

**Pricing Supplement dated 10 December 2014**

**Morgan Stanley B.V.**

Issue of EUR 420,000 Equity Linked Notes due 2019

Guaranteed by Morgan Stanley

**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) (as amended, including by Directive 2010/73/EU (together, the "**Prospective Directive**")) (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, including 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, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) 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. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. 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, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED OR REDEEMED 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 REGULATION S UNDER THE SECURITIES ACT. HEDGING TRANSACTIONS INVOLVING ANY "EQUITY SECURITIES" OF "DOMESTIC ISSUERS" (AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT AND REGULATIONS THEREUNDER) MAY ONLY BE CONDUCTED IN ACCORDANCE WITH THE SECURITIES ACT. 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 ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. 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 supplemental 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 as so supplemented. Full information on the Issuer, the Guarantor 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. The Offering Circular has also been published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### **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. The amount payable on redemption of the Notes is linked to the performance of the Underlying (as defined herein), and may be less than par. Given the highly specialised nature of these Notes, Morgan Stanley B.V. (the "Issuer"), Morgan Stanley ("the Guarantor") and Morgan Stanley & Co. International plc ("MSI plc") consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment linked to the Underlying, are willing to take risks and can absorb the partial loss of their initial investment. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.**

**In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes, (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Notes.**

**Please see the Offering Circular 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. In such circumstances, the Determination Agent can in its sole and absolute discretion determine whether to redeem the Notes early, or adjust the terms of the Notes, which may include without limitation adjustments to the Initial Reference Price, the Final Redemption Amount or the Underlying. The Determination Agent is not required but has the discretion to make adjustments with respect to each and every corporate action.

**Potential investors should see the Offering Circular for a detailed description of potential adjustment events and adjustments.**

**Adjustment and Discontinuation Risk:** The Sponsor of the Underlying can add, delete or substitute stocks constituting the Basket Component or make other methodological changes that could change the value of the basket Component without regard to the interests of holders of the Notes. Any of these decisions/determinations may adversely affect the value of the Notes and may result in the investor receiving a return that is materially different from that he/she would have received if the event had not occurred.

**Basket Components Risk:** The Notes will be redeemed at an amount determined by reference to the performance of the Basket Components and such performance will therefore affect the nature and value of the investment return on the Notes. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Basket Components based upon such investigations and not in reliance on any information given in this document.

**Credit Risk:** Investors are exposed to the credit risk of the Issuer and the Guarantor. 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 and that the Guarantor promises to pay to you if the Issuer fails to do so. There is the risk, however, that the Issuer and the Guarantor may not be able to fulfil their 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 and the Guarantor. You may lose all or part of your investment if the Issuer and the Guarantor is unable to pay the coupons or the redemption amount and/or goes into liquidation. No assets of the Issuer and the Guarantor are segregated and specifically set aside in order to pay the holders of the Notes in the event of liquidation of the Issuer and/or the Guarantor, and the holders of the Notes will rank behind creditors who have priority rights over certain assets of the Issuer and/or Guarantor.

**Capital is not protected:** the final redemption amount depends on the performance of the Underlying and could be zero.

**Exit Risk:** Any secondary market price of the Notes will depend on many factors, including the value and volatility of the Underlying(s), interest rates, time remaining to maturity and the creditworthiness of the Issuer and/or the Guarantor. 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:** 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 pay-out to holders on the Notes.

**Market Risk:** Price movements in the Basket Components may not correlate with each other. Increases in the value of one or more of the Basket Components may be moderated, or wholly offset, by lesser increases or declines in the value of one or more of the other components.

**Product Market Risk:** The value of the Notes and the returns available under the terms of the Notes will be influenced and dependent on the value of the Underlying. It is impossible to predict how the level of the Underlying will vary over time. The historical performance (if any) of the Underlying is not indicative of its future performance.

**No Shareholder Rights:** A holder of Notes will have no beneficial interest in the stocks that compose the relevant Underlying nor any voting rights and will not have the right to receive dividends or other distributions with respect to the stocks that compose the Underlying.

**Potential Conflict of Interest:** The Determination Agent, which is an affiliate of the Issuer, will determine the pay-out to the investor at maturity. Morgan Stanley & Co. International plc and its affiliates may trade the Underlying on a regular basis as part of its general broker-dealer business and may also carry out hedging activities in relation to the Notes. Any of these activities could influence the Determination Agent's determination of adjustments made to any Notes and any such trading activity could potentially affect the price of the Underlying and, accordingly, could affect the investor's pay-out on any Note.

**Underlying Sponsor Risk:** The sponsor of the relevant Underlying is not an affiliate of the Issuer or its affiliates and is not involved with this offering in any way. Consequently, the Issuer and the Determination Agent have no ability to control the actions of the sponsor of the relevant Underlying, including and rebalancing that could trigger an adjustment to the terms of the Notes by the Determination Agent.

**In purchasing any Notes,** purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes, (ii) that such purchaser has consulted with its own legal, regulatory,

investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Notes and (iii) in accordance with the terms set out in Annex 2.

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.

#### GENERAL

- |     |       |   |   |
|-----|-------|---|---|
| 1.  | (i)   | Issuer:   | Morgan Stanley B.V.   |
|     | (ii)  | Guarantor:                                      | Morgan Stanley  |
| 2.  | (i)   | Series Number:                                  | 8503  |
|     | (ii)  | Tranche Number:                                 | 1   |
| 3.  |       | Specified Currency or Currencies:               | Euro (“EUR”)  |
| 4.  |       | Aggregate Nominal Amount of the Notes:          |   |
|     | (i)   | Series:   | EUR 420,000   |
|     | (ii)  | Tranche:  | EUR 420,000   |
| 5.  |       | Issue Price                                     | 100 per cent. of Par per Note   |
| 6.  | (i)   | Specified Denominations (Par):                  | EUR 1,000   |
|     | (ii)  | Calculation Amount:                             | EUR 1,000   |
| 7.  | (i)   | Issue Date:                                     | 10 December 2014  |
|     | (ii)  | Trade Date:                                     | 8 December 2014   |
|     | (iii) | Interest Commencement Date:                     | See item 19(B) below  |
|     | (iv)  | Strike Date:                                    | 8 December 2014   |
|     | (v)   | Determination Date:                             | 9 December 2019   |
| 8.  |       | Maturity Date:                                  | 16 December 2019, subject to adjustment in accordance with the Business Day Convention (i) in the event such date is not a Business Day or (ii) such that the Maturity Date shall always be at least five (5) Business Days following the Determination Date. |
| 9.  |       | Interest Basis:                                 | Equity-Linked Interest. See item 19 below   |
| 10. |       | Redemption/Payment Basis:                       | Equity-Linked Redemption. See item 31 below   |
| 11. |       | Change of Interest or Redemption/Payment Basis: | Not Applicable  |
| 12. |       | Put/Call Options/Autocallable Early Redemption: | Not Applicable  |
|     | (i)   | Redemption at the option of the Issuer:         | Not Applicable  |
|     |       | (Condition 20.5)                                |   |
|     | (ii)  | Redemption at the option of the                 | Not Applicable  |

Noteholders:

(Condition 20.7)

(iii) Autocallable Early Redemption: Not Applicable

(Condition 18)

(iv) Other Put/Call Options: Not Applicable

13. (i) Status of the Notes: Condition 4.1 applies

(Condition 4)

(ii) Status of the Guarantee: Condition 4.2 applies

14. Method of distribution: Non-syndicated

### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Not Applicable

(Condition 5)

16. Floating Rate Note Provisions: Not Applicable

(Condition 6)

17. Zero Coupon Note Provisions: Not Applicable

(Condition 7)

18. Dual Currency-Linked Note Interest Provisions: Not Applicable

(Condition 8)

19. Equity Linked Note Interest Provisions: Applicable

(Condition 10)

(B) Index/Index Basket Note Interest Provisions:

(i) Types of Notes:

Index Basket Notes (the “Underlying Indices”, each an “Underlying Index”)

i	Underlying Index <sub>i</sub>	Bloomberg® Code	Index Sponsor
1	Euro Stoxx 50® Price Index	SX5E INDEX	STOXX Limited
2	FTSE 100® Index	UKX INDEX	FTSE International Limited
3	Hang Seng China Enterprises Index	HSCEI INDEX	Hang Seng Index Company Limited

(ii) Exchange[s]:

As specified in Condition 10.9

- (iii) Related Exchange[s]: As specified in Condition 10.9
- (iv) Weighting for each Index: Not Applicable
- (v) Party responsible for calculating the Rate(s) of interest and/or Interest Amount(s) (if not the Calculation Agent): Morgan Stanley & Co. International plc (the “**Determination Agent**”). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
- (vi) Provisions for determining Rate of Interest where calculated by reference to Index: If on any Interest Determination Date, the official closing price of all the Underlying Indices are equal to or above 75% of their Initial Reference Price<sub>i</sub>, an Interest Amount per Calculation Amount calculated by the Determination Agent as follows shall be payable on the relevant Interest Payment Date:
- 1.50% \* Par
- Else, 0%.
- Where:
- “**Initial Reference Price<sub>i</sub>**” means, in respect of an Underlying Index<sub>i</sub>, the official closing level of the Underlying Index<sub>i</sub> published by the relevant Index Sponsor on the Strike Date

(vii) Interest Determination Dates:

i	Interest Determination Dates
1	9 March 2015
2	8 June 2015
3	8 September 2015
4	8 December 2015
5	8 March 2016
6	8 June 2016
7	8 September 2016
8	8 December 2016
9	8 March 2017
10	8 June 2017
11	8 September 2017
12	8 December 2017
13	8 March 2018
14	8 June 2018
15	10 September 2018
16	10 December 2018
17	8 March 2019
18	10 June 2019
19	9 September 2019
20	Determination Date

In each case subject to adjustment in accordance with Condition 10.1 as if each Interest Determination Date is a Valuation Date.

(viii) Provisions for determining Rate of Interest where calculation by reference to Index is impossible or impracticable or otherwise disrupted: Condition 10 shall apply.

(ix) Interest Period: Not Applicable

(x) Specified Interest Payment Dates:

i	Interest Dates	Payment
1	16 March 2015	
2	15 June 2015	
3	15 September 2015	
4	15 December 2015	
5	15 March 2016	
6	15 June 2016	
7	15 September 2016	
8	15 December 2016	
9	15 March 2017	
10	15 June 2017	
11	15 September 2017	
12	15 December 2017	
13	15 March 2018	
14	15 June 2018	
15	17 September 2018	
16	17 December 2018	
17	15 March 2019	
18	17 June 2019	
19	16 September 2019	
20	Maturity Date	

In each case subject to adjustment in accordance with the Business Day Convention.

(xi)	Averaging Date:	Not Applicable
(xii)	Observation Date(s)/ Observation Period:	Not Applicable
(xiii)	Additional Disruption Events:	Change in Law, Hedging Disruption and Increased Cost of Hedging shall apply
(xiv)	Business Day Convention:	Following Business Day Convention
(xv)	Additional Business Centre(s):	TARGET, Hong Kong and London
(xvi)	Minimum Rate/Amount of Interest:	Not Applicable
(xvii)	Maximum Rate/Amount of Interest:	Not Applicable
(xviii)	Day Count Fraction:	Not Applicable
(xix)	Other special terms and conditions:	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.	Property-Linked Interest Note Provisions:	Not Applicable
24.	Fund-Linked Interest Note Provisions:	Not Applicable
25.	Credit-Linked Interest Note Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

26.	Call Option: (Condition 20.5)	Not Applicable
27.	Put Option: (Condition 20.7)	Not Applicable
28.	Autocallable Early Redemption: (Condition 18)	Not Applicable
29.	Final Redemption Amount of each Note: (Condition 20.1)	Equity-Linked Redemption Amount specified below
30.	Dual Currency Redemption Provisions: (Condition 8)	Not Applicable
31.	Equity-Linked Redemption Provisions: (Condition 10)	Applicable
(B)	Index/Index Basket Notes:	
(i)	Types of Notes:	Index Basket Notes (the “ <b>Underlying Indices</b> ”, each an “ <b>Underlying Index</b> ”)



i	Underlying Index <sub>i</sub>	Bloomberg® Code	Index Sponsor
1	Euro Stoxx 50® Price Index	SX5E INDEX	STOXX Limited
2	FTSE 100® Index	UKX INDEX	FTSE International Limited
3	Hang Seng China Enterprises Index	HSCEI INDEX	Hang Seng Index Company Limited

- (ii) Exchange[s]: As specified in Condition 10.9
- (iii) Related Exchange[s]: As specified in Condition 10.9
- (iv) Averaging Date[s]: Not Applicable
- (v) Observation Date: Not Applicable
- (vi) Observation Period: Not Applicable
- (vii) Determination Date: See item 7(v) above
- (viii) Determination Time[s]: As per the Conditions
- (ix) Determination Agent responsible for calculating the Final Redemption Amount: Morgan Stanley & Co. International plc (the “**Determination Agent**”). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
- (x) Provisions for determining Final Redemption Amount: Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Issuer shall redeem the Notes on the Maturity Date at the Final Redemption Amount per Calculation Amount as determined by the Determination Agent as follows:

1. If on the Determination Date, the Final Reference Price(i) of each Underlying<sub>i</sub> is equal to or greater than its Barrier Level, at an amount in EUR calculated as follows: **100 per cent.\*Par per Note; OR;**

2. If on the Determination Date, the Final Reference Price any Underlying<sub>i</sub> is less than its Barrier Level, at an amount in EUR calculated as follows:

**Par \* Relevant Performance**

Where:

“**Barrier Level**” means in respect of an Underlying Index<sub>i</sub>, 75 per cent. of the Initial Reference Price<sub>i</sub>;

“**Final Reference Price;**” means, in respect of an Underlying Index<sub>i</sub>, the official closing level of the

relevant Underlying Index<sub>i</sub> as published by the relevant Index Sponsor on the Determination Date;

“**Relevant Performance**” means the Underlying Index<sub>i</sub> generating the lowest performance based on the following computation on the Determination Date as follows:

$$\frac{\text{Final Reference Price (i)}}{\text{Initial Reference Price (i)}}$$

- |     |  |  |
|-----|--|--|
|     | (xi) Provisions for determining Final Redemption Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted: | Determination Agent Determination  |
|     | (xii) Weighting for each Index:  | Not Applicable   |
|     | (xiii) Additional Disruption Events:   | Change in Law, Hedging Disruption and Increased Cost of Hedging shall apply. |
|     | (xiv) Business Day Convention:   | Following  |
|     | (xv) Additional Business Centre(s):  | TARGET, Hong Kong and London   |
|     | (xvi) Other special terms and conditions:  | Not Applicable   |
| 32. | Commodity-Linked Redemption Provisions:<br>(Condition 11)  | Not Applicable   |
| 33. | Currency-Linked Redemption Provisions:<br>(Condition 12)   | Not Applicable   |
| 34. | Inflation-Linked Redemption Provisions:<br>(Condition 13)  | Not Applicable   |
| 35. | Credit-Linked Redemption Provisions:<br>(Condition 16)   | Not Applicable   |
| 36. | Property-Linked Redemption Provisions:<br>(Condition 14)   | Not Applicable   |
| 37. | Fund-Linked Redemption Provisions:<br>(Condition 15)   | Not Applicable   |
| 38. | Preference Share-Linked Redemption Provisions:<br>(Condition 16)   | Not Applicable   |
| 39. | a. Early Redemption Amount upon Event of Default (Condition 25):   | Qualified Financial Institution Determination                                |

b. Early Redemption Amount 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:

(Conditions 20.1, 20.3, 20.5, 20.10 and 24)

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): 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

40. Governing Law: English law

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

41. Form of Notes: Registered Notes:  
(Condition 3) Global Note Certificate registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate

42. Record Date: As set out in the Conditions

43. Additional Business Centre(s) or other special provisions relating to Payment Dates: TARGET only

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  
(Condition 19)

49. Other terms: Implementation of Financial Transaction Tax: Not

Applicable

## DISTRIBUTION

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 the Managers.) Not Applicable
- (ii) Date of [Subscription] 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: Reg. S Compliance Category; TEFRA D not applicable
53. Total commission and concession: a 4% subscription surcharge
54. Additional selling restrictions: Not Applicable

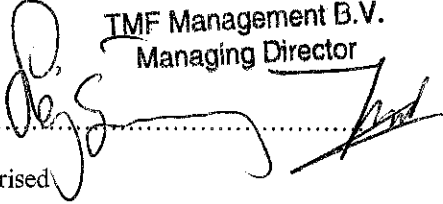
## PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on the Global Exchange Market of the Irish Stock Exchange of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B, Warrants and Certificates of Morgan Stanley B.V.

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:  TMF Management B.V.  
Managing Director

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Duly authorised

19/12/104

## PART B – OTHER INFORMATION

### 1. LISTING

Listing and admission to Trading: Application is expected to be 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. No assurance can be given that such listing will be obtained or when such listing may take place.

Estimate of total expenses related to admission to trading: EUR 500

### 2. RATINGS

Ratings: Not Applicable

### 3. OPERATIONAL INFORMATION

ISIN Code: XS0956293426

Common Code: 095629342

New Global Note: No

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): As per the Conditions

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

Intended to be held in a manner which would allow Eurosystem eligibility: No

## ANNEX 1

### STATEMENT CONCERNING THE UNDERLYING INDICES

#### Statement concerning the Eurostoxx 50® Index

THE EUROSTOXX 50 INDEX AND THE RELATED TRADEMARKS HAVE BEEN LICENSED FOR USE BY MORGAN STANLEY. THE NOTES ARE NOT SPONSORED OR PROMOTED BY STOXX LIMITED.

STOXX HAS NO RELATIONSHIP TO MORGAN STANLEY, OTHER THAN THE LICENSING OF THE INDEX AND THE RELATED TRADE MARKS FOR USE IN CONNECTION WITH THE NOTES.

STOXX DOES NOT:

- SPONSOR, ENDORSE, SELL OR PROMOTE THE NOTES;
- RECOMMEND THAT ANY PERSON INVEST IN THE NOTES OR ANY OTHER SECURITIES;
- HAVE ANY RESPONSIBILITY OR LIABILITY FOR OR MAKE ANY DECISIONS ABOUT THE TIMING, AMOUNT OR PRICING OF THE NOTES;
- HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ADMINISTRATION, MANAGEMENT OR MARKETING OF THE NOTES;
- CONSIDER THE NEEDS OF THE INSTRUMENTS OR THE OWNERS OF THE NOTES IN DETERMINING, COMPOSING OR CALCULATING THE INDEX OR HAVE ANY OBLIGATION TO DO SO.

STOXX WILL NOT HAVE ANY LIABILITY IN CONNECTION WITH THE NOTES. SPECIFICALLY:

- STOXX DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED AND DISCLAIMS ANY AND ALL WARRANTY ABOUT:
  1. THE RESULTS TO BE OBTAINED BY THE NOTES, THE OWNER OF THE NOTES OR ANY OTHER PERSON IN CONNECTION WITH THE USE OF THE INDEX AND THE DATA INCLUDED IN THE INDEX;
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## ANNEX 2

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- 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;
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- 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 (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 (h) above, or acting otherwise than as required or contemplated herein.
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