

Pricing Supplement dated 27 November 2018

Morgan Stanley B.V. as Issuer

Legal Entity Identifier (LEI): KG1FTTDCK4KNVM3OHB52

Issue of GBP 1,000,000 Preference Share-Linked Notes due 2024

Guaranteed by Morgan Stanley 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) (as amended, including by Directive 2010/73/EU (together, the "**Prospectus 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 DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE, 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 OF 1936, 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 REGULATIONS 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 29 JUNE 2018. 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 the Notes described herein. This Pricing Supplement must be read in conjunction with the Offering Circular dated 29 June 2018 and the supplements to the Offering Circular dated 12 September 2018, 10 October 2018 and 8 November 2018 (the "**Offering Circular**"). 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 Euronext Dublin (www.ise.ie) and the Luxembourg Stock Exchange (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.

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 these Notes. 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:

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

No Interest: Unlike ordinary debt securities, the Securities do not pay interest. The return of only the principal amount will not compensate the holder on the Securities for the effects of inflation and other factors relating to the value of money over time.

Preference Share Risk: The Securities will be redeemed at an amount determined by reference to the value of the Preference Share which in turn is linked to the performance of the relevant Underlying. The issuer of the Preference Shares is not an affiliate of Morgan Stanley.

Adjustments by the Preference Share Calculation Agent: The terms and conditions of the Preference Shares allow the Preference Share Calculation Agent to make adjustments, to early redeem the Preference Shares or take any other appropriate action if circumstances occur where the Preference Shares or the relevant exchanges are affected by a market disruption, an adjustment/disruption event, the performance of the Preference Share issuer's obligations under the Preference Shares has become illegal or impractical for any reason, there are certain changes in law or regulation, any financial product which references directly or indirectly the Preference Shares is subject to early redemption or circumstances affecting normal activities. This would in turn have an impact on the term and/or the value of the Notes

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 addition, other circumstances may occur which either increase the liability of the Issuer fulfilling its obligations under the Notes or increase the liability of any hedging activities related to such obligations, including without limitation the adoption of or any change in any tax law relating to a common system of financial transaction tax in the European Union or otherwise.

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 also has the discretion to make adjustments with respect to any corporate action.

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

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, the dividend rate on the stocks that compose the Underlying (if any), 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 to 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.

Credit Risk: Investors are exposed to the credit risk of the Issuer and/or Guarantor. The Notes are essentially a loan to the Issuer with a repayment amount linked to the performance of the Preference Shares (and thereby the Underlying) that the Issuer promises to pay at maturity and that the Guarantor

promises to pay if the Issuer fails to do so. There is the risk, however, that the Issuer and the Guarantor may not be able to fulfill their obligations, irrespective of whether the Notes are referred to as capital or principal protected. Investors may lose all or part of their investment if the Issuer and the Guarantor are unable to pay the coupons (if any) or the redemption amount. No assets of the Issuer and/or 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 Guarantor, and the holders of the Notes will rank behind secured or preferred creditors.

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.

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.

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(s), in option contracts on the Underlying(s) or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying(s) as part of their general businesses. Any of these activities could potentially affect the value of the Underlying(s), and accordingly, could affect the pay-out to holders on the Notes.

Adjustment and Discontinuation Risk: The Sponsor of the Underlying can add, delete or substitute stocks constituting the Underlying or make other methodological changes that could change the value of the Underlying 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 what he/she would have received if the event had not occurred

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.

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.

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

Potential Conflict of Interest: The Determination Agent, which is an affiliate of the Issuer, will determine the payout 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 payout on any Note.

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 1.

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: | 11106 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Sterling (“GBP”) |
| 4. | | Aggregate Nominal Amount of the Notes: | |
| | (i) | Series: | GBP 1,000,000 |
| | (ii) | Tranche: | GBP 1,000,000 |
| 5. | | Issue Price: | 100 per cent. of par per Note |
| 6. | (i) | Specified Denominations: | GBP 1,000 |
| | | | Subject to a minimum investment size of EUR 100,000 equivalent |
| | (ii) | Calculation Amount (Par): | GBP 1,000 |
| 7. | (i) | Issue Date: | 27 November 2018 |
| | (ii) | Trade Date: | 13 November 2018 |
| | (iii) | Interest Commencement Date: | Not Applicable |
| | (iv) | Strike Date: | 13 November 2018 |
| | (v) | Determination Date: | 22 November 2024 |
| 8. | | Maturity Date: | (1) if the Sienna UK Preference Shares become subject to redemption pursuant to the underlying determination provisions contained in the terms and conditions of the Sienna UK Preference Shares and redemption occurs (or which redemption but for the delay of the date for valuation or determination of the underlying asset or reference basis (or any part thereof) for the Sienna UK Preference Shares on or about such date, would have occurred): |
| | | | (i) in the year 2019, 27 November 2019; |

- (ii) in the year 2020, 27 November 2020;
 - (iii) in the year 2021, 29 November 2021;
 - (iv) in the year 2022, 28 November 2022;
 - (v) in the year 2023, 27 November 2023;
- or (2) otherwise, 27 November 2024;
or, in each case, if later, 3 Business Days after the Final Valuation Date.
9. Interest Basis: Not Applicable
10. Redemption/Payment Basis: Preference Share-Linked Redemption. See item 39 below
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options/Autocallable Early Redemption:
- (i) Redemption at the Option of the Issuer: Not Applicable
(Condition 21.5)
 - (ii) Redemption at the Option of Noteholders: Not Applicable
(Condition 21.7)
 - (iii) Autocallable Redemption: Early Not Applicable
(Condition 18)
 - (iv) Other put/call options: Not Applicable
13. (i) Status of the Notes: As set out in Condition 4.1
(Condition 4)
- (ii) Status of the Guarantee: As set out in Condition 4.2
14. Method of distribution: Non-syndicated

RELEVANT UNDERLYING

15.

(I) Preference Share-Linked Notes

(Condition 17)

- (i) Preference Share: Series 601 issued by the Preference Share Issuer on 22 November 2018 which references the performance of

the FTSE 100® Index and EURO STOXX 50® Index.

(ii) Preference Share Issuer: Sienna Finance UK Limited

(iii) Preference Share Underlying
Market of Listing / Price
Source:

Underlying	Exchange
FTSE 100® Index	London Stock Exchange
EURO STOXX 50 Index	Multi Exchange

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|--|----------------|
| 16. | Fixed Rate Note Provisions | Not Applicable |
| 17. | Floating Rate Note Provisions
(Condition 6) | Not Applicable |
| 18. | Zero Coupon Note Provisions
(Condition 7) | Not Applicable |
| 19. | Dual Currency-Linked Note Interest Provisions
(Condition 8) | Not Applicable |
| 20. | Equity-Linked Interest Note Provisions:
(Condition 10) | Not Applicable |
| 21. | Commodity-Linked Interest Note Provisions | Not Applicable |
| 22. | Currency-Linked Interest Note Provisions
(Condition 12) | Not Applicable |
| 23. | Inflation-Linked Interest Note Provisions
(Condition 13) | Not Applicable |
| 24. | Property-Linked Interest Note Provisions
(Condition 14) | Not Applicable |
| 25. | Fund-Linked Interest Note Provisions
(Condition 15) | Not Applicable |
| 26. | Credit-Linked Interest Note Provisions
(Condition 16) | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|---------------------------------|----------------|
| 27. | Call Option
(Condition 21.5) | Not Applicable |
| 28. | Put Option | Not Applicable |

	(Condition 21.7)	
29.	Autocallable Early Redemption	Not Applicable
	(Condition 18)	
30.	Final Redemption Amount of each Note	Final Redemption Amount specified below
	(Condition 21.1)	
31.	Dual Currency Redemption Provisions	Not Applicable
	(Condition 8)	
32.	Equity-Linked Redemption Provisions:	Not Applicable
	(Condition 10)	
33.	Commodity-Linked Redemption Provisions	Not Applicable
	(Condition 11)	
34.	Currency-Linked Redemption Provisions	Not Applicable
	(Condition 12)	
35.	Inflation-Linked Redemption Provisions	Not Applicable
	(Condition 13)	
36.	Property-Linked Redemption Provisions	Not Applicable
	(Condition 14)	
37.	Fund-Linked Redemption Provisions	Not Applicable
	(Condition 15)	
38.	Credit-Linked Redemption Provisions	Not Applicable
	(Condition 16)	
39.	Preference Share-Linked Redemption Provisions:	Applicable
	(Condition 17)	
	(i) 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 be made in good faith and in a commercially reasonable manner and, in the absence of manifest

error, wilful default or bad faith, shall 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.

- (ii) Provisions for determining Final Redemption Amount: The Final Redemption Amount in respect of each Note is an amount in the Specified Currency calculated by the Determination Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{final}}}{\text{Preference Share Value}_{\text{initial}}}$$

where:

"Preference Share Value_{final}" means the Sienna UK Preference Share Value on the Final Valuation Date; and

"Preference Share Value_{initial}" means the Sienna UK Preference Share Value on the Initial Valuation Date.

- (iii) Final Valuation Date: The seventh Business Day following the Sienna UK Preference Share Valuation Date.

"Sienna UK Preference Share Valuation Date" means (1) if the Sienna UK Preference Shares become subject to redemption pursuant to the underlying determination provisions contained in the terms and conditions of the Sienna UK Preference Shares and redemption occurs (or which redemption but for the delay of the date for valuation or determination of the underlying asset or reference basis (or any part thereof) for the Sienna UK Preference Shares on or about such date, would have occurred):

- (i) in the year 2019, 13 November 2019;
- (ii) in the year 2020, 13 November 2020;
- (iii) in the year 2021, 15 November 2021;
- (iv) in the year 2022, 14 November 2022;
- (v) in the year 2023, 13 November 2023;

or (2) otherwise, 13 November 2024;

or, in each case, if such date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Sienna UK Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Sienna UK Preference Shares by reason of a disruption or adjustment event, the Sienna UK Preference Share Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent.

- (iv) Valuation Time: 4.30 p.m. (London time)
- (v) Additional Disruption Events: Change in Law, Hedging Disruption, Insolvency Filing

and Increased Cost of Hedging shall apply

40. (i) Early Redemption Amount upon Event of Default (Condition 26): Qualified Financial Institution Determination
- (ii) Early redemption amount payable upon an event described in Condition 10.2(b)/10.2(d)/10.4(a)(iii)/10.4(b)(iii)/10.5(c)/10.6(c)/10.7(c)/10.8(c)/11.7(b)/12.5(c)/13.6(c)/14.5/14.6(c)/15.5(d)/17.5/17.6: Fair Value
- (iii) Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons: (Condition 21.3) Early Preference Share Redemption Note Amount.

41. Illegality and Regulatory Event:
(Condition 27)

- (i) Illegality and Regulatory Event: Applicable
- (ii) Early Redemption Amount (Illegality and Regulatory Event): Fair Value

42. Substitution of Issuer or Guarantor with non Morgan Stanley Group entities:
(Condition 38.2) Applicable

43. Governing Law: English Law

GENERAL PROVISIONS APPLICABLE TO THE NOTES

44. Form of Notes: Registered
(Condition 3) Global Note Certificate registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
45. Record Date: The Record Date is one Clearing System Business Day before the relevant due date for payment
46. Additional Financial Centre(s) or other special provisions relating to Payment Business Day: London only
47. Determination 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.

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| 48. | 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 |
| 49. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 50. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 51. | Restrictions on free transferability of the Notes: | None |
| 52. | Inconvertibility Event Provisions:
(Condition 19) | Not Applicable |
| 53. | CNY Center: | Not Applicable |
| 54. | Taxation: | |
| | (i) Condition 25.1: | "Additional Amounts" is Not Applicable |
| | (ii) Condition 25.4: | Implementation of Financial Transaction Tax:
Not Applicable |
| 55. | Other terms: | Not Applicable |

DISTRIBUTION

- | | | |
|-----|--|---|
| 56. | If syndicated, 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 |
| | Date of Subscription Agreement: | Not Applicable |
| | Stabilising Manager(s) (if any): | Not Applicable |
| 57. | If non-syndicated, name and address of Dealer: | Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA |
| 58. | U.S. Selling Restrictions: | Regulation S |
| 59. | Total commission and concession: | No fees have or will be paid by the Issuer or Morgan Stanley & Co. International plc, directly or indirectly, |

to the Distributor in connection with any advised sale of Notes. The Notes will be sold at a re-offer price of 97.50% to the Distributor. The Distributor has informed the Issuer that an advisory fee of 2.50% has been agreed between the Distributor and the investor and that such advisory fee will be collected directly by the Distributor from the investor.

60. Additional selling restrictions: Not Applicable

Taxation

This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the Notes. Holders should seek their own advice based upon their particular circumstances from an independent tax advisor.

A Non-U.S. Holder (as defined in the Offering Circular) should review carefully the section entitled "United States Federal Taxation" in the Offering Circular.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading on Global Exchange Market of Euronext Dublin the issue of Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

POTENTIAL SECTION 871(m) TRANSACTION

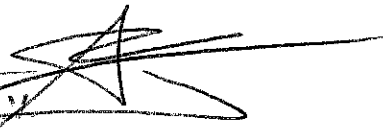
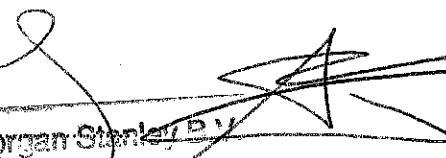
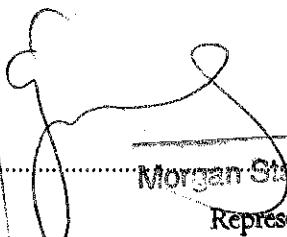
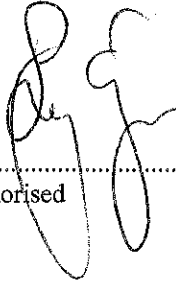
Please see paragraph 5 of Part B – Other Information to this Pricing Supplement for additional information regarding withholding under Section 871(m) of the Code.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:
Duly authorised



~~Morgan Stanley B.V.~~

Represented by:
TMF Management B.V.
Managing Director

26/11/10

PART B – OTHER INFORMATION

1. LISTING

- Listings 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 Euronext Dublin and trading on its Global Exchange Market with effect from the Issue Date.
- No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted, will be granted by the Issue Date. The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.
- Estimate of total expenses related to admission to trading: EUR 800

2. RATINGS

- Ratings: The Notes will not be rated

3. Notes linked to a Relevant Underlying only – PERFORMANCE OF EQUITY/INDEX/COMMODITY/CURRENCY/FUND/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

The Notes relate to the Series 597 preference shares of Sienna UK. Investors should review the Terms of the Sienna UK Preference Shares and consult with their own professional advisors if they consider it necessary. Further details on the Underlyings referencing the Preference Share can be found on Bloomberg® page:

Underlying	BBG Code
FTSE 100® Index	UKX Index
EURO STOXX 50® Index	SX5E Index

The Issuer does not intend to provide post-issuance information with regard to the underlying.

4. OPERATIONAL INFORMATION

- ISIN: XS1892061869
- Common Code: 189206186
- Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking *société anonyme* and the relevant identification number(s): Not Applicable
- CFI: DTZXFR
- FISN: MORGAN STANLEY/ZERO CPNEMTN
2024112
- Delivery: Delivery free of payment
- Names and addresses of initial Paying Agent(s): As per the Conditions
- Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Pricing Supplement, should

the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper).

Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

5. **POTENTIAL SECTION 871(m) TRANSACTION:** The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise.
6. **PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** Not Applicable
7. **BENCHMARK REGULATION:** The Index is provided by the Index Sponsor. As at the date hereof, the Index Sponsor does not appear in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the Index Sponsor is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

ANNEX 1

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, 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 advisors 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 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 and all applicable sanctions, laws and programs, including without limitation the U.S. Department of Treasury’s Office of Foreign Assets Control;
- f) To the extent that MSIP pays to you and/or any of your affiliates any fee, commission or non-monetary benefit (“**Remuneration**”), you represent and warrant to us each time you and/or any of your affiliates receive such Remuneration, that you and/or your affiliates are entitled to receive such Remuneration in accordance with all applicable laws, regulatory requirements, or regulation, contract, fiduciary

obligations or otherwise). If, in relation to the Notes, you are providing investment advice on an independent basis or portfolio management to a potential investor, you will transfer any Remuneration received by from Morgan Stanley to the potential investor as soon as reasonably possible after receipt, in all cases as required by and in accordance with applicable laws and regulations.

If, for any reason and at any time, you and/or your affiliates are not entitled to receive and/or retain such Remuneration, you shall notify us immediately in writing.

To the extent that MSIP pays Remuneration to you and/or any of your affiliates, you represent and warrant that such Remuneration does not relate to and/or is not calculated in respect of an advised sale made to a retail client (as defined in the FCA Handbook) based in the United Kingdom (whether or not through agents acting on your or their behalf such as platforms, financial advisers and/or portfolio managers) or where you are undertaking portfolio management. You agree to inform the Issuer or Morgan Stanley of such distribution to UK retail clients.

You acknowledge that where Remuneration is payable, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such Remuneration.

- g) 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 (f) above, or acting otherwise than as required or contemplated herein.