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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	*Maximum Aggregate Offering Price*	*Amo*
Non-Callable Contingent Coupon Notes due 2026	$4,500,000	

PROSPECTUS dated December 23, 2008
PROSPECTUS SUPPLEMENT dated December 23, 2008

Prici
Registration S

$4,500,000

Morgan Stanley

GLOBAL MEDIUM-TERM NOTES, SERIES F
Senior Notes

Non-Callable Contingent Coupon Notes
Based on the Performance of the S&P 500® Index due February 27, 2026

Unlike ordinary debt securities, the Non-Callable Contingent Coupon Notes Based on the Performance of the S&P 500® Index d which we refer to as the notes, only provide for the regular payment of interest for the first two years following the issuance of t year and until maturity, the notes will pay a contingent monthly coupon ***but only if*** *the index closing value of the S&P 500® Inde underlying index, is* ***at or above*** *1,000, which we refer to as the barrier level, on the related observation date (as specified below value is less than the barrier level on any observation date, we will pay no interest for the related interest period. It is possible value could remain below the barrier level for extended periods of time or even throughout the period from the third year follow until maturity so that you will receive no contingent monthly coupons. At maturity, the payment due under the notes will be the s each note you hold and accrued and unpaid interest, if any. The notes are senior unsecured obligations of Morgan Stanley and including the repayment of principal, are subject to the credit risk of Morgan Stanley.*

- *The principal amount and original issue price of each note is $1,000.*
- *During the first and second years following the issuance of the notes, which will be from and including the original i February 28, 2013, the notes will pay a monthly coupon of 7.00% per annum.*
- *From the third year following the issuance of the notes until maturity, the notes will pay a contingent monthly coupon of* ***if*** *the index closing value of the S&P 500® Index on the related observation date is at or above the barrier level.*
  If, on any observation date, the index closing value is less than the barrier level, we will pay no coupon for the applicab
- *The barrier level is 1,000.*
- *The interest payment dates are the 28th day of each month, beginning March 28, 2011.*
- *The observation dates are the fourth business day preceding each interest payment date, beginning with the March 28, 20*
- *The maturity date and each interest payment date may be postponed as a result of the postponement of the related observ*

business days or certain market disruption events. No adjustment will be made to any interest payment made on that post

- The notes will not be listed on any securities exchange.
- The CUSIP number for the notes is 617482RH9 and the ISIN for the notes is US617482RH91.

You should read the more detailed description of the notes in this pricing supplement. In particular, you should review and und "Summary of Pricing Supplement" and "Description of Notes."

The notes are riskier than ordinary debt securities. See "Risk Factors" beginning on PS-6.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these determined if this pricing supplement is truthful or complete. Any representation to the contrary is a criminal off

PRICE $1,000 PER NOTE

	Price to Public	Agent's Commissions(1)
Per note	$1,000	$35
Total	$4,500,000	$157,500

(1) Selected dealers, including Morgan Stanley Smith Barney LLC (an affiliate of the Agent), and their financial advisors will collectively receive from the A Incorporated, a fixed sales commission of $35 for each note they sell. See "Description of Notes—Supplemental Information Concerning Plan of Distrib this pricing supplement. For additional information, see "Plan of Distribution" in the accompanying prospectus supplement.

The agent for this offering, Morgan Stanley & Co. Incorporated, is our wholly owned subsidiary. See "Description of Notes- Information Concerning Plan of Distribution; Conflicts of Interest" in this pricing supplement.

The notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any oth nor are they obligations of, or guaranteed by, a bank.

MORGAN STANLEY

For a description of certain restrictions on offers, sales and deliveries of the notes and on the distribution of this pri accompanying prospectus supplement and prospectus relating to the notes, see the section of this pricing supplement call Notes—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest."

No action has been or will be taken by us, the Agent or any dealer that would permit a public offering of the notes o distribution of this pricing supplement or the accompanying prospectus supplement or prospectus in any jurisdiction, ot States, where action for that purpose is required. Neither this pricing supplement nor the accompanying prospectus sup may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is person to whom it is unlawful to make such an offer or solicitation.

The notes have not been and will not be registered with the Comissão de Valores Mobiliários (The Brazilian Securi notes may not be offered or sold in the Federative Republic of Brazil except in circumstances which do not constitute a p distribution under Brazilian laws and regulations.

The notes have not been registered with the Superintendencia de Valores y Seguros in Chile and may not be offered Chile. No offer, sales or deliveries of the notes or distribution of this pricing supplement or the accompanying prospectu prospectus, may be made in or from Chile except in circumstances which will result in compliance with any applicable C regulations.

No action has been taken to permit an offering of the notes to the public in Hong Kong as the notes have not been a Securities and Futures Commission of Hong Kong and, accordingly, no advertisement, invitation or document relating t Hong Kong or elsewhere, shall be issued, circulated or distributed which is directed at, or the contents of which are likel by, the public in Hong Kong other than (i) with respect to the notes which are or are intended to be disposed of only to p Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong K rules made thereunder or (ii) in circumstances that do not constitute an invitation to the public for the purposes of the S

The notes have not been registered with the National Registry of Securities maintained by the Mexican National Ba Commission and may not be offered or sold publicly in Mexico. This pricing supplement and the accompanying prospec prospectus may not be publicly distributed in Mexico.

The agent and each dealer represent and agree that they will not offer or sell the notes nor make the notes the subj subscription or purchase, nor will they circulate or distribute this pricing supplement or the accompanying prospectus s or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the indirectly, to persons in Singapore other than:

(a) an institutional investor (as defined in section 4A of the Securities and Futures Act (Chapter 289 of Singapor

(b) an accredited investor (as defined in section 4A of the SFA), and in accordance with the conditions, specified SFA;

(c) a person who acquires the notes for an aggregate consideration of not less than Singapore dollars Two Hund (S$200,000) (or its equivalent in a foreign currency) for each transaction, whether such amount is paid for in cash, by ex assets, unless otherwise permitted by law; or

(d) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

SUMMARY OF PRICING SUPPLEMENT

The following summary describes the notes in general terms only. You should read the summary together with the more d contained in the rest of this pricing supplement and in the accompanying prospectus and prospectus supplement. You should co other things, the matters set forth in "Risk Factors."

The notes are medium-term debt securities of Morgan Stanley. The notes only provide for the regular payment of interest period following the original issue date. After the second year and until maturity, the notes will pay a contingent monthly coupo closing value of the S&P 500® Index is at or above 1,000, which we refer to as the barrier level, on the related observation date designed for investors who are willing to forgo market floating interest rates and accept the risk of no interest payments after th for an opportunity to earn interest at a potentially above-market rate if the S&P 500® Index closes at or above the barrier level observation date. All payments on the notes, including the repayment of principal, are subject to the credit risk of Morgan Stan

"Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500" and "500" are trademarks of Standard and Po LLC, an affiliate of The McGraw-Hill Companies, Inc., and have been licensed for use by Morgan Stanley.

Each note costs $1,000	We, Morgan Stanley, are offering the Non-Callable Contingent Coupon Notes Based on S&P 500® Index due February 27, 2026, which we refer to as the notes. The principal am price of each note is $1,000. The original issue price of the notes includes the agent's commissions paid with respect t cost of hedging our obligations under the notes. The cost of hedging includes the project subsidiaries may realize in consideration for assuming the risks inherent in managing the transactions. The secondary market price, if any, at which Morgan Stanley & Co. Incorp as MS & Co., is willing to purchase the notes is expected to be affected adversely by the commissions and hedging costs in the original issue price. In addition, the secondary ma due to the costs of unwinding the related hedging transactions at the time of the secondar "Risk Factors—The inclusion of commissions and projected profit from hedging in the o to adversely affect secondary market prices" and "Description of Notes—Use of Proceed
The notes provide for regular interest payments only during the first and second years following their issuance	Unlike ordinary debt securities, the notes only provide for the regular payment of interest during the two-year period following the original issue date.
From the third year following the issuance, the notes will pay a contingent coupon based on the level of the S&P 500® Index	After the second year and until maturity, the notes will pay a contingent monthly coupon closing value of the S&P 500® Index is **at or above the barrier level** on the related obse monthly observation date from the third year following the issuance of the notes until ma and including February 28, 2013 to but excluding the maturity date, the index closing val is at or above the barrier level, we will pay a coupon of 7.00% per annum (computed on t days and twelve 30-day months) on the applicable interest payment date for the applicabl

If, however, the index closing value of the underlying index is lower than the barrier observation date, we will pay no coupon for the applicable interest period. It is poss closing value could

remain below the barrier level for extended periods of time or even throughout the year following the original issue date until maturity so that you will receive no conti

We refer to the coupon on the notes as contingent, because there is no guarantee that you payment on any interest payment date. Even if the underlying index were to be at or abo some monthly observation dates, it may fluctuate below the barrier level on others.

The barrier level is 1,000.

The interest payment dates are the 28th day of each month, beginning March 28, 2011. T the fourth business day preceding each interest payment date, beginning with the March date, subject to postponement for non-index business days and certain market disruption

Each interest period will be the monthly period from and including the original issue date interest period) or the previous scheduled interest payment date, as applicable, to but exc scheduled interest payment date, with no adjustment for any postponement thereof.

The maturity date and each interest payment date may be postponed as a result of the pos observation date due to non-index business days or certain market disruption events. No to any interest payment made on that postponed date.

100% of the principal amount due at maturity	At maturity, the payment due under the notes will be the stated principal amount per note interest, if any, subject to issuer credit risk.
	Please review the historical performance of the underlying index for the period from Janu February 23, 2011 in this pricing supplement under "Description of Notes—Historical In predict the future performance of the underlying index based on its historical performanc
Morgan Stanley & Co. Incorporated will be the calculation agent	We have appointed our affiliate, Morgan Stanley & Co. Incorporated, which we refer to a calculation agent for The Bank of New York Mellon, a New York banking corporation (a JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank)), the trustee fo calculation agent, MS & Co. will determine the payment that you will receive on each in maturity.
Morgan Stanley & Co. Incorporated will be the agent; conflicts of interest	The agent for the offering of the notes, MS & Co., our wholly-owned subsidiary, will co compliance with the requirements of FINRA Rule 5121 of the Financial Industry Regula is commonly referred to as FINRA, regarding a FINRA member firm's distribution of th and related conflicts of interest. MS & Co. or any of our other affiliates may not make sa discretionary account. See "Description of Notes—Supplemental Information Concerni Conflicts of Interest" on PS-21.

The notes will be treated as contingent payment debt instruments for U.S. federal income tax	The notes will be treated as “contingent payment debt instruments” for U.S. federal incor described in the section of this pricing supplement called “Description of Notes — Unite Taxation.” Under this treatment, if you are a U.S. taxable investor, you generally will be tax based on the comparable yield (as set forth in this pricing supplement) of

purposes	the notes, adjusted upward or downward to reflect the difference, if any, between the actu of any contingent payments on the notes. In addition, any gain recognized by U.S. taxab exchange, or at maturity, of the notes generally will be treated as ordinary income. Pleas pricing supplement called "Description of Notes — United States Federal Income Taxati "United States Federal Taxation — Tax Consequences to U.S. Holders — Notes — Opti Notes," "United States Federal Taxation — Tax Consequences to U.S. Holders — Backu Information Reporting" and "United States Federal Taxation — Tax Consequences to U. Requirements" in the accompanying prospectus supplement. If you are a non-U.S. investor, please read the section of this pricing supplement called " United States Federal Income Taxation — Tax Consequences to Non-U.S. Holders." **You should consult your tax advisers regarding all aspects of the U.S. federal tax co investment in the notes as well as any tax consequences arising under the laws of an taxing jurisdiction**.
Where you can find more information on the notes	The notes are unsecured senior notes issued as part of our Series F medium-term note pro general description of our Series F medium-term note program in the accompanying pros December 23, 2008 and in the prospectus dated December 23, 2008. We describe the ba note in the sections of the prospectus supplement called "Description of Notes—Notes L Prices, Single Securities, Baskets of Securities or Indices" and in the section of the prosp of Debt Securities—Fixed Rate Debt Securities." **Because this is a summary, it does not contain all the information that may be impo detailed description of the terms of the notes, you should read the "Description of N pricing supplement. You should also read about some of the risks involved in inves section called "Risk Factors." The tax treatment of investments in equity-linked no from that of investments in ordinary debt securities. See the section of this pricing "Description of Notes—United States Federal Income Taxation." You should consu legal, tax, accounting and other advisors with regard to any proposed or actual inve**
How to reach us	You may contact your local Morgan Stanley Smith Barney branch office or our principal Broadway, New York, New York 10036 (telephone number (212) 761-4000).

RISK FACTORS

The notes are not secured debt, are riskier than ordinary debt securities and, unlike ordinary debt securities, the notes only prov of interest for the first two years following their issuance. After the second year and until maturity, the notes will pay a conti **only if** the index closing value of the S&P 500® Index is at or above the barrier level on the related observation date. In additi not equivalent to investing in a fixed rate debt security due to the fact that any interest payments after the second year contingent on the performance of the S&P 500® Index. This section describes the most significant risks relating to the notes.

The notes provide for regular interest payments only during the first and second years following their issuance

The terms of the notes differ from those of ordinary debt securities in that they only prov payment of interest during the two-year period following the original issue date. After th maturity, the notes will pay a contingent monthly coupon **but only if** the index closing va Index is **at or above** 1,000, which we refer to as the barrier level, on the related observat **hand, the index closing value of the underlying index is lower than the barrier level observation date for any interest period, we will pay no coupon on the applicable in possible that the index closing value could remain below the barrier level for extend even throughout the period from the third year following the original issue date unt will receive no contingent monthly coupons.** If you do not earn sufficient contingent c the notes, the overall return on the notes may be less than the amount that would be paid security of the issuer of comparable maturity.

The contingent coupon is based only on the value of the underlying index on the related monthly observation date at the end of the related interest period

Whether the contingent coupon will be paid on any interest payment date will be determi relevant interest period based on the closing value of the underlying index on the relevan date. As a result, you will not know whether you will receive the contingent coupon on a until near the end of the relevant interest period. Moreover, because the contingent coup value of the underlying index on monthly observation dates, if the closing value of the un observation date is below the barrier level, you will receive no coupon for the related inte level of the underlying index was at or above the barrier level on other days during that i

Market price will be influenced by many unpredictable factors

Several factors, many of which are beyond our control, will influence the value of the no market and the price at which MS & Co. may be willing to purchase or sell the notes in th expect that generally the level of interest rates available in the market and the value of th day will affect the value of the notes more than any other factors. Other factors that may notes include:

- the volatility (frequency and magnitude of changes in value) of the S&P 500® Inc
- whether the index closing value of the S&P 500® Index has been below the barri date,
- geopolitical conditions and economic, financial, political, regulatory or judicial e component stocks of the underlying index or securities markets generally and which may underlying index,

- dividend rates on the securities underlying the S&P 500® Index,
- the time remaining until the notes mature,

- interest and yield rates in the market,
- the availability of comparable instruments,
- the composition of the S&P 500® Index and changes in the constituent stocks of s
- any actual or anticipated changes in our credit ratings or credit spreads.

Some or all of these factors will influence the price that you will receive if you sell your maturity. For example, you may have to sell your notes at a substantial discount from th of $1,000 per note if the value of the S&P 500® Index at the time of sale is below the bar interest rates rise.

You cannot predict the future performance of the S&P 500® Index based on its historical of the underlying index may decrease and be below the barrier level on each observation receive no return on your investment aside from the 7.00% per annum coupon that will b second years following the issuance of the notes. There can be no assurance that the clos underlying index will be at or above the barrier level on any observation date so that you payment on the notes for the applicable interest period. See "Description of Notes—Hist PS-15.

The notes are subject to the credit risk of Morgan Stanley, and any actual or anticipated changes to its credit ratings or credit spreads may adversely affect the market value of the notes

Under the terms of the notes, Morgan Stanley is obligated to return to you the stated prin maturity. However, as with an ordinary debt security, you are dependent on Morgan Sta amounts due on the notes at maturity and therefore you are subject to the credit risk of M are not guaranteed by any other entity. If Morgan Stanley defaults on its obligations und investment would be at risk and you could lose some or all of your investment. As a resu notes prior to maturity will be affected by changes in the market's view of Morgan Stanl creditworthiness. Any actual or anticipated decline in Morgan Stanley's credit ratings or spreads charged by the market for taking Morgan Stanley credit risk is likely to adversel of the notes.

The notes will not be listed on any securities exchange and secondary trading may be limited

The notes will not be listed on any securities exchange. Therefore, there may be little or the notes. MS & Co. may, but is not obligated to, make a market in the notes. Even if th it may not provide enough liquidity to allow you to trade or sell the notes easily. Becaus other broker-dealers will participate significantly in the secondary market for the notes, t be able to trade your notes is likely to depend on the price, if any, at which MS & Co. is any time, MS & Co. were not to make a market in the notes, it is likely that there would b the notes. Accordingly, you should be willing to hold your notes to maturity.

The inclusion of commissions and projected profit from hedging in the

Assuming no change in market conditions or any other relevant factors, the price, if any, willing to purchase the notes at any time in secondary market transactions will likely be s original issue price, since secondary market prices are likely to exclude commissions pai

original issue price is likely to adversely affect secondary market prices	and the cost of hedging our obligations under the notes that are included in the original is hedging includes the projected profit that our subsidiaries may realize in consideration fo inherent in managing the hedging transactions. These secondary market prices are also li costs of unwinding the related hedging transactions. Our subsidiaries

may realize a profit from the expected hedging activity even if investors do not receive a
return under the terms of the notes or in any secondary market transaction. In addition, a
prices may differ from values determined by pricing models used by MS & Co., as a resu
mark-ups or other transaction costs.

Hedging and trading activity by our subsidiaries could potentially affect the value of the notes

One or more of our subsidiaries expect to carry out hedging activities related to the notes
linked to the underlying index or its component stocks), including trading in the stocks th
underlying index as well as in other instruments related to the underlying index. Some o
trade the stocks that constitute the underlying index and other financial instruments relate
on a regular basis as part of their general broker-dealer and other businesses. Any of thes
activities during the term of the notes could affect whether the underlying index closes at
on the observation dates and, accordingly, whether we pay a monthly contingent coupon

The calculation agent, which is a subsidiary of the issuer, will make determinations with respect to the notes

As calculation agent, MS & Co. will determine the payment that you will receive on each
at maturity. Any of these determinations made by MS & Co. in its capacity as calculatio
respect to the occurrence or non-occurrence of market disruption events and the selection
calculation of the index closing value in the event of a market disruption event or discont
index, may adversely affect the payout to you at maturity. See the sections of this pricing
"Description of Notes—Market Disruption Event" and "—Discontinuance of the Index;
Calculation."

Adjustments to the underlying index could adversely affect the value of the notes

The publisher of the underlying index may add, delete or substitute the component stocks
or make other methodological changes that could change the value of the underlying inde
could adversely affect the value of the notes. The publisher of the underlying index may
suspend calculation or publication of the underlying index at any time. In these circumst
calculation agent, will have the sole discretion to substitute a successor index that is com
index. MS & Co. could have an economic interest that is different than that of investors
example, MS & Co. is permitted to consider indices that are calculated and published by
affiliates. If MS & Co. determines that there is no appropriate successor index on any ob
determination of whether interest will be payable on the notes on the applicable interest p
on whether the value of the underlying index based on the closing prices of the stocks co
index at the time of such discontinuance, without rebalancing or substitution, computed b
calculation agent in accordance with the formula for calculating the underlying index last
discontinuance is less than the barrier level.

DESCRIPTION OF NOTES

Terms not defined herein have the meanings given to such terms in the accompanying prospectus supplement. The term "N
Stated Principal Amount of our Non-Callable Contingent Coupon Notes Based on the Performance of the S&P 500® Index due
pricing supplement, the terms "we," "us" and "our" refer to Morgan Stanley.

Aggregate Principal Amount	$4,500,000
Pricing Date	February 23, 2011
Original Issue Date (Settlement Date)	February 28, 2011 (3 Business Days after the Pricing Date)
Maturity Date	February 27, 2026, subject to extension as described below
	If, due to a Market Disruption Event or otherwise, the final Observation Date is postpor two Business Days prior to the scheduled Maturity Date, the Maturity Date will be following that final Observation Date as postponed, and no adjustment will be made to on that postponed date. See "—Observation Date" below.
Specified Currency	U.S. dollars
CUSIP Number	617482RH9
ISIN Number	US617482RH91
Minimum Purchase Amount	$1,000 and integral multiples of $1,000 in excess thereof
Original Issue Price	$1,000 (100%)
Stated Principal Amount	$1,000
Underlying Index	The S&P 500® Index (the "Index")
Index Publisher	Standard & Poor's Financial Services LLC ("S&P")

Contingent Interest Rate	During the first and second years following the Original Issue Date, which will be from Issue Date to but excluding February 28, 2013, the Notes will pay a coupon of 7.00% pe basis of a year of 360 days and twelve 30-day months). From the third year following the Original Issue Date until maturity, which will be from 2013 to but excluding the Maturity Date, the Notes will pay a contingent monthly co (computed on the basis of a year of 360 days and twelve 30-day months) for the applicab **if** the Index Closing Value on the related Observation Date is **at or above the Barrier L**

Barrier Level	1,000
Index Closing Value	The Index Closing Value on any Index Business Day will be determined by the Calcul the official closing value of the Index, or any Successor Index (as defined under "—Di Alteration of Method of Calculation" below), published at the regular official weekda Index Business Day by the Index Publisher. In certain circumstances, the Index Closing alternate calculation of the Index described under "—Discontinuance of the Index; Calculation."
Interest Payment Dates	The 28th day of each month, beginning March 28, 2011; *provided* that if any schedule not a Business Day, that interest payment, if any, will be made on the next succeed adjustment will be made to any interest payment made on that succeeding Business Da payment of interest, if any, with respect to the final Observation Date will be made addition, during the third year following the Original Issue Date until maturity, if, d Event or otherwise, any Observation Date is postponed so that it falls less than two scheduled Interest Payment Date, the Interest Payment Date will be the second Bu Observation Date as postponed, and no adjustment will be made to any interest payme date. See "—Observation Dates" below.
Interest Period	The monthly period from and including the Original Issue Date (in the case of the f previous scheduled Interest Payment Date, as applicable, to but excluding the fol Payment Date, with no adjustment for any postponement thereof.
Record Date	The Record Date for each Interest Payment Date, including the Interest Payment Date Maturity Date, will be the date one business day prior to such scheduled Interest Payme
Observation Dates	The fourth Business Day preceding each Interest Payment Date, commencing with the March 28, 2013, or if any such day is not an Index Business Day or if there is a Marke day, the relevant Observation Date shall be the next succeeding Index Business Day o Disruption Event; provided that if a Market Disruption Event has occurred on each of th immediately succeeding any of the scheduled Observation Dates, then (i) such fifth succ will be deemed to be the relevant Observation Date, notwithstanding the occurrence of on such day and (ii) with respect to any such fifth Index Business Day on which a Mark the Calculation Agent will determine the Index Closing Value on such fifth Index Busin

accordance with the formula for and method of calculating the Index last in effect prio
the Market Disruption Event, using the closing price (or, if trading in the relevant sec
suspended or materially limited, its good faith estimate of the closing price that would h
suspension or limitation) at the close of the principal trading session of the Relevant
Business Day of each security most recently constituting the Index without any rebalanc
securities following the commencement of the Market Disruption Event.

Payment at Maturity	The payment due per Note at maturity will be the Stated Principal Amount of the No accrued but unpaid interest with respect to the Notes.
	We shall, or shall cause the Calculation Agent to (i) provide written notice to the Trus Trust Company ("DTC"), on which notice the Trustee and DTC may conclusively rely, delivered with respect to each Stated Principal Amount of the Notes, on or prior to 1 time) on the Business Day preceding the Maturity Date, and (ii) deliver the aggregate cas to the Notes to the Trustee for delivery to DTC, as holder of the Notes, on the Matur amount of cash will be distributed to investors on the Maturity Date in accordance w procedures of DTC and its direct and indirect participants. See "—Book Entry Note o and "Forms of Securities—The Depositary" in the accompanying prospectus.
Index Business Day	Index Business Day means a day, as determined by the Calculation Agent, on which trac on each of the Relevant Exchange(s) for the Index, other than a day on which tradi scheduled to close prior to the time of the posting of its regular final weekday closing pri
Business Day	Any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on are authorized or required by law or regulation to close in the City of New York.
Relevant Exchange	Relevant Exchange means, with respect to the Index or its Successor Index, the primary of trading for (i) any security then included in such index and (ii) any futures or optior index or to any security then included in such index.
Market Disruption Event	Market Disruption Event means:
	(i) the occurrence or existence of a suspension, absence or material limitation of constituting 20 percent or more of the value of the Index (or the Successor Index) or for such securities for

more than two hours of trading or during the one-half hour period preceding the clos
session on such Relevant Exchange(s); or a breakdown or failure in the price and trac
any Relevant Exchange as a result of which the reported trading prices for securities
percent or more of the value of the Index (or the Successor Index) during the last one
close of the principal trading session on such Relevant Exchange(s) are materially in
suspension, material limitation or absence of trading on any major U.S. securities ma
or options contracts or exchange-traded funds related to the Index (or the Successor I
hours of trading or during the one-half hour period preceding the close of the princip
market, in each case as determined by the Calculation Agent in its sole discretion; an

(ii) a determination by the Calculation Agent in its sole discretion that any event de
materially interfered with our ability or the ability of any of our affiliates to unwin
portion of the hedge position with respect to the Notes.

For the purpose of determining whether a Market Disruption Event exists at any tim
included in the Index is materially suspended or materially limited at that time, the
contribution of that security to the value of the Index shall be based on a comparison of
of the Index attributable to that security relative to (y) the overall value of the Index,
before that suspension or limitation.

For the purpose of determining whether a Market Disruption Event exists at any time: (
or number of days of trading will not constitute a Market Disruption Event if it results
in the regular business hours of the Relevant Exchange or market, (2) a decision to perm
in the relevant futures or options contract or exchange-traded fund will not constitute a
(3) a suspension of trading in futures or options contracts or exchange-traded funds or
securities market trading in such contracts or funds by reason of (A) a price change ex
securities exchange or market, (B) an imbalance of orders relating to such contracts or
bid and ask quotes relating to such contracts or funds will constitute a suspension, absen
trading in futures or options contracts or exchange-traded funds related to the Index and
or material limitation of trading" on any Relevant Exchange or on the primary market o
contracts or exchange-traded funds related to the Index are traded will not include any
market is itself closed for trading under ordinary circumstances.

Discontinuance of the Index; Alteration of Method of Calculation

If the Index Publisher discontinues publication of the Index and the Index Publisher o Morgan Stanley & Co. Incorporated (“MS & Co.”)) publishes a successor or substitute i Calculation Agent, determines, in its sole discretion, to be comparable to the discontinu referred to herein as the “Successor Index”), then any subsequent Index Closing Va reference to the published value of such Successor Index at the regular weekday clos Business Day that the Index Closing Value is to be determined.

Upon any selection by the Calculation Agent of the Successor Index, the Calculatio notice thereof to be furnished to the Trustee, to us and to DTC, as holder of the Notes, of such selection. We expect that such notice will be made available to you, as a benefi accordance with the standard rules and procedures of DTC and its direct and indirect par

If the Index Publisher discontinues publication of the Index or the Successor discontinuance is continuing on, any Observation Date or the date of acceleration and M Agent, determines, in its sole discretion, that no successor index is available at such Agent will determine the Index Closing Value for such date. The Index Closing Successor Index will be computed by the Calculation Agent in accordance with the f calculating such index last in effect prior to such discontinuance, using the closing relevant securities has been materially suspended or materially limited, its good faith es that would have prevailed but for such suspension or limitation) at the close of the prin Relevant Exchange on such date of each security most recently constituting such index substitution of such securities following such discontinuance. Notwithstanding these discontinuance of the publication of the Index may adversely affect the value of the Note

If at any time, the method of calculating the Index or the Successor Index, or the valu material respect, or if the Index or the Successor Index is in any other way modified so t the opinion of MS & Co., as the Calculation Agent, fairly represent the value of such modifications not been made, then, from and after such time, the Calculation Agent will New York City on each date on which the Index Closing Value is to be determined, n adjustments as, in the good faith judgment of the Calculation Agent, may be necessary i of a stock index comparable to the Index or the Successor Index, as the case may modifications had not been made,

and the Calculation Agent will calculate the Index Closing Value with reference to t
Index, as adjusted. Accordingly, if the method of calculating the Index or the Successo
the value of such index is a fraction of what it would have been if it had not been mod
the index), then the Calculation Agent will adjust such index in order to arrive at a
Successor Index as if it had not been modified (e.g., as if such split had not occurred).

Book Entry Note or Certificated Note	Book Entry. The Notes will be issued in the form of one or more fully registered glob deposited with, or on behalf of, DTC and will be registered in the name of a nominee will be the only registered holder of the Notes. Your beneficial interest in the Notes w entries on the books of the securities intermediary acting on your behalf as a direct DTC. In this pricing supplement, all references to payments or notices to you will me DTC, as the registered holder of the Notes, for distribution to participants in procedures. For more information regarding DTC and book entry notes, please reac accompanying prospectus supplement and "Forms of Securities—Global Securities—Re in the accompanying prospectus.
Senior Note or Subordinated Note	Senior
Trustee	The Bank of New York Mellon, a New York banking corporation (as successor Trustee N.A.)
Agent	MS & Co.
Alternate Exchange Calculation in Case of an Event of Default	In case an Event of Default with respect to the Notes shall have occurred and be contir due and payable for each Note upon any acceleration of the Notes (the "Acceleration Ar by the Calculation Agent and will be an amount in cash equal to the Stated Principal Am applicable interest payment calculated using the interest rate in effect for the then curre the date of acceleration were the related Observation Date. If the maturity of the Notes is accelerated because of an Event of Default as describec cause the Calculation Agent to, provide written notice to the Trustee at its New York c Trustee may conclusively rely, and to DTC of the Acceleration Amount and the aggreg respect to the Notes as promptly as possible and in no event later than two Busine acceleration.
Calculation Agent	MS & Co. and its successors.

All determinations made by the Calculation Agent will be at the sole discretion of the C
in the absence of manifest error, be conclusive for all purposes and binding on you, the T

All calculations related to determination of the amount of cash payable per Note will be thousandth, with five one hundred-thousandths rounded upward (e.g., .76545 would be all dollar amounts paid on the aggregate number of Notes will be rounded to the neare rounded upward.

Because the Calculation Agent is our affiliate, the economic interests of the Calculati may be adverse to your interests as an investor in the Notes, including with respect to judgments that the Calculation Agent must make in determining the payment that you w Payment Date and at maturity or whether a Market Disruption Event has occurred. Event" and "—Discontinuance of the Index; Alteration of Method of Calculation" above carry out its duties and functions as Calculation Agent in good faith and using its reasona

Historical Information

The following table sets forth the published high, low and end-ofquarter closing val calendar quarter in the period from January 1, 2006 through February 23, 2011. The gra forth the daily closing values of the Index for the same period. On February 23, 2011, th the Index was 1,307.40. We obtained the information in the tables and graph from Blo without independent verification. The historical performance of the Index should not be t future performance. The Index may be, and has been, volatile, and we can give you no a will lessen.

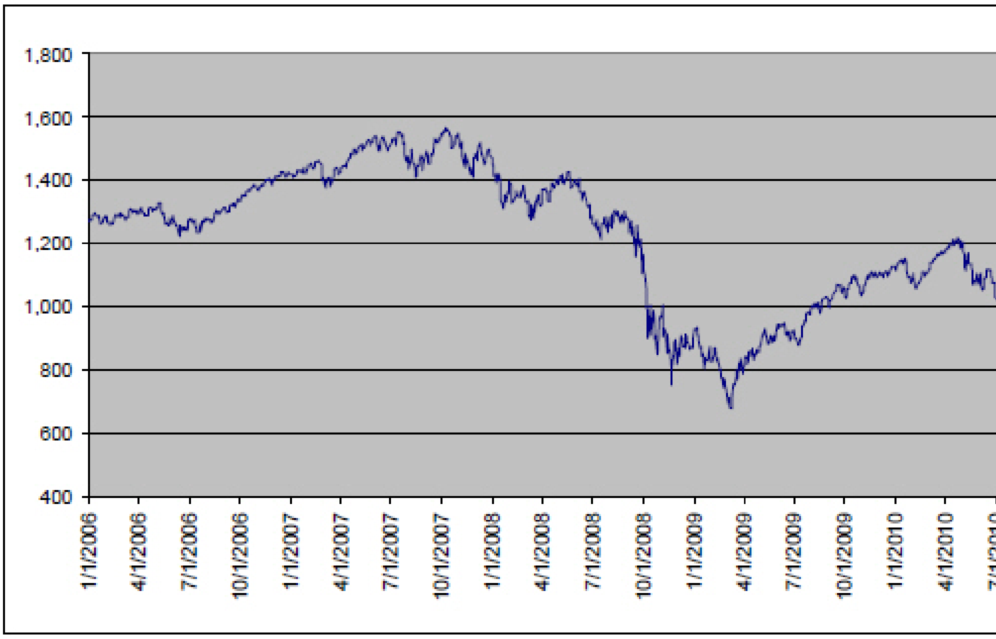
The S&P 500® Index
Historical High, Low and Period End Closing Values
January 1, 2006 through February 23, 2011

S&P 500® Index	High	Low
2006		
First Quarter	1,307.25	1,248.29
Second Quarter	1,325.76	1,223.69
Third Quarter	1,339.15	1,234.49
Fourth Quarter	1,427.09	1,331.32
2007		
First Quarter	1,459.68	1,374.12
Second Quarter	1,539.18	1,420.86
Third Quarter	1,553.08	1,406.70

Fourth Quarter	1,565.15	1,407.22
2008		
First Quarter	1,468.36	1,273.37
Second Quarter	1,426.63	1,278.38
Third Quarter	1,305.32	1,106.39
Fourth Quarter	1,161.06	752.44

S&P 500® Index	High	Low
2009		
First Quarter	934.70	676.53
Second Quarter	946.21	811.08
Third Quarter	1,071.66	879.13
Fourth Quarter	1,127.78	1,025.21
2010		
First Quarter	1,174.17	1,056.74
Second Quarter	1,217.28	1,030.71
Third Quarter	1,148.67	1,022.58
Fourth Quarter	1,259.78	1,137.03
2011		
First Quarter (through February 23, 2011)	1,343.01	1,269.75

S&P 500® Index
Daily Closing Values
January 1, 2006 through February 23, 2011



The S&P 500® Index

We have derived all information contained in this pricing supplement regarding the S&P
without limitation, its make-up, method of calculation and changes in its components, fro
information, and we have not participated in the preparation of, or verified, such publicly
information. Such information reflects the policies of, and is subject to change by, S&P.

The S&P 500® Index is intended to provide a performance benchmark for the U.S. equity
of the value of the S&P 500® Index (discussed below in further detail) is based on the rel
aggregate Market Value (as defined below) of the common stocks of 500 companies (the
of a particular time as compared to the aggregate average Market Value of the common s
companies during the base period of the years 1941 through 1943. The "Market Value"
the product of the market price per share and the number of the

then outstanding shares of such Component Stock. The 500 companies are not the 500 la
the NYSE and not all 500 companies are listed on such exchange. S&P chooses compan
S&P 500® Index with an aim of achieving a distribution by broad industry groupings tha
distribution of these groupings in the common stock population of the U.S. equity marke
time, in its sole discretion, add companies to, or delete companies from, the S&P 500® In
objectives stated above. Relevant criteria employed by S&P include the viability of the p
extent to which that company represents the industry group to which it is assigned, the ex
company's common stock is widely-held and the Market Value and trading activity of th
company.

The S&P 500® Index has adopted a float adjustment methodology so that the S&P 500
shares that are generally available to investors in the market rather than all of a company
float adjustment methodology excludes shares that are closely held by other publicly
capital firms, private equity firms, strategic partners or leveraged buyout groups; gov
control groups, such as a company's own current or former officers, board members,
ownership plans or other investment vehicles controlled by the company or such other pe

The S&P 500® Index is calculated using a base-weighted aggregate methodology: the lev
reflects the total Market Value of all 500 Component Stocks relative to the S&P 500® Ind
43 (the "Base Period").

An indexed number is used to represent the results of this calculation in order to make th
and track over time.

The actual total Market Value of the Component Stocks during the Base Period has been
value of 10. This is often indicated by the notation 1941-43=10. In practice, the daily ca
Index is computed by dividing the total Market Value of the Component Stocks by a num
Divisor." By itself, the S&P 500® Index Divisor is an arbitrary number. However, in the
of the S&P 500® Index, it is the only link to the original base period value of the S&P 50
Index Divisor keeps the S&P 500® Index comparable over time and is the manipulation p
the S&P 500® Index ("Index Maintenance").

Index maintenance includes monitoring and completing the adjustments for company add
changes, stock splits, stock dividends, and stock price adjustments due to company restru

To prevent the value of the S&P 500® Index from changing due to corporate actions, a
affect the total Market Value of the S&P 500® Index require an Index Divisor adjustm
500® Index Divisor for the change in total Market Value, the value of the S&P 500® Inc
helps maintain the value of the S&P 500® Index as an accurate barometer of stock mark
that the movement of the S&P 500® Index does not reflect the corporate actions of i
S&P 500® Index. All Index Divisor adjustments are made after the close of trading and
closing value of the S&P 500® Index. Some corporate actions, such as stock splits an
simple changes in the common shares outstanding and the stock prices of the compani
and do not require Index Divisor adjustments.

The table below summarizes the types of Index maintenance adjustments and indicate
Divisor adjustment is required.

Type of Corporate Action	Adjustment Factor
Stock split (*e.g.*, 2-for-1)	Shares Outstanding multiplied by 2; Stock Price divided by 2
Share issuance (*i.e.*, change ≥ 5%)	Shares Outstanding plus newly issued Shares
Share repurchase (*i.e.*, change ≥ 5%)	Shares Outstanding minus Repurchased Shares
Special cash dividends	Share Price minus Special Dividend
Company Change	Add new company Market Value minus old company Market Value
Rights Offering	Price of parent company minus $\frac{\text{Price of Rights}}{\text{Right Ratio}}$
Spin-Off	Price of parent company minus $\frac{\text{Price of Spin-off Co.}}{\text{Share Exchange Ratio}}$

Stock splits and stock dividends do not affect the Index Divisor of the Index, because fol
both the stock price and number of shares outstanding are adjusted by S&P so that there
Value of the Component Stock. All stock split and dividend adjustments are made after
day before the ex-date.

Each of the corporate events exemplified in the table requiring an adjustment to the Inde
altering the Market Value of the Component Stock and consequently of altering the aggr

Component Stocks (the "Post-Event Aggregate Market Value"). In order that the level o
Event Index Value") not be affected by the altered Market Value (whether increase or de

affected Component Stock, a new Index Divisor ("New Divisor") is derived as follows:

Post-Event Aggregate Market Value / New Divisor	=	Pre-
New Divisor	=	Post- / Pre-

A large part of the Index maintenance process involves tracking the changes in the numb
each of the Index companies. Four times a year, on a Friday close to the end of each cale
totals of companies in the Index are updated as required by any changes in the number of
the totals are updated, the Index Divisor is adjusted to compensate for the net change in t
the Index. In addition, any changes over 5% in the current common shares outstanding f
carefully reviewed on a weekly basis, and when appropriate, an immediate adjustment is
Divisor.

License Agreement between S&P and Morgan Stanley

S&P and Morgan Stanley have entered into a non-exclusive license agreement providing
Stanley, and certain of its affiliated or subsidiary companies, in exchange for a fee, of the
500® Index, which is owned and published by S&P, in connection with securities, includ

The license agreement between S&P and Morgan Stanley provides that the following lan
this pricing supplement:

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express or implied, to the owners of the Notes or any member of the public regarding the
in securities generally or in the Notes particularly or the ability of the S&P 500® Index to
market performance. S&P's only relationship to us is the licensing of certain trademarks
and of the S&P 500® Index, which is determined, composed and calculated by S&P with
Notes. S&P has no obligation to take our needs or the needs of the owners of the Notes i
determining, composing or calculating the S&P 500® Index. S&P is not responsible for a
the determination of the timing of, prices at, or quantities of the Notes to be issued or in t
calculation of the equation by which the Notes are to be converted into cash. S&P has no
connection with the administration, marketing or trading of the Notes.

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Use of Proceeds and Hedging

The net proceeds we receive from the sale of the Notes will be used for general corporate connection with hedging our obligations under the Notes through one or more of our sub Issue Price of the Notes includes the Agent's commissions (as shown on the cover page paid with respect to the Notes and the cost of hedging our obligations under the Notes. T includes the projected profit that our subsidiaries expect to realize in consideration for as in managing the hedging transactions. Since hedging our obligations entails risk and ma forces beyond our or our subsidiaries' control, such hedging may result in a profit that is projected, or could result in a loss. See also "Use of Proceeds" in the accompanying pros

During the term of the Notes, we, through our subsidiaries or others, expect to hedge our connection with the Notes by taking positions in the stocks constituting the Index, in futu contracts on the Index or its component stocks listed on major securities markets, or posi available securities or instruments that we may wish to use in connection with such hedg activity could potentially affect whether the Index will close at or above the Barrier Leve Date and, accordingly, whether you will receive an interest payment on the Notes for the Period. We cannot give any assurance that our hedging activities will not affect the valu

therefore, adversely affect the value of the Notes or the interest payments you will receiv
investment in the Notes.

Supplemental Information Concerning Plan of Distribution; Conflicts of Interest

Under the terms and subject to the conditions contained in the U.S. distribution ag
prospectus supplement under "Plan of Distribution," the Agent, acting as principal for i
to purchase, and we have agreed to sell, the aggregate principal amount of Notes set
pricing supplement. The Agent proposes initially to offer the Notes directly to the pu
price set forth on the cover page of this pricing supplement. The Agent may distribute
Stanley Smith Barney LLC ("MSSB"), as selected dealer, or other dealers, which may
Co. International plc ("MSIP") and Bank Morgan Stanley AG. MSSB, MSIP and Ban
affiliates of Morgan Stanley. Selected dealers, including MSSB, and their financial
receive from the Agent, a fixed sales commission of $35 for each Note they sell.

MS & Co. is our wholly-owned subsidiary. MS & Co. will conduct this offering in comp
requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc.,
referred to as FINRA, regarding a FINRA member firm's distribution of the securities of
conflicts of interest. MS & Co. or any of our other affiliates may not make sales in this o
discretionary account.

In order to facilitate the offering of the Notes, the Agent may engage in transactions that
otherwise affect the price of the Notes. Specifically, the Agent may sell more Notes than
in connection with the offering, creating a naked short position in the Notes, for its own a
close out any naked short position by purchasing the Notes in the open market. A naked
likely to be created if the Agent is concerned that there may be downward pressure on the
open market after pricing that could adversely affect investors who purchase in the offeri
means of facilitating the offering, the Agent may bid for, and purchase, the Notes or the s
Index in the open market to stabilize the price of the Notes. Any of these activities may r
market price of the Notes above independent market levels or prevent or retard a decline
Notes. The Agent is not required to engage in these activities, and may end any of these
affiliate of the Agent has entered into a hedging transaction with us in connection with th
"—Use of Proceeds and Hedging" above.

General

No action has been or will be taken by us, the Agent or any dealer that would permit a pu
or possession or distribution of this pricing supplement or the accompanying prospectus s
in any jurisdiction, other than the United States, where action for that purpose is required
deliveries of the Notes, or distribution of this pricing supplement or the accompanying pr
prospectus or any other offering material relating to the Notes, may be made in or from a
circumstances which will result in compliance with any applicable laws and regulations a
obligations on us, the Agent or any dealer.

The Agent has represented and agreed, and each dealer through which we may offer the N
agreed, that it (i) will comply with all applicable laws and regulations in force in each no
which it purchases, offers, sells or delivers the Notes or possesses or distributes this prici
accompanying prospectus supplement and prospectus and (ii) will obtain any consent, ap
required by it for the purchase, offer or sale by it of the Notes under the laws and regulati
U.S. jurisdiction to which it is subject or in which it makes purchases, offers or sales of th
have responsibility for the Agent's or any dealer's compliance with the applicable laws a
obtaining any required consent, approval or permission.

Brazil

The Notes have not been and will not be registered with the Comissão de Valores Mobili
Securities Commission). The Notes may not be offered or sold in the Federative Republi
circumstances which do not constitute a public offering or distribution under Brazilian la

Chile

The Notes have not been registered with the Superintendencia de Valores y Seguros in C
offered or sold publicly in Chile. No offer, sales or deliveries of the Notes or distribution
supplement or the accompanying prospectus supplement or prospectus, may be made in o
circumstances which will result in compliance with any applicable Chilean laws and regu

Hong Kong

No action has been taken to permit an offering of the Notes to the public in Hong Kong a
authorized by the Securities and Futures Commission of Hong Kong and, accordingly, no
or document relating to

the Notes, whether in Hong Kong or elsewhere, shall be issued, circulated or distributed
contents of which are likely to be accessed or read by, the public in Hong Kong other tha
Notes which are or are intended to be disposed of only to persons outside Hong Kong or
investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong
rules made thereunder or (ii) in circumstances that do not constitute an invitation to the p
the SFO.

Mexico

The Notes have not been registered with the National Registry of Securities maintained b
Banking and Securities Commission and may not be offered or sold publicly in Mexico.
and the accompanying prospectus supplement and prospectus may not be publicly distrib

Singapore

The Agent and each dealer represent and agree that they will not offer or sell the Notes n
subject of an invitation for subscription or purchase, nor will they circulate or distribute t
the accompanying prospectus supplement or prospectus or any other document or materi
offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or
Singapore other than:

(a) an institutional investor (as defined in section 4A of the Securities and Futures Act
Singapore (the "SFA"));

(b) an accredited investor (as defined in section 4A of the SFA), and in accordance wi
specified in Section 275 of the SFA;

(c) a person who acquires the Notes for an aggregate consideration of not less than Si
Hundred Thousand (S$200,000) (or its equivalent in a foreign currency) for each transac
is paid for in cash, by exchange of shares or other assets, unless otherwise permitted by l

(d) otherwise pursuant to, and in accordance with the conditions of, any other applica

Benefit Plan Investor Considerations

Each fiduciary of a pension, profit-sharing or other employee benefit plan subject to
Income Security Act of 1974, as amended ("ERISA"), which we refer to as a "plan," sh
standards of ERISA in the context of the plan's particular circumstances before autho
Notes. Accordingly, among other factors, the fiduciary should consider whether the in
prudence and diversification requirements of ERISA and

would be consistent with the documents and instruments governing the plan.

In addition, we and certain of our subsidiaries and affiliates, including MS & Co., may e in interest" within the meaning of ERISA, or "disqualified persons" within the meanin Code of 1986, as amended (the "Code"), with respect to many plans, as well as m accounts and Keogh plans (also "plans"). ERISA Section 406 and Code Section transactions between plans and parties in interest or disqualified persons. Prohibite meaning of ERISA or the Code would likely arise, for example, if the Notes are acquire plan with respect to which MS & Co. or any of its affiliates is a service provider or oth the Notes are acquired pursuant to an exemption from the "prohibited transaction" r "prohibited transaction" rules could result in an excise tax or other liabilities under ERI the Code for such persons, unless exemptive relief is available under an applicable s exemption.

The U.S. Department of Labor has issued five prohibited transaction class exemptions ("exemptive relief for direct or indirect prohibited transactions resulting from the purchase Notes. Those class exemptions are PTCE 96-23 (for certain transactions determined by i PTCE 95-60 (for certain transactions involving insurance company general accounts), PT transactions involving bank collective investment funds), PTCE 90-1 (for certain transac company separate accounts) and PTCE 84-14 (for certain transactions determined by ind professional asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(provide an exemption for the purchase and sale of securities and the related lending trans neither the issuer of the securities nor any of its affiliates has or exercises any discretiona renders any investment advice with respect to the assets of the plan involved in the transa further that the plan pays no more, and receives no less, than "adequate consideration" in transaction (the so-called "service provider" exemption). There can be no assurance that statutory exemptions will be available with respect to transactions involving the Notes.

Because we may be considered a party in interest with respect to many plans, the Notes r or disposed of by any plan, any entity whose underlying assets include "plan assets" by r investment in the entity (a "plan asset entity") or any person investing "plan assets" of an purchase, holding or disposition is eligible for exemptive relief, including relief available 60, 91-38, 90-1, 84-14 or the service provider exemption or

such purchase, holding or disposition is otherwise not prohibited. Any purchaser, includ
purchasing on behalf of a plan, transferee or holder of the Notes will be deemed to have r
corporate and its fiduciary capacity, by its purchase and holding of the Notes that either (
asset entity and is not purchasing such Notes on behalf of or with "plan assets" of any pla
governmental, non-U.S. or church plan that is subject to any federal, state, local or non-U
substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Co
its purchase, holding and disposition are eligible for exemptive relief or such purchase, h
not prohibited by ERISA or Section 4975 of the Code or any Similar Law.

Due to the complexity of these rules and the penalties that may be imposed upon persons
prohibited transactions, it is particularly important that fiduciaries or other persons consi
Notes on behalf of or with "plan assets" of any plan consult with their counsel regarding
exemptive relief.

Each purchaser and holder of the Notes has exclusive responsibility for ensuring that its p
disposition of the Notes does not violate the prohibited transaction rules of ERISA or the
Law. The sale of any Notes to any plan or plan subject to Similar Law is in no respect a
any of our affiliates or representatives that such an investment meets all relevant legal re
investments by plans generally or any particular plan, or that such an investment is appro
or any particular plan.

However, individual retirement accounts, individual retirement annuities and Keogh plan
benefit plans that permit participants to direct the investment of their accounts, will not b
hold the securities if the account, plan or annuity is for the benefit of an employee of Citi
Inc., MSSB or a family member and the employee receives any compensation (such as, f
bonus) based on the purchase of securities by the account, plan or annuity.

Client accounts over which Citigroup Inc., Morgan Stanley, MSSB or any of their respec
investment discretion are not permitted to purchase the securities, either directly or indire

United States Federal Income Taxation	The Notes will be treated as "contingent payment debt instruments" for U.S. federal inco

Tax Consequences to U.S. Holders

Please read the discussions in the sections called "United States Federal Taxation – Tax C
Holders – Notes – Optionally Exchangeable Notes," "United States Federal Taxation – T
Holders – Backup Withholding and Information Reporting" and "United States Federal T
Consequences to U.S. Holders – Disclosure Requirements" of the accompanying prospec

In summary, U.S. Holders generally will, regardless of their method of accounting for U.
purposes, be subject to annual income tax based on the "comparable yield" (as defined in
prospectus supplement) of the Notes, adjusted upward or downward to reflect the differe
actual and projected amount of any contingent payments on the Notes. In addition, any g
Holders on the sale or exchange, or at maturity, of the Notes generally will be treated as o

We have determined that the comparable yield is a rate of 5.9600% per annum, compoun
the comparable yield set forth above, the projected payment schedule consists of the follo

DATE	PROJECTED PAYMENT	DATE	
3/28/2011	$5.83	9/28/2018	$4
4/28/2011	$5.83	10/28/2018	$4
5/28/2011	$5.83	11/28/2018	$4
6/28/2011	$5.83	12/28/2018	$4
7/28/2011	$5.83	1/28/2019	$4
8/28/2011	$5.83	2/28/2019	$4
9/28/2011	$5.83	3/28/2019	$4
10/28/2011	$5.83	4/28/2019	$4
11/28/2011	$5.83	5/28/2019	$4
12/28/2011	$5.83	6/28/2019	$4
1/28/2012	$5.83	7/28/2019	$4
2/28/2012	$5.83	8/28/2019	$4
3/28/2012	$5.83	9/28/2019	$4
4/28/2012	$5.83	10/28/2019	$4
5/28/2012	$5.83	11/28/2019	$4
6/28/2012	$5.83	12/28/2019	$4
7/28/2012	$5.83	1/28/2020	$4
8/28/2012	$5.83	2/28/2020	$4
9/28/2012	$5.83	3/28/2020	$4
10/28/2012	$5.83	4/28/2020	$4

11/28/2012	$5.83	5/28/2020	$4
12/28/2012	$5.83	6/28/2020	$4
1/28/2013	$5.83	7/28/2020	$4
2/28/2013	$5.83	8/28/2020	$4
3/28/2013	$5.88	9/28/2020	$4
4/28/2013	$5.85	10/28/2020	$4
5/28/2013	$5.82	11/28/2020	$4
6/28/2013	$5.78	12/28/2020	$4
7/28/2013	$5.76	1/28/2021	$4
8/28/2013	$5.73	2/28/2021	$4
9/28/2013	$5.71	3/28/2021	$4
10/28/2013	$5.69	4/28/2021	$4

DATE	PROJECTED PAYMENT	DATE	
11/28/2013	$5.64	5/28/2021	$4
12/28/2013	$5.63	6/28/2021	$4
1/28/2014	$5.61	7/28/2021	$4
2/28/2014	$5.58	8/28/2021	$4
3/28/2014	$5.55	9/28/2021	$4
4/28/2014	$5.53	10/28/2021	$4
5/28/2014	$5.53	11/28/2021	$4
6/28/2014	$5.51	12/28/2021	$4
7/28/2014	$5.48	1/28/2022	$4
8/28/2014	$5.46	2/28/2022	$4
9/28/2014	$5.45	3/28/2022	$4
10/28/2014	$5.43	4/28/2022	$4
11/28/2014	$5.41	5/28/2022	$4
12/28/2014	$5.38	6/28/2022	$4
1/28/2015	$5.37	7/28/2022	$4
2/28/2015	$5.35	8/28/2022	$4
3/28/2015	$5.33	9/28/2022	$4
4/28/2015	$5.31	10/28/2022	$4
5/28/2015	$5.29	11/28/2022	$4
6/28/2015	$5.28	12/28/2022	$4
7/28/2015	$5.25	1/28/2023	$4
8/28/2015	$5.24	2/28/2023	$4
9/28/2015	$5.22	3/28/2023	$4
10/28/2015	$5.21	4/28/2023	$4
11/28/2015	$5.20	5/28/2023	$4
12/28/2015	$5.18	6/28/2023	$4
1/28/2016	$5.16	7/28/2023	$4
2/28/2016	$5.15	8/28/2023	$4
3/28/2016	$5.13	9/28/2023	$4
4/28/2016	$5.13	10/28/2023	$4
5/28/2016	$5.10	11/28/2023	$4

6/28/2016	$5.10	12/28/2023	$4[illegible]
7/28/2016	$5.08	1/28/2024	$[illegible]
8/28/2016	$5.05	2/28/2024	$[illegible]
9/28/2016	$5.05	3/28/2024	$[illegible]
10/28/2016	$5.03	4/28/2024	$[illegible]
11/28/2016	$5.01	5/28/2024	$[illegible]
12/28/2016	$5.00	6/28/2024	$[illegible]
1/28/2017	$4.98	7/28/2024	$[illegible]
2/28/2017	$4.97	8/28/2024	$[illegible]
3/28/2017	$4.96	9/28/2024	$[illegible]
4/28/2017	$4.94	10/28/2024	$[illegible]
5/28/2017	$4.93	11/28/2024	$[illegible]
6/28/2017	$4.93	12/28/2024	$[illegible]
7/28/2017	$4.91	1/28/2025	$[illegible]
8/28/2017	$4.88	2/28/2025	$[illegible]
9/28/2017	$4.87	3/28/2025	$[illegible]
10/28/2017	$4.87	4/28/2025	$[illegible]
11/28/2017	$4.86	5/28/2025	$[illegible]
12/28/2017	$4.83	6/28/2025	$[illegible]
1/28/2018	$4.82	7/28/2025	$[illegible]
2/28/2018	$4.80	8/28/2025	$[illegible]
3/28/2018	$4.79	9/28/2025	$[illegible]
4/28/2018	$4.78	10/28/2025	$[illegible]
5/28/2018	$4.77	11/28/2025	$[illegible]
6/28/2018	$4.76	12/28/2025	$[illegible]

DATE	PROJECTED PAYMENT	DATE	
7/28/2018	$4.75	1/28/2026	$
8/28/2018	$4.73	2/27/2026	$

The comparable yield and the projected payment schedule will not be provided for the determination of U.S. Holders' accruals of original issue discount and adjustme Notes, and we make no representation regarding the actual amounts of the paymen Note.

Tax Consequences to Non-U.S. Holders

If you are a non-U.S. investor, please read the discussion under "United States Federal T Consequences to Non-U.S. Holders" in the accompanying prospectus supplement concer income and withholding tax consequences of an investment in the Notes. Non-U.S. inve the discussion in the accompanying prospectus supplement does not address the tax cons investors for whom income or gain in respect of the Notes is effectively connected with t business in the United States. Such non-U.S. investors should consult their tax advisers consequences of an investment in the Notes.