valuation Date shall be the Termination Date.

Investor's Exercise Right: The Investor has an annual right to exercise his Certificates on 15 January, for the first time on 15 January 2012, (notice to be received no later than 10:00 am, local time Frankfurt am Main, on the relevant Exercise Date) for the value of the current Redemption Amount 1 year after the Exercise Date. The exercise will become effective as of close of business 1 year after the relevant Exercise Date. The Valuation Date shall be the Effective Exercise Date.

If any of the dates mentioned is not an Underlying Calculation Date, the immediately following Underlying Calculation Date shall be the Termination Date or the Exercise Date or the Effective Exercise Date or the Valuation Date.

Secondary market

The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and offer prices for this Product, and assumes no legal obligation to

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quote any such prices or with respect to the level or determination of such prices. Potential Investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price.

Index Description

The UBS Key Calls represent the highest conviction single stock research ideas and is a core product within UBS Research franchise. The list is maintained as a joint venture between UBS Equity Strategists, single-stock Research Analysts and Research Product Managers. The UBS Key Calls - Europe Investable Index Total Return (EUR) is a dynamically rebalanced basket of the UBS European Key Calls, offering exposure to the underlying stocks, while limiting any potential impact of individual stock liquidity. Stocks comprised in the relevant portfolio are crossed into EUR. Net dividends are reinvested into the index constituents at rebalance dates, proportionally to their weightings.

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Where this Product is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

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the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the securities under Section 275 of the SFA except:

- (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than USD 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

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No action has been or will be taken in any jurisdiction that would permit a public offering of the securities described herein, save where explicitly stated in the Prospectus. The securities must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

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