

Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule 19

Final Terms dated 16 April 2013

Morgan Stanley BV

Issue of up to SEK 200,000,000 Equity linked Notes

Guaranteed by Morgan Stanley

under the Program for the Issuance of Notes, Warrants and Certificates

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (and any amendments, including Directive 2010/73/EU (the "**2010 PD Amending 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 of the Notes may only do so:

- (i) 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; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 52 of Part A below, provided such person is one of the persons mentioned in Paragraph 52 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

THE NOTES ARE SENIOR UNSECURED OBLIGATIONS OF MORGAN STANLEY, AND ALL PAYMENTS ON THE NOTES, INCLUDING THE REPAYMENT OF PRINCIPAL, ARE SUBJECT TO THE CREDIT RISK OF MORGAN STANLEY. THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

PART A – CONTRACTUAL TERMS

THE NOTES DESCRIBED HEREIN 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 IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES DESCRIBED HEREIN MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). SEE "SUBSCRIPTION AND SALE" AND "NO OWNERSHIP BY U.S. PERSONS" IN THE BASE PROSPECTUS DATED 21 JUNE 2012. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE NOTES ARE NOT RATED.

This document constitutes Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the English Law Notes set forth in the Base Prospectus dated 21 June 2012 and the supplemental Base Prospectus dated 25 June 2012 and 20 March 2013, which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA.

INFORMATION CONCERNING INVESTMENT RISK

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. 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 BV (the "Issuer") 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 or complete 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 Base Prospectus for a full detailed description of the Notes and in particular, please review the Risk Factors associated with these Notes.

In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes, (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Notes and (iii) in accordance with the terms set out in Annex 2.

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

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

- | | | | |
|----|------|--|---|
| 1. | (i) | Issuer: | Morgan Stanley B.V. |
| | (ii) | Guarantor: | Morgan Stanley |
| 2. | (i) | Series Number: | GP0179 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Swedish krona ("SEK") |
| 4. | | Aggregate Nominal Amount of the Notes: | |
| | (i) | Series: | The indicative Nominal Amount is SEK 200,000,000, the Issuer shall confirm the final Notional Amount to be issued upon the closing of the Subscription Period |
| | (ii) | Tranche: | The indicative Nominal Amount is SEK 200,000,000, the Issuer shall confirm the final Notional Amount to be issued upon the closing of the Subscription Period |
| 5. | | Issue Price | 100 per cent. of Par per Note |
| 6. | (i) | Specified Denominations (Par): | SEK 10,000 |
| | (ii) | Calculation Amount: | SEK 10,000 |

7.	(i)	Issue Date:	20 June 2013
	(ii)	Trade Date:	04 June 2013
	(iii)	Interest Commencement Date:	Issue Date
	(iv)	Strike Date:	05 June 2013
	(v)	Determination Date:	05 June 2018
8.		Maturity Date:	20 June 2018
9.		Interest Basis:	Equity-Linked Interest
10.		Redemption/Payment Basis:	Equity-Linked Redemption
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable
12.		Put/Call Options:	Not Applicable
	(i)	Redemption at the option of the Issuer:	Not Applicable
		(Condition 18.5)	
	(ii)	Redemption at the option of the Noteholders:	Not Applicable
		(Condition 18.7)	
	(iii)	Other Put/Call Options:	Not Applicable
13.	(i)	Status of the Notes:	Condition 4.1 applies.
		(Condition 4)	
	(ii)	Status of the Guarantee:	Condition 4.2 applies
14.		Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.		Fixed Rate Note Provisions:	Not Applicable
		(Condition 5)	
16.		Floating Rate Note Provisions:	Not Applicable
		(Condition 6)	
17.		Zero Coupon Note Provisions:	Not Applicable
		(Condition 7)	
18.		Dual Currency-Linked Note Interest Provisions:	Not Applicable
		(Condition 8)	
19.		Equity Linked Note Interest Provisions:	Applicable
(B)		Index/Index Basket Note Interest Provisions:	

- (i) Types of Notes: Index Basket Notes.
“Basket Components” and **“Underlying”** mean each Underlying Index as defined in paragraph 30 below.
- (ii) Exchange[s]: As set out in paragraph 30(B) below
- (iii) Related Exchange[s]: As set out in paragraph 30(B) below
- (iv) Weighting for each Index: Not Applicable
- (v) Party responsible for calculating the Rate(s) of interest and/or Interest Amount(s) (if not the Calculation Agent): Morgan Stanley & Co. International plc (the **“Determination Agent”**). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
- (vi) Provisions for determining Rate of Interest where calculated by reference to Index: Provided no Early Redemption Event has occurred, if on Observation Date $t = 1, \dots, 9$, the Worst Underlying is greater than or equal to the Coupon Barrier, but below 100%, the Noteholder will receive the Coupon Amount on the relevant Interest Payment Date, $j = 1, \dots, 9$.
Where;
“Coupon Amount” means, for a given Observation Date t , $t = 1, \dots, 9$:

$$\text{Par} \times \text{Coupon}$$
“Coupon Barrier” means 80%.
“Coupon” means indicatively [6.50%] with a minimum of [5.50%].
- (vii) Interest Determination Date(s): Each Observation Date
- (viii) Provisions for determining Rate of Interest where calculation by reference to Index is impossible or impracticable or otherwise disrupted: Condition 10 shall apply.
- (ix) Interest Period: Not Applicable
- (x) Specified Interest Payment Dates: Semi-annual Interest Payment Dates, $t = 1, \dots, 9$, subject to Early Redemption as described below:
Interest Payment Date 1: 20 December 2013
Interest Payment Date 2: 20 June 2014
Interest Payment Date 3: 22 December 2014
Interest Payment Date 4: 22 June 2015

Interest Payment Date 5: 21 December 2015

Interest Payment Date 6: 20 June 2016

Interest Payment Date 7: 20 December 2016

Interest Payment Date 8: 20 June 2017

Interest Payment Date 9: 20 December 2017

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

(xi) Averaging Date: Not Applicable

(xii) Observation Date(s)/ Observation Period: Semi-annual Observation Dates, $t = 1, \dots, 10$, subject to Early Redemption as described below:

Observation Date 1: 05 December 2013

Observation Date 2: 05 June 2014

Observation Date 3: 05 December 2014

Observation Date 4: 05 June 2015

Observation Date 5: 07 December 2015

Observation Date 6: 06 June 2016

Observation Date 7: 05 December 2016

Observation Date 8: 05 June 2017

Observation Date 9: 05 December 2017

Observation Date 10: 05 June 2018

In each case, subject to adjustment in Condition 10 if any such day is not a Scheduled Trading Day or is a Disrupted Day.

(xiii) Business Day Convention: Following Business Day Convention

(xiv) Additional Business Centre(s): Not Applicable

(xv) Day Count Fraction: Not Applicable

(xvi) Other special terms and conditions: Not Applicable

20. Commodity-Linked Note Interest Provisions: Not Applicable

21. Currency-Linked Interest Note Provisions: Not Applicable

22. Inflation-Linked Note Interest Provisions: Not Applicable

23. Credit-Linked Interest Note Provisions: Not Applicable

24. Property-Linked Interest Note Provisions: Not Applicable

25. Fund-Linked Interest Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

26. Call Option: Not Applicable
(Condition 18.7)
27. Put Option: Not Applicable
(Condition 18.9)
28. Final Redemption Amount of each Note: Linked Redemption Amount specified below
(Condition 18.1)
29. Dual Currency Redemption Provisions: Not Applicable
(Condition 8)
30. Equity-Linked Redemption Provisions: Applicable
(Condition 10)

(B) Index/Index Basket Notes:

- (i) Types of Notes: Index Basket Notes

“Basket Components” and “Underlying” mean each Underlying Index as defined below.

i	Underlying Index	Bloomberg Code
1	Hang Seng China Enterprise Index	HSCEI Index
2	Russian Depositary Index (USD)	RDXUSD Index
3	Standard and Poor's 500 Index	SPX Index
4	The OMX Stockholm 30 Index	OMX Index

- (ii) Exchange[s]: The principal exchange or quotation system for trading the Underlying Index as determined by the Determination Agent.
- (iii) Related Exchange[s]: All Exchanges
- (iv) Averaging Date[s]: Not Applicable
- (v) Observation Date: The Determination Date, $t=10$
- (vi) Observation Period: Not Applicable
- (viii) Determination Time[s]: As set out in the Conditions
- (xi) Determination Agent responsible for calculating the Final Redemption Amount: Morgan Stanley & Co. International plc (the “Determination Agent”). The Determination Agent shall act as an expert and not as an agent for the Issuer

or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.

(x) Provisions for determining Final Redemption Amount:

Unless previously redeemed, or purchased and cancelled in accordance with the Conditions or an Early Redemption (as defined below), the Issuer shall redeem the Notes on the Maturity Date at the Final Redemption Amount per Note as determined by the Determination Agent as follows:

1. If on the Determination Date, $t=10$, the Worst Underlying is greater than or equal to the Coupon Barrier:

Par x [100% + Coupon]

2. If, the Worst Underlying is below the Coupon Barrier and greater than or equal to the Risk Barrier:

Par x 100%

3. Otherwise, if on the Determination Date, the Worst Underlying is below the Risk Barrier:

Par x Worst Underlying

Where:

“Risk Barrier” means 60%;

(xi) Provisions for determining Final Redemption Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted:

Determination Agent Determination

(xii) Weighting for each Index:

Not Applicable

(xiii) Potential Adjustment Events:

As per the Conditions

(xiv) Additional Disruption Events:

Change in Law, Hedging Disruption and Increased Cost of Hedging shall apply

(xv) Other special terms and conditions:

“Business Days for trading purposes” means a Scheduled Trading Day in respect of each Underlying; and

“Business Day Convention” means Following.

31. Commodity-Linked Redemption Provisions:
(Condition 11)

Not Applicable

32. Currency-Linked Redemption Provisions:
(Condition 12)

Not Applicable

33. Inflation-Linked Redemption Provisions: Not Applicable
(Condition 13)
34. Credit-Linked Redemption Provisions: Not Applicable
(Condition 20)
35. Property-Linked Redemption Provisions: Not Applicable
(Condition 14)
36. Fund-Linked Redemption Provisions: Not Applicable
(Condition 15)
37. Preference Share-Linked Redemption Provisions: Not Applicable
38. Physically Settled Warrant-Linked Note Provisions: Not Applicable
39. a. Early Redemption Amount upon Event of Default (Condition 26): An amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at such day as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Notes), to be the amount that a Qualified Financial Institution would charge either to assume all of the Issuer's payment and other obligations with respect to such Notes as if no such Event of Default had occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Noteholder with respect to the Notes.
- For the purposes of the above, "Qualified Financial Institution" means a financial institution organized under the laws of any jurisdiction in the United States of America, the European Union or Japan, which, as at the date the Determination Agent selects to determine the Early Redemption Amount, has outstanding debt obligations with a stated maturity of one year or less from the date of issue of such outstanding debt obligations and such financial institution is rated either:
- (1) A2 or higher by Standard & Poor's Ratings Services or any successor, or any other comparable rating then used by that rating agency, or
- (2) P-2 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency, provided that, if no Qualified Financial Institution is reasonably available, then the Determination Agent shall select, in good faith and using a commercially reasonable discretion, select a Qualified Financial Institution in the United States of America, the European Union or Japan of a reputable standing.

b. Early Redemption Amount payable upon an event described in Condition 10/ 11/ 12/ 13/ 14/ 15 As provided in Condition 10/ 11/ 12/ 13/ 14/ 15

c. Early Redemption Amount upon Early Redemption:

(Conditions 18.2, 18.3, 18.5, 18.10 and 25)

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): The fair value of such Note on such day as is selected by the Determination Agent acting in good faith and in a commercially reasonable manner, less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent acting in good faith and in a commercially reasonable manner.

40. Governing Law: English law

GENERAL PROVISIONS APPLICABLE TO THE NOTES

41. Form of Notes: Swedish Notes

(Condition 3)

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

43. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No

44. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

45. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable

46. Redenomination, renominatisation and reconventioning provisions: Not Applicable

47. Restrictions on free transferability of the Notes: None

48. Other final terms: **Early Redemption**

If, on Observation Date $t = 2, \dots, 9$, the Worst Underlying is greater than or equal to 100% of its respective Initial Reference Price, the Note will terminate and the Note Holder will receive the Early Redemption Amount on the relevant Early Redemption Date, $n = 2, \dots, 9$.

Where:

“Early Redemption Amount” means **Par x [100% + Coupon]**; and

“Early Redemption Dates” mean the semi-annual Early Redemption Dates, n = 2,...9 as set out below:

Early Redemption Date 2: 20 June 2014

Early Redemption Date 3: 22 December 2014

Early Redemption Date 4: 22 June 2015

Early Redemption Date 5: 21 December 2015

Early Redemption Date 6: 20 June 2016

Early Redemption Date 7: 20 December 2016

Early Redemption Date 8: 20 June 2017

Early Redemption Date 9: 20 December 2017

For the avoidance of doubt, Early Redemption Dates will commence after one year, i.e. on 20 June 2014.

“Worst Underlying” means the lowest percentage value of the Underlying Performance ($i = 1,..4$) observed on the Determination Date or relevant Observation Date_i, where for each Underlying_i:

Underlying Performance_i = Relevant Reference Price_i / Initial Reference Price_i;

“Relevant Reference Price_i” means the official closing level of the Underlying_i on the Determination Date or relevant Observation Date_i, as applicable; and

“Initial Reference Price_i” means the official closing level of the Underlying_i on the Strike Date.

DISTRIBUTION

- | | | |
|-----|--|---|
| 49. | (i) If syndicated, names of Managers: and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.) | Not Applicable |
| | (ii) Date of [Subscription] Agreement: | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 50. | If non-syndicated, name and address of Dealer: | Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA |
| 51. | U.S. Selling Restrictions: | Not Applicable |

52. Non-exempt offer: An offer of the Notes may be made by the Distributor other than pursuant to Article 3(2) of the Prospective Directive in Sweden (Public Offer Jurisdiction) during the period from 22 April 2013 to 24 May 2013 (Subscription Period), the Issuer has the right to adjustment the Subscription Period.
53. Total commission and concession: In connection with the offer and sale of the Notes, the Issuer or the Dealer will pay to the Distributor (as defined below) a one time or recurring distribution fee. The total discount offered, or total distribution fees payable, will not exceed 1.00 % per annum. The investor acknowledges and agrees that such fees will be retained by the Distributor. Further information is available from the Distributor upon request.
54. Additional selling restrictions: Not Applicable

PURPOSE OF FINAL TERMS


These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdictions and admission to trading on the London Stock Exchange’s Regulated Market of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B, Warrants and Certificates of Morgan Stanley B.V.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

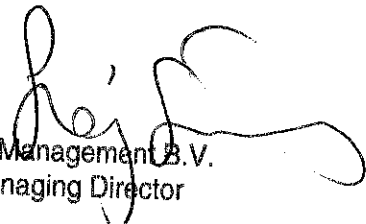
Signed on behalf of the Issuer:

By:



.....

TMF Management B.V.
Managing Director



Duly authorised

15/4/15

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and to be listed on the Official List of the FSA with effect from the Issue Date. No assurance can be given that such listing will be obtained.

2. RATINGS

Ratings: The Notes will not be rated

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds from the sale of Notes will be used by the Issuer for general corporate purposes, in connection with hedging the Issuer's obligations under the Notes, or both
- (ii) Estimated net proceeds: Up to SEK 200,000,000 - the Issuer shall confirm the final Notional Amount to be issued upon the closing of the Subscription Period

5. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Past and future performance including the volatility of the Underlying can be obtained from Bloomberg:

OMX Index and <https://indexes.nasdaqomx.com/Data.aspx?IndexSymbol=OMXS30>.

HSCEI Index and <http://www.hsi.com.hk/HSI-Net/>

RDXUSD Index and <http://en.indices.cc/indices/details/rdu/facts/>

SPX Index and <http://www.standardandpoors.com/indices/sp-500/en/us/?indexId=spusa-500-usdof--p-us-1-->

6. OPERATIONAL INFORMATION

ISIN Code: SE0005162633

New Global Note: No

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): Swedish Notes: Swedish CSD: Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE 101 23, Stockholm, Sweden

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): Skandinaviska Enskilda Banken AB
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

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

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

7. TERMS AND CONDITIONS OF THE OFFER

Offer Price: The Issue Price + a subscription surcharge at the discretion of the Distributor of up to 2% of Par

Conditions to which the offer is subject: Offers of the Notes are conditional upon their issue

Description of the application process: A prospective investor should contact the Distributor (as defined below) during the Subscription Period. The Distributor has the right to close the Subscription Period early. A prospective investor will acquire the Notes in accordance with the arrangements existing between the Distributor and its customers relating to the subscription of securities generally and not directly with the Issuer or the Dealer.

Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than Sweden wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial adviser, bank or financial intermediary for more information.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limited for paying up and delivering the Notes: The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys

Manner in and date on which results of the offer are to be made public: The results of the offer will be communicated to the applicants by the Distributor

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: Offers may be made by the Distributor in Sweden to retail investors. In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: At the end of the Subscription Period, the Distributor will proceed to notify the prospective Noteholders as to the amount of their allotment of the Notes.

Off-market dealing may not commence prior to such notification of allotment being made.

Amount of any expenses and taxes: Not Applicable

specifically charged to the subscriber or purchaser:

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. Distributor: Mangold Fondkommission AB (the "Distributor") at P.O. Box 55691, 102 14 Stockholm, Sweden will be the sole placer of the Notes.

ANNEX 1

STATEMENT CONCERNING THE UNDERLYING

The RDX[®] (**Russian Depository Index**) was developed and is real-time calculated and published by Wiener Börse AG. The abbreviation of the index is protected by copyright law as trademarks. The RDX index description, rules and composition are available online on www.indices.cc - the index portal of Wiener Börse AG. A non-exclusive authorization to use the RDX in conjunction with financial products by Issuer was granted upon the conclusion of a license agreement with Wiener Börse AG.

The Hang Seng Index and the Hang Seng China Enterprises Index (the "Indexes") is published and compiled by HSI Services Limited pursuant to a licence from Hang Seng Data Services Limited. The mark and name Hang Seng Index and Hang Seng China Enterprises Index are proprietary to Hang Seng Data Services Limited. HSI Services Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Indexes by Morgan Stanley in connection with the products described herein but neither HSI Services Limited nor Hang Seng Data Services Limited warrants or represents or guarantees to any broker or holder of the Product or any other person the accuracy or completeness of any of the Indices and its computation or any information related thereto and no warranty or representation or guarantee of any kind whatsoever relating to any of the Indexes is given or may be implied. The process and basis of computation and compilation of any of the Indices and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSI Services Limited without notice. No responsibility or liability is accepted by HSI Services Limited or Hang Seng Data Services Limited in respect of the use of and/or reference to any of the Indexes by Morgan Stanley in connection with the Product, or for any inaccuracies, omissions, mistakes or errors of HSI Services Limited in the computation of any of the Indices or for any economic or other loss which may be directly or indirectly sustained by any broker or holder of the Product or any other person dealing with the Product as a result thereof and no claims, actions or legal proceedings may be brought against HSI Services Limited and/or Hang Seng Data Services Limited in connection with the Product in any manner whatsoever by any broker, holder or other person dealing with the Product. Any broker, holder or other person dealing with the Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSI Services Limited and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSI Services Limited and/or Hang Seng Data Services Limited and must not be construed to have created such relationship.

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ANNEX 2

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- g) you will be committed to purchase at the issue price stated in the term sheet (or at the price otherwise agreed between us) instruments, when issued, in the agreed quantity and having terms, as provided in the definitive documentation, consistent with those in this term sheet (subject to any modifications agreed between us);
- h) we may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to us shall include liability for our costs and losses in unwinding such hedging or other arrangements;
- i) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (a) to (h) above, or acting otherwise than as required or contemplated herein.
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