Morgan Stanley Podium Autocallable Notes

POTENTIAL ATTRACTIVE FIXED STEP COUPONS AND THE CHANCE TO REDEEM EARLY

- Exposure to three emerging markets.
- Attractive annual coupons of up to 15% (5% paid for each underlying that closes above its initial level on each annual observation date).
- Note redeems early if all three underlyings close above their initial levels on an observation date.
- Some protection from a falling market: capital is protected if all of the underlyings are above 50% of their respective initial levels at maturity. Otherwise capital will be reduced by the performance of the worst-performing underlying.
- 5-year maturity, available in USD, EUR and GBP.

UNDERLYING BASKET

Underlying	Bloomberg Ticker
Russian Depository Index	RDXUSD Index
iShares MSCI Brazil	EWZ UP Index
Hang Seng China Enterprises Index	HSCEI Index

HOW IS THE RETURN CALCULATED?

On annual observation dates, the performance of the three underlyings is observed.

If any of the underlyings on the annual observation dates close above their initial levels, investors will receive a coupon for that year. The coupon will be equal to 5% for each underlying that closes above its initial level. For example, if two underlyings close above their initial levels on an observation date, investors receive a 10% coupon.

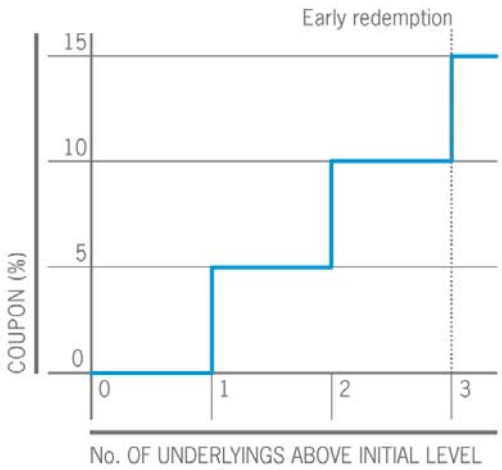
In addition, the Note offers an annual opportunity for early redemption. If all three underlyings are above their initial levels on an observation date, the Note redeems early and investors receive their initial capital in full as well as a 15% coupon.

WHEN IS CAPITAL PROTECTED?

Investors capital is returned in full if the Notes redeem early. If the Note does not redeem early, there is still the possibility that capital will be protected at maturity. Provided that none of the underlyings are below 50% of their initial levels at maturity, investors will be returned their capital in full. Otherwise, their capital repayment will be reduced by the amount that the worst performing underlying is below its initial level. However, in this case, investors still have the possibility of receiving a coupon. If, at maturity, one or two of the underlyings close above their initial levels, then investors would receive a coupon of either 5% or 10% respectively.

PAYOFF DIAGRAM

The following diagram provides an illustration of the potential annual coupon, given the number of underlyings above their initial levels:



KEY ADVANTAGES

- Potential for an attractive annual coupon, equal to 5% for each underlying that closes above its initial level (maximum annual return of 15%).
- The notes redeem early if all three underlyings close above their initial level on any of the annual observation dates.
- Capital is protected at maturity, provided that none of the underlyings close below 50% of their initial level.

KEY RISKS

- The repayment of capital at maturity depends on the performance of the worst-performing underlying. The product is not fully capital protected and investors may lose some or all of their invested capital.
- Investors are exposed to the credit risk of the Issuer (Morgan Stanley B.V.) and Guarantor (Morgan Stanley). Although the notes are designed to provide the returns described, payments depend on the ability of the Issuer and Guarantor to meet their financial obligations.
- Note returns do not provide any returns from dividend income or participate in corporate actions, as would be the case if you invested directly in the shares underlying the indices.
- The secondary market price of the notes will depend on many factors, including, but not limited to, the then-prevailing levels of the underlyings, volatility and interest rates. If investors sell before maturity, they may receive less than their initial investment. Investors may also be subject to transaction costs including a bid-offer spread.

PRODUCT DETAILS

ISSUER	Morgan Stanley B.V.		
GUARANTOR	Morgan Stanley		
ISSUE PRICE	100%		
SUBSCRIPTION PERIOD	12th May 2011 to 16th June 2011. The Issuer reserves the right to close the subscription period early		
ISSUE DATE	24th June 2011		
MATURITY DATE	24th June 2016, subject to early redemption		
DENOMINATION (PAR)	USD 1,000 / EUR 1,000 / GBP 1,000		
UNDERLYINGS	Russian Depository Index, iShares MSCI Brazil, Hang Seng China Enterprises Index		
ANNUAL COUPON	5% for each Underlying whose Performance is greater than 100% on the relevant observation date		
EARLY REDEMPTION CONDITION	If on any observation date, all thre Underlyings record a performance greater than 100% on an observation date, the product redeems early and investors receive 100% of Par as well as a return of 15% (3 * 5%)		
REDEMPTION AT MATURITY	If the Early Redemption Condition has not been met on any of the annual observation dates prior to 17th June 2016, investors receive 100% of Par as well as any annual coupons if none of the Underlyings record a performance of lower than 50% at maturity If any of the Underlyings record a performance of lower than 50%, investors receive any annual coupons as well as 100% of Par times the performance of the worst-performing Underlying. If all of the Underlyings record a performance of lower than 50%, investors will receive 100% of Par times the performance of the worst-performing Underlyings.		
PERFORMANCE	Underlying Level on observation date / Underlying Level on 17th June 2011 ('Initial Level')		
OBSERVATION DATES	18th June 2012, 17th June 2013, 17th June 2014, 17th June 2015, 17th June 2016 ('Final Level')		
DISTRIBUTION	Private Placement only		
ISIN	USD: XS0628178286	EUR: XS0628177981	GBP: XS0628178104

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