Morgan Stanley Podium Autocallable Notes

POTENTIAL ATTRACTIVE FIXED STEP COUPONS AND THE CHANCE TO REDEEM EARLY

- Exposure to three markets.
- Attractive annual coupons of up to 19.5% (6.5% 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 and GBP.

UNDERLYING BASKET

Underlying	Bloomberg Ticker
FTSE-100 Index	UKX 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 6.5% 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 13% coupon.

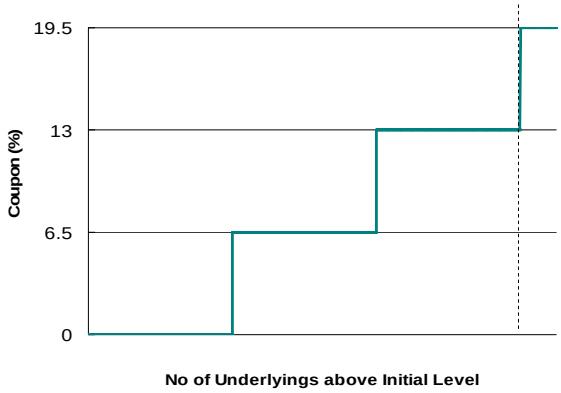
In addition, the Note offers an annual opportunity for early redemption. If all three underlyings are above their initial levels on an observation date, the Note redeems early and investors receive their initial capital in full as well as a 19.5% coupon.

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 6.5% or 13% 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 6.5% for each underlying that closes above its initial level (maximum annual return of 19.5%).
- 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	13th September 2011 to 21st October 2011. The Issuer reserves the right to close the subscription period early	
ISSUE DATE	28th October 2011	
MATURITY DATE	28th October 2016, subject to early redemption	
DENOMINATION (PAR)	USD 1,000 / GBP 1,000	
UNDERLYINGS	FTSE-100 Index, iShares MSCI Brazil, Hang Seng China Enterprises Index	
ANNUAL COUPON	6.5% for each Underlying whose Performance is greater than 100% on the relevant observation date	
EARLY REDEMPTION CONDITION	If on any observation date, all three 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 19.5% (3 * 6.5%)	
REDEMPTION AT MATURITY	If the Early Redemption Condition has not been met on any of the annual observation dates prior to 28th October 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 21st October 2011 ('Initial Level')	
OBSERVATION DATES	Annually, from 22nd October 2012 to the Determination date (inclusive). For the avoidance of doubt: 22nd October 2012; 21st October 2013; 21st October 2014; 21st October 2015; 21st October 2016 (the Determination Date)	
DISTRIBUTION	Private Placement only	
ISIN	XS0679288737 (GBP)	XS0679288570 (USD)

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This investment is designed to be held until maturity. Under normal market conditions, daily pricing will be available for this investment and it is the intention of Morgan Stanley to provide a secondary market, so offering daily liquidity

INVESTMENT CONSIDERATIONS

- Credit Risk: The holder of the Notes will be exposed to the credit risk of the Issuer.
- Market Risk: The return on the Notes is linked to the performance of the underlying indices, the future performance of which cannot be guaranteed. In addition, there may be no correlation between economic and population growth in China and the performance of the underlying indices.

Liquidity Risk: The Notes will not be traded on an organized exchange. Although Morgan Stanley & Co. International plc will use reasonable efforts to quote bid and offer prices (subject to internal policy and applicable laws and regulations), the liquidity of the Notes may be limited.

- Exit Risk: The secondary market price of the Notes will depend on many factors, including the value and volatility of the underlying indices, interest rates, the dividend rate on the stocks that comprise the equity index, time remaining to maturity and the creditworthiness of the Issuer. Prior to maturity, the holder may receive an amount which may be less than the amount the holder would have received on maturity of the Note.
- Interest Risk: Unlike ordinary debt securities, the Notes do not pay interest. The return of the Note will not compensate you for the effects of inflation and other factors relating to the value of money over time.
- The Notes do not offer capital protection.
- Investors do not receive any dividends paid to holders of shares in the underlying index.

Potential investors should refer to the principal memorandum and supplemental memorandum for a description of the risk factors associated with this product.

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