

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



Public Offering

Eusipa Code: 1500

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

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

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

Contact

UBS Deutschland AG
Equity Derivatives
Bockenheimer Landstrasse. 2-4
60306 Frankfurt am Main
Germany
Phone: +49 (0) 69 1369 - 8989
Fax: +49 (0) 69 72 22 73
email: invest@ubs.com
Internet: www.ubs.com/keyinvest



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



Public Offering

Eusipa Code: 1500

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

Contact

UBS Deutschland AG
Equity Derivatives
Bockenheimer Landstrasse. 2-4
60306 Frankfurt am Main
Germany
Phone: +49 (0) 69 1369 - 8989
Fax: +49 (0) 69 72 22 73
email: invest@ubs.com
Internet: www.ubs.com/keyinvest



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



Public Offering

Eusipa Code: 1500

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.

Index Disclaimer

The mark and name "UBS Key Calls - Europe Investable Index Total Return (EUR)" (the "Index") is proprietary to UBS AG ("UBS").

UBS does not make any warranty or representation or guarantee whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figures or levels at which the Index stands at any particular day or otherwise. In addition, UBS gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

No responsibility or liability is accepted by UBS (whether for negligence or otherwise) in respect of the use of and/or reference to the Index by us or any other person in connection with the Certificates, or for any inaccuracies, omissions, mistakes or errors in the computation of the Index (and UBS shall not be obliged to advise any person, including us or any investor, or any error therein) or for any economic or other loss which may be directly or indirectly sustained by us or any investors to the Securities or any other persons dealing with the Certificates as a result thereof and no claims, actions or legal proceedings may be brought against UBS (including any of its subsidiaries or affiliates) in any manner whatsoever by any investor or other person dealing with the Certificates. Any investor or other person dealing with the Certificates does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on UBS.

For avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any investor other person and UBS and must not be construed to have created such relationship.

This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ss of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

Selling Restrictions

Any Product purchased by any person for resale may not be offered in any jurisdiction in circumstances that would result in the Issuer or the Offeror being obliged to register any further prospectus or corresponding document relating to the Certificates in that jurisdiction.

Holders of this Product are advised to read the selling restrictions described more fully in the relevant prospectus or information memorandum of this Product. The restrictions listed below must not be taken

Contact

UBS Deutschland AG
Equity Derivatives
Bockenheimer Landstrasse. 2-4
60306 Frankfurt am Main
Germany
Phone: +49 (0) 69 1369 - 8989
Fax: +49 (0) 69 72 22 73
email: invest@ubs.com
Internet: www.ubs.com/keyinvest



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



Public Offering

Eusipa Code: 1500

as definitive guidance as to whether this Product can be sold in a jurisdiction. Holders of this Product should seek specific advice before on-selling it.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution in relation to any offer. If an investor is in any doubt about any of the contents of this document, the investor should obtain independent professional advice.

This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it.

Europe - For EEA jurisdictions (EU member states plus Norway, Iceland and Liechtenstein) that have implemented the EU Prospectus Directive, the Final Terms and Base Prospectus for these Securities qualify as a prospectus published in accordance with the requirements of the EU Prospectus Directive. However, unless and until a prospectus has been published in accordance with the requirements of the EU Directive and passported into the relevant jurisdiction, these Securities may not be offered or sold other than 1) in minimum denominations of, or total consideration per investor of at least, EUR 50,000 (or equivalent in other currencies) or 2) only to Qualified Investors; and/or (aggregated for all distributors) to less than 100 offerees that are not Qualified Investors per EEA jurisdiction. A "Qualified Investor" is a legal entity that (i) is authorised or regulated to operate in the financial markets or has the sole purpose to invest in securities; or (ii) meets two of the following three criteria (as shown in its last annual or consolidated accounts): (a) an average number of at least 250 employees during the last financial year; (b) a total balance sheet of more than EUR 43,000,000; and (c) an annual net turnover of more than EUR 50,000,000.

For EEA jurisdictions that have not implemented the EU Prospectus Directive, sales must be in compliance with the law of that jurisdiction.

Hong Kong - This Product has not been offered and sold, and each purchaser represents and agrees that it will not offer and sell the Product in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy and sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong or to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance. In relation to the issue of this Product, each purchaser represents and agrees that it has not issued and will not issue any advertisement, invitation or document relating to the Product, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Product which is or is intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

Singapore - This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this Product may not be circulated or distributed, nor may this Product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Cap. 289) of Singapore ("SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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,

Contact

UBS Deutschland AG
Equity Derivatives
Bockenheimer Landstrasse. 2-4
60306 Frankfurt am Main
Germany
Phone: +49 (0) 69 1369 - 8989
Fax: +49 (0) 69 72 22 73
email: invest@ubs.com
Internet: www.ubs.com/keyinvest



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



Public Offering

Eusipa Code: 1500

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.

UK - This Product should not be sold with a consideration of less than 50,000.00 EUR or equivalent.

USA - This Product may not be sold or offered within the United States or to U.S. persons.

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which the termsheet relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this term sheet. UBS' trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

In certain circumstances UBS sells these notes to dealers and other financial institutions at a discount to the issue price or rebates to them for their own account some proportion of the issue price. Further information is available on request.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document is for information purposes only and should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Information Memorandum, Prospectus or other issuer documentation for the issue of the Notes (the "Prospectus").

UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This term sheet shall not be copied or reproduced without UBS's prior written permission.

Contact

UBS Deutschland AG
Equity Derivatives
Bockenheimer Landstrasse. 2-4
60306 Frankfurt am Main
Germany
Phone: +49 (0) 69 1369 - 8989
Fax: +49 (0) 69 72 22 73
email: invest@ubs.com
Internet: www.ubs.com/keyinvest



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



Public Offering

Eusipa Code: 1500

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.

Contact

UBS Deutschland AG
Equity Derivatives
Bockenheimer Landstrasse, 2-4
60306 Frankfurt am Main
Germany
Phone: +49 (0) 69 1369 - 8989
Fax: +49 (0) 69 72 22 73
email: invest@ubs.com
Internet: www.ubs.com/keyinvest