

10 Year BRL KFW 10.00% Fixed Rate Note, settled in USD

Private Placement

Final Terms

Final Termsheet as of 09 March 2010

Description	10 year BRL denominated Fixed Rate Note (the 'Notes'), settled in USD
Issuer	Kreditanstalt für Wiederaufbau
Rating	Aaa Moody's / AAA S&P's / AAA Fitch
Status	Senior Unsubordinated Unsecured
Nominal Amount	BRL 35,750,000
Denomination	BRL 250,000
Settlement Currency	All payments in respect of this Note will be made in United States Dollars ("USD")
Issue Price	100%
	Purchasers shall pay the issue price in United States Dollars ("Trade Date USD Settlement Amount") based on a spot exchange rate for the conversion of Brazilian Reals into United States Dollars on the Trade Date as determined in the Calculation Agent's sole discretion (the "Trade Date FX Fixing").
Trade Date USD Settlement Amount	USD 20,041,484.47
Trade Date FX Fixing	1.7838 Brazilian Reals per United States Dollar
Trade Date	09 March 2010
Issue Date	23 March 2010
Maturity Date	23 March 2020

Provisions relating to Interest

Interest	10.00% Interest will accrue on the principal amount (denominated in Brazilian Reals) of the Notes. All amounts due in respect of interest will be paid in USD, calculated by the Calculation Agent by converting the Brazilian Real amounts into an amount denominated in USD by using the Settlement Rate on the applicable Rate Calculation Date.
Interest Amount	Interest multiplied by the Specified Denomination
Interest Basis	30/360 paid semi-annually, unadjusted
Interest Payment Date	Each 23 March and 23 September, commencing on 23 September 2010, and ending on the Maturity Date, inclusive, adjusted in accordance with the Following Business Day Convention using Banking Business Days, subject to adjustment if Rate Calculation Postponement for Price Source Disruption applies, and in each case, the Interest Payment Date shall be five Banking Business Days after the date the Settlement Rate is determined.
Interest Settlement Amount	The Interest Amount due on any Interest Payment Date converted into the Settlement Currency at the Settlement Rate observed on the Rate Calculation Date.
Rate Calculation Date	The Scheduled Rate Calculation Date, unless adjusted pursuant to the provisions herein to take into account Unscheduled Holidays and Rate Calculation Postponement for Price Source Disruption.

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**Scheduled Rate
Calculation Date**

Five Local, London and New York Business Days prior to each Interest Payment Date or the Redemption Payment Date, and in the event of an Unscheduled Holiday, subject to adjustment in accordance with the Following Business Day Convention using Local, London and New York Business Days.

“Unscheduled Holiday” means a day that is not a Local Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9.00 am São Paulo time five Local Business Days prior to the Scheduled Rate Calculation Date.

In the event of an Unscheduled Holiday, the Rate Calculation Date shall be deferred and if the Rate Calculation Date has not occurred on or before the 30th consecutive day after the Scheduled Rate Calculation Date (any such period being a “Deferral Period”), then the next day after the Deferral Period that would have been a Local, London and a New York Business Day but for the Unscheduled Holiday, shall be deemed to be the Rate Calculation Date.

Reference Currency

The lawful currency of the Federative Republic of Brazil or any successor currency thereto (“Brazilian Real” or “BRL”).

Provisions relating to Redemption

Maturity Date	23 March 2020 (“the Scheduled Maturity Date”)
Redemption Amount	An amount in USD equal to the Specified Denomination converted into USD at the Settlement Rate observed on the applicable Rate Calculation Date: USD redemption amount: BRL 35,750,000 / FX on the Redemption Payment Date, where FX means the Settlement Currency as defined in the section Settlement Rate below. All amounts due in respect of principal will be paid in USD, calculated by the Calculation Agent by converting the Brazilian Real amounts into USD by using the Settlement Rate on the applicable Rate Calculation Date.
Redemption Payment Date	The Scheduled Maturity Date, adjusted in accordance with the Following Business Day Convention using Banking Business Days; and subject to adjustment if the Scheduled Rate Calculation Date is adjusted if Rate Calculation Postponement applies, and in each case, the Redemption Payment Date shall be two Banking Business Days after the date the Settlement Rate is determined.

General Information

Documentation	Euro Medium Term Note Programme
Governing Law:	German
Dealer:	UBS AG, London Branch
Form of Deed:	Classic Global Note
Settlement / Clearing	Standard EMTN via Euroclear / Clearstream Banking
Listing	Luxembourg
ISIN	XS0495148164
Valoren	11122348
Local Business Days	A day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in São Paulo.
Banking Business Days	London, New York and Sao Paolo
Calculation Agent	UBS AG, acting through its London Branch, or any successor thereof.
Issuing and Paying Agent	Deutsche Bank Frankfurt

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Provisions relating to Settlement

Settlement	Non-Deliverable, with the effect that any Reference Currency amounts payable hereunder on a Payment Date shall be converted into Settlement Currency amounts by reference to the Settlement Rate Option on the Rate Calculation Date.
Settlement Rate	Means the Settlement Currency offer exchange rate, expressed as the amount of BRL per one USD, for settlement in two Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 ("Consulta de Cambio" or Exchange Rate Inquiry), Option 5 ("Cotacões para Contabilidade" or "Rates for Accounting Purposes") by approximately 6:00 p.m., São Paulo time, as observed by the Calculation Agent on the applicable Rate Calculation Date. If a Market Disruption Event has occurred and is continuing, the Calculation Agent may use any commercially reasonable method to determine the USD/BRL exchange rate, including, but not limited to (i) deferral of determination of the USD/BRL exchange rate until the Settlement Rate is available or for up to thirty consecutive calendar days after the original BRL Settlement Rate should have been available, (ii) on the basis of a Survey Rate (defined below), (iii) by taking into consideration all available information that the Calculation Agent in good faith deems relevant, or (iv) a combination thereof. Notwithstanding the foregoing, the Calculation Agent may determine, in its absolute and sole discretion, that the Settlement Rate cannot be determined.
Payment Date	Interest Payment Date or Redemption Payment Date, as applicable.
Market Disruption Event	Means (i) a day on which it is impossible to determine the Settlement Rate (ii) a day on which a Price Materiality Event occurs or (iii) an Unscheduled Holiday is declared and is continuing for a period up to the Deferral Period.
Price Materiality	Means that there is at least a 3% difference between the Settlement Rate and a Survey Rate, as determined by EMTA, or a service provider determined by EMTA.; provided however, that if there are insufficient responses on the Rate Calculation Date to the EMTA BRL Industry Survey or the EMTA BRL Indicative Survey, as the case may be, the Price Materiality Percentage will also be deemed to have been met.
Cumulative Events	Notwithstanding anything herein to the contrary, in no event shall the total number of consecutive calendar days during which either (i) the calculation of the Settlement Rate is deferred due to an Unscheduled Holiday, or (ii) a Rate Calculation Postponement (as defined below) shall occur (or any combination of (i) and (ii)), exceed 30 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 30 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period, then such day shall be deemed to be a Rate Calculation Date, and (y) if, upon the lapse of any such 30 day period, a Price Source Disruption shall have occurred or be continuing on the day following such period, then Rate Calculation Postponement shall not apply and the Settlement Rate shall be determined by the Calculation Agent.
Rate Calculation Postponement for Price Source Disruption	Maximum Number of Days for Postponement - 30 Days "Rate Calculation Postponement" means, for purposes of obtaining a Settlement Rate, that Settlement Rate will be determined on the day that is both a Local Business Day and New York Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date, that, but for the occurrence of the Price Source Disruption, would have been the Rate Calculation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Settlement Rate will be determined by the Calculation Agent on the next business day that is both a Local Business Day and New York Business Day after the Maximum Days of Postponement.
Survey Rate	Means the USD/BRL survey rate (which shall be either the EMTA BRL Industry Survey Rate or the EMTA BRL Indicative Survey Rate) on the relevant date as published by EMTA, on its website (www.emta.org) or as soon thereafter as practicable. Such rate shall be calculated by EMTA, or a service provider determined by EMTA, based on one or more surveys of industry –wide or Brazilian banks (or a combination thereof)

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conducted by EMTA, or a service provider determined by EMTA. The Calculation Agent may determine, in its sole and absolute discretion, that the Survey Rate, if any, is not representative of the onshore USD/BRL onshore foreign exchange market and therefore not to use or accept such rate.

Selling Restrictions

For the purposes of the issue of these Notes the Selling Restrictions as set out in the Information Memorandum of the Issuer shall apply:

ADDITIONAL INFORMATION / DISCLAIMER

Risk Factors relating to the Issuer

In addition to the market risk with regard to the development of the Underlying, each Investor bears the general risk that the financial situation of the Issuer could deteriorate. The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank *pari passu* with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The general assessment of the Issuer's creditworthiness may affect the value of the Products. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

The Issuer Ratings indicated in this document reflect the situation at the time of issuance and may be subject to changes.

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 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.

In special market situations, where the Issuer is completely unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer.

Risk Factors relating the Notes

An investment in the Notes involves risks. Some of these risks are summarized here, but we urge you to read the more detailed explanation of risks in the "Risk Factors" section of the Base Prospectus.

Currency exchange rates can be volatile and unpredictable and may be affected by macroeconomic factors and speculation. If the Brazilian Real depreciates against the United States dollar, the effective yield on the Notes (in United States dollar terms) will decrease below the interest rate on the Notes and the amount payable on an Interest Payment Date or at the Redemption Payment Date, may be less than your initial investment amount in USD, resulting in a loss to you. Depreciation of the Brazilian Real against the United States dollar may also adversely affect the market value of the Notes.

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Rates of exchange between the United States dollar and the Brazilian Real have varied significantly over time. Historical trends do not necessarily indicate future fluctuations in rates and should not be relied upon as indicative of future trends.

Sales in the secondary market may result in significant losses. Your principal will be fully protected only if your Notes are redeemed early or you hold your Notes to maturity. If you sell your Notes in the secondary market prior to maturity, you will not be entitled to principal protection or any minimum total return on the portion of your Notes sold. You therefore should be willing to hold your Notes to maturity, unless redeemed early.

The investor is exposed to market disruption events (such as trading disruption, exchange disruption and early closure of the relevant exchange), adjustments and early termination which could have an impact on the redemption amount through delay in payment or change in value.

Important Information

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 this document 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 document. 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 this Product to dealers and other financial institutions at a discount to the issue price or rebates to them for their 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 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 Products/Notes (the "Prospectus").

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

There is a possibility that costs, including taxes, related to transactions in connection with this Product may arise for the Investor that are not paid by UBS or imposed by it.

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