

Morgan Stanley

Issue of USD50,000,000 Zero Callable Notes due 2045 under the

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

The Offering Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Warning: Neither this Pricing Supplement nor the Offering Circular referred to below constitutes a "prospectus" for the purposes of Article 5.4 of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**"), and the Pricing Supplement and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive in relation to any Notes be offered and sold under hereby.

THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

PART A – CONTRACTUAL TERMS

THE NOTES DESCRIBED HEREIN AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE SECURITIES MAY INCLUDE SECURITIES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). TRADING IN THE NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED.

THE NOTES DESCRIBED HEREIN AND ANY INTEREST THEREIN MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR, IN THE CASE OF FTRO NOTES, THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE OFFERING CIRCULAR DATED 18 AUGUST 2014 IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON.

THE NOTES ARE NOT RATED.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the English Law Notes set forth in the Offering Circular dated 18 August 2014 and the Supplement to Offering Circular dated 29 September 2014 and 28 November 2014 (together, the "**Offering Circular**"). This Pricing Supplement must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of

this Pricing Supplement and the Offering Circular. Copies of the Offering Circular are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA.

Information Concerning Investment Risk

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Notes and to review the Offering Circular. Please see the Offering Circular together with the Pricing Supplement for a full detailed description of the Notes and in particular, please review the Risk Factors associated with these Notes. Investing in the Notes entails certain risks including, but not limited to, the following:

Adjustments by the Determination Agent: The terms and conditions of the Notes will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Notes or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities.

Credit Risk: Investors are exposed to the credit risk of the Issuer. The Notes are essentially a loan to the Issuer with a repayment amount linked to the performance of the Underlying that the Issuer promises to pay to you at maturity. There is the risk, however, that the Issuer may not be able to fulfil its promise to you. If any companies in the Morgan Stanley group incur losses with respect to any of their activities, this may have a negative impact on the financial condition of the Issuer. You may lose all or part of your investment if the Issuer is unable to pay the redemption amount and/or goes into liquidation. No assets of the Issuer are segregated and specifically set aside in order to pay the holders of the Notes in the event of liquidation of the Issuer, and the holders of the Notes will rank behind creditors who have priority rights over certain assets of the Issuer.

Exit Risk: The secondary market price of the Notes will depend on many factors, including interest rates, time remaining to maturity and the creditworthiness of the Issuer. The secondary market price may be lower than the market value of the issued Notes as at the Issue Date to take into account amounts paid distributors and other intermediaries relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations. As a result of all of these factors, the holder may receive an amount in the secondary market which may be less than the then intrinsic market value of the Note and which may also be less than the amount the holder would have received had the holder held the Note through to maturity.

Liquidity Risk: The Notes will not be traded on an organised exchange. Any secondary market in the Notes made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. Even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holder.

Hedging Risk: On or prior to and after the Trade Date, the Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Notes by taking positions in the Underlying, in option contracts on the Underlying or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying as part of their general businesses. Any of these activities could potentially affect the value of the Underlying, and accordingly, could affect the payout to holders on the Notes.

Potential Conflict of Interest: The Determination Agent (MSI plc) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the Notes. Determinations made by the Determination Agent may affect the amount payable to holders pursuant to the terms of the Notes.

Tax Considerations for non-U.S. holders: A Non-U.S. holder will be subject to U.S. withholding tax unless the beneficial owner of the note (or a financial institution holding the note on behalf of the beneficial owner) furnishes a Form W-8BEN, on which the beneficial owner certifies under penalties of perjury that it is not a U.S. person. If withholding or deduction of taxes is required by law, payments on the notes will

be made net of applicable withholding taxes, and we will not be required to pay any additional amounts to Non-U.S. holders with respect to any taxes withheld.

Morgan Stanley is not qualified to give legal, tax or accounting advice to its clients and does not purport to do so in this document. Clients are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

US Treasury Circular 230 Notice - Morgan Stanley does not render advice on tax and tax accounting matters to clients. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws.

1. (i) Issuer: Morgan Stanley
- (ii) Guarantor: Not Applicable
2. (i) Series Number: K0022
- (ii) Tranche Number: 1
3. Specified Currency or Currencies: United States Dollars ("USD")
4. Aggregate Nominal Amount of the Notes:
 - (i) Series: USD50,000,000
 - (ii) Tranche: USD50,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations (Par): USD1,000,000
- (ii) Calculation Amount: USD1,000,000.
7. (i) Issue Date: 27 January 2015
- (ii) Trade Date: 14 January 2015
- (iii) Interest Commencement Date: Not Applicable
- (iv) Strike Date: Not Applicable
- (v) Determination Date: Not Applicable
8. Maturity Date: 27 January 2045, subject to adjustment in accordance with the Following Business Day Convention
9. Interest Basis: Zero Coupon (further particulars specified in paragraph 17 below)
10. Redemption/Payment Basis: Redemption at 374.531813 per cent. of the Aggregate Nominal Amount
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options:
 - (i) Redemption at the option of the Issuer: Applicable

	Issuer:	
	(Condition 16.7)	
	(ii) Redemption at the option of the Noteholders:	Not Applicable
	(Condition 16.9)	
	(iii) Other Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Condition 4.1 applies.
	(Condition 4)	
14.	Method of distribution:	Non-syndicated
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
15.	Fixed Rate Note Provisions	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Applicable
	(Condition 7)	
	(i) Accrual Yield:	4.50 per cent. per annum
	(ii) Reference Price:	100 per cent.
	(iii) Any other formula/ basis of determining amount payable:	Not Applicable
18.	Dual Currency-Linked Note Interest Provisions	Not Applicable
19.	Equity Linked Note Interest Provisions	Not Applicable
20.	Commodity Linked Note Interest Provisions	Not Applicable
21.	Currency Linked Interest Note Provisions	Not Applicable
22.	Inflation-Linked Note Interest Provisions	Not Applicable
23.	Credit-Linked Interest Note Provisions	Not Applicable
24.	Property-Linked Interest Note Provisions	Not Applicable
25.	Fund-Linked Interest Note Provisions	Not Applicable
26.	Call Option	Not Applicable
	(Condition 20.5)	
	(i) Optional Redemption Date(s):	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s) (per Calculation Amount):
	27 January 2016	1,045,000.00

27 January 2017	1,092,025.00
27 January 2018	1,141,166.13
27 January 2019	1,192,518.60
27 January 2020	1,246,181.94
27 January 2021	1,302,260.12
27 January 2022	1,360,861.83
27 January 2023	1,422,100.61
27 January 2024	1,486,095.14
27 January 2025	1,552,969.42
27 January 2026	1,622,853.05
27 January 2027	1,695,881.43
27 January 2028	1,772,196.10
27 January 2029	1,851,944.92
27 January 2030	1,935,282.44
27 January 2031	2,022,370.15
27 January 2032	2,113,376.81
27 January 2033	2,208,478.77
27 January 2034	2,307,860.31
27 January 2035	2,411,714.02
27 January 2036	2,520,241.16
27 January 2037	2,633,652.01
27 January 2038	2,752,166.35
27 January 2039	2,876,013.83
27 January 2040	3,005,434.46
27 January 2041	3,140,679.01
27 January 2042	3,282,009.56
27 January 2043	3,429,699.99
27 January 2044	3,584,036.49

(iii) Notice period: Ten Business Days

27. **Put Option** Not Applicable
(Condition 20.7)
28. **Autocallable Early Redemption** Not Applicable

	(Condition 18)	
29.	Final Redemption Amount of each Note (Condition 20.1)	USD 374,531.813 per Calculation Amount
30.	Dual Currency Redemption Provisions (Condition 8)	Not Applicable
31.	Equity-Linked Redemption Provisions (Condition 10)	Not Applicable
32.	Commodity-Linked Redemption Provisions (Condition 11)	Not Applicable
33.	Currency-Linked Redemption Provisions (Condition 12)	Not Applicable
34.	Inflation-Linked Redemption Provisions (Condition 13)	Not Applicable
35.	Credit Linked Redemption Provisions (Condition 16)	Not Applicable
36.	Property-Linked Redemption Provisions (Condition 14)	Not Applicable
37.	Fund-Linked Redemption Provisions (Condition 15)	Not Applicable
38.	Preference Share-Linked Redemption Provisions (Condition 16)	Not Applicable
39.	(a) Early Redemption Amount(s) upon an Event of Default: (Condition 25)	As determined in accordance with Condition 20.8.
	(b) Early Redemption Amount(s) payable upon an event described in Condition 10/11/12/13/15/16	As provided in Condition 10/ 11/ 12/ 13/ 15/ 16
	(c) Early Redemption Amount upon early redemption Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): (Conditions 19.2, 19.3, 19.5, 19.10, 23 and 25)	An amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion

attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion.

**GENERAL
PROVISIONS
APPLICABLE
TO THE
NOTES**

40.	Governing Law:	English law
41.	Form of Notes: (Condition 3)	Registered Notes Global Note Certificate registered in the name of a common depository for Euroclear and Clearstream, Luxembourg.
42.	Record Date:	As set out in the Conditions
43.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	New York and London
44.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
45.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
46.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
47.	Restrictions on free transferability of the Notes:	None
48.	Inconvertibility Event Provisions:	Not Applicable
49.	Other items:	Not Applicable

DISTRIBUTION

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| 50. | (i) If syndicated, names and addresses of Managers and underwriting commitments: and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as Managers.) | Not Applicable |
| | (ii) Date of Agreement: | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 51. | If non-syndicated, name and address of Dealer: | Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA |
| 52. | U.S. Selling Restrictions: | TEFRA D Not applicable |
| 53. | Total commission and concession: | Not Applicable |
| 54. | Additional Selling Restrictions: | The Notes (as described in this term sheet) shall not be offered or sold in the Republic of China but may be made available for purchase by investors resident in the Republic of China from outside the Republic of China. |

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market with effect from the Issue Date.

2. RATINGS

Ratings: The Notes will not be rated.

3. OPERATIONAL INFORMATION

ISIN Code: XS1158162419

Common Code: 115816241

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s): Not Applicable

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): The Bank of New York Mellon
One Canada Square
London E14

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

ANNEX 1

INVESTOR REPRESENTATIONS

Any investment in the Notes made with the intention to offer, sell or otherwise transfer (together, “distribute” and each a “distribution”) such Notes to prospective investors will be deemed to include, without limitation, the following representations, undertakings and acknowledgements:

- a) (i) you are purchasing the instruments as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the instruments; (iii) you are not relying upon any representations made by the Issuer, the Guarantor or any of their affiliates; (iv) you have consulted with your own legal, regulatory, tax, business, investments, financial, and accounting advisers to the extent that you have deemed necessary, and you have made your own investments, hedging and trading decisions based upon your own judgement and upon any advice from such advisers as you have deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents and (v) you are purchasing the instruments with a full understanding of the terms, conditions and risks thereof and you are capable of and willing to assume those risks;
- b) you shall only distribute as principal or, alternatively, acting on a commission basis in your own name for the account of your investors and will not do so as agent for any Morgan Stanley entity (together “Morgan Stanley”) who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that prospective investors have the requisite capacity and authority to purchase the product and that the product is suitable for those investors;
- c) you shall not make any representation or offer any warranty to investors regarding the product, the Issuer or Morgan Stanley or make any use of the Issuer’s or Morgan Stanley’s name, brand or intellectual property which is not expressly authorised and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;
- d) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Base Prospectus or Offering Circular and the Pricing Supplement and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time (“Regulations”). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be your sole responsibility;
- e) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein;
- f) if you receive any fee, rebate or discount, you shall not be in breach of any Regulation or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to your investors. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such fees, rebates or discounts at the request of any of your investors or where required by any applicable Regulations.

- g) you will be committed to purchase at the issue price stated in the term sheet for these Notes (or at the price otherwise agreed between us) instruments, when issued, in the agreed quantity and having terms, as provided in the definitive documentation, consistent with those in the term sheet (subject to any modifications agreed between us);
- h) we may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to us shall include liability for our costs and losses in unwinding such hedging or other arrangements;
- i) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (a) to (i) above, or acting otherwise than as required or contemplated herein.
- j) You are not purchasing the Notes as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.

