MORGAN STANLEY
Form FWP
November 21, 2018

November 2018

Preliminary Terms No. 1,228

Registration Statement Nos. 333-221595; 333-221595-01

Dated November 21, 2018

Filed pursuant to Rule 433

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities offered are unsecured obligations of Morgan Stanley Finance LLC ("MSFL"), fully and unconditionally guaranteed by Morgan Stanley, and have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest throughout the term of the securities. The securities will be automatically redeemed if the index closing value of **each** of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index, which we refer to as the underlying indices, on any of the quarterly determination dates is greater than or equal to 97% of its respective initial index value, which we refer to as the respective call threshold level, for an early redemption payment that will increase over the term of the securities, as described below. No further payments will be made on the securities once they have been redeemed. In addition, after the first three months, we will pay a one-time fixed coupon payment at the rate specified below. At maturity, if the securities have not previously been redeemed and the final index value of each underlying index is **greater than or equal to** its respective call threshold level, investors will receive a fixed positive return, as set forth below. If the securities have not previously been redeemed and the final index value of **any underlying index is less than** its respective call threshold level but the final index value of **each underlying index is greater than or equal to** 85% of its respective initial index value, which we refer to as the respective downside threshold level, investors will receive a payment at maturity of $1,000 per $1,000 security. However, if the securities are not redeemed prior to maturity and the final index value of **any underlying index is** less than its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis, and will receive a payment at maturity that is less than 85% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.** These long-dated securities are for investors who are willing to forego current income and participation in the appreciation of any underlying index, and willing to risk their principal based on the worst-performing of four equity indices, in exchange for the possibility of receiving an early redemption payment or payment at maturity greater than the stated principal amount if each underlying index closes at or above the respective call threshold level on a quarterly determination date or the final determination date, respectively. Because all payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective downside threshold level of any underlying index will result in a significant loss of your investment, even if the other underlying indices have appreciated or have not declined as much. Investors will not participate in any appreciation of any underlying index. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

All payments are subject to our credit risk. If we default on our obligations, you could lose some or all of your investment. These securities are not secured obligations and you will not have any security interest in, or otherwise have any access to, any underlying reference asset or assets.

SUMMARY TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying indices:	S&P 500® Index (the "SPX Index"), NASDAQ-100 Index® (the "NDX Index"), Dow Jones Industrial Average℠ (the "INDU Index") and Russell 2000® Index (the "RTY Index")
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security
Pricing date:	November 27, 2018
Original issue date:	November 30, 2018 (3 business days after the pricing date)
Maturity date:	December 2, 2026
Fixed coupon payment:	A one-time fixed coupon payment of 2.75% of the stated principal amount (corresponding to $27.50 per $1,000 stated principal amount) will be paid on the fixed coupon payment date.
Fixed coupon payment date:	March 4, 2019
Early redemption:	If, on any quarterly determination date, beginning on February 27, 2019, the index closing value of **each** underlying index is **greater than or equal to** its respective call threshold level, the securities will be automatically redeemed for the applicable early redemption payment on the related early redemption date. **The securities will not be redeemed early on any early redemption date if the index closing value of any**

	underlying index is below its respective call threshold level on the related determination date.
Early redemption payment:	The early redemption payment will be determined by the calculation agent and will be an amount in cash per stated principal amount (corresponding to a return of at least 7.00% *per annum*, to be determined on the pricing date) for each quarterly determination date, as set forth under "Determination Dates and Early Redemption Payments" below. No further payments will be made on the securities once they have been redeemed.
Determination dates:	Quarterly. See "Determination Dates and Early Redemption Payments" below. The determination dates are subject to postponement for non-index business days and certain market disruption events.
Early redemption dates:	The third business day after the relevant determination date
Downside threshold level:	With respect to the SPX Index, , which is 85% of its initial index value With respect to the NDX Index, , which is 85% of its initial index value With respect to the INDU Index, , which is 85% of its initial index value With respect to the RTY Index, , which is 85% of its initial index value
Call threshold level:	With respect to the SPX Index, , which is 97% of its initial index value With respect to the NDX Index, , which is 97% of its initial index value With respect to the INDU Index, , which is 97% of its initial index value With respect to the RTY Index, , which is 97% of its initial index value
Payment at maturity:	If the securities have not previously been redeemed, you will receive at maturity a cash payment per security (as determined by the calculation agent) equal to: · If the final index value of **each underlying index** is **greater than or equal to** its respective call threshold level:

At least $1,560 (to be determined on the pricing date)

· If the final index value of **any underlying index is less than** its respective call threshold level but the final index value of **each underlying index is greater than or equal to** its respective downside threshold level:

$1,000

· If the final index value of **any underlying index** is **less than** its respective downside threshold level:

$1,000 × index performance factor of the worst performing underlying index

Under these circumstances, you will lose more than 15%, and possibly all, of your investment.

Terms continued on the following page

Agent:	Morgan Stanley & Co. LLC ("MS & Co."), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See "Supplemental information regarding plan of distribution; conflicts of interest."		
Estimated value on the pricing date:	Approximately $968.80 per security, or within $20.00 of that estimate. See "Investment Summary" beginning on page 3.		
Commissions and issue price:	**Price to public**	**Agent's commissions[1]**	**Proceeds to us[2]**
Per security	$1,000	$	$
Total	$	$	$

(1) *Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $ for each security they sell. See "Supplemental information regarding plan of distribution; conflicts of interest." For additional information, see "Plan of Distribution (Conflicts of Interest)" in the accompanying product supplement.*

(2) See "Use of proceeds and hedging" on page 29.

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 11.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this document or the accompanying product supplement, index supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality, nor are they obligations of, or guaranteed by, a bank.

You should read this document together with the related product supplement, index supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see "Additional Terms of the Securites" and "Additional Information About the Securities" at the end of this document.

As used in this document, "we," "us" and "our" refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

Product Supplement for Auto-Callable Securities dated November 16, 2017 **Index Supplement dated November 16, 2017** **Prospectus dated November 16, 2017**

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

Terms continued from previous page:

Initial index value:	With respect to the SPX Index, , which is its index closing value on the pricing date With respect to the NDX Index, , which is its index closing value on the pricing date With respect to the INDU Index, , which is its index closing value on the pricing date With respect to the RTY Index, , which is its index closing value on the pricing date
Final index value:	With respect to each underlying index, the respective index closing value on the final determination date
Worst performing underlying index:	The underlying index with the largest percentage decrease from the respective initial index value to the respective final index value
Index performance factor:	With respect to each underlying index, the final index value *divided by* the initial index value, as determined by the calculation agent
CUSIP / ISIN:	61768DRS6 / US61768DRS61
Listing:	The securities will not be listed on any securities exchange.

Determination Dates and Early Redemption Payments

Determination Dates		Early Redemption Payments (per $1,000 Security)*
1st determination date:	2/27/2019	At least $1,017.50
2nd determination date:	5/28/2019	At least $1,035.00
3rd determination date:	8/27/2019	At least $1,052.50
4th determination date:	11/27/2019	At least $1,070.00
5th determination date:	2/27/2020	At least $1,087.50
6th determination date:	5/27/2020	At least $1,105.00
7th determination date:	8/27/2020	At least $1,122.50
8th determination date:	11/27/2020	At least $1,140.00
9th determination date:	3/1/2021	At least $1,157.50
10th determination date:	5/27/2021	At least $1,175.00
11th determination date:	8/27/2021	At least $1,192.50

12th determination date:	11/29/2021	At least $1,210.00
13th determination date:	2/28/2022	At least $1,227.50
14th determination date:	5/27/2022	At least $1,245.00
15th determination date:	8/29/2022	At least $1,262.50
16th determination date:	11/28/2022	At least $1,280.00
17th determination date:	2/27/2023	At least $1,297.50
18th determination date:	5/30/2023	At least $1,315.00
19th determination date:	8/28/2023	At least $1,332.50
20th determination date:	11/27/2023	At least $1,350.00
21st determination date:	2/27/2024	At least $1,367.50
22nd determination date:	5/28/2024	At least $1,385.00
23rd determination date:	8/27/2024	At least $1,402.50
24th determination date:	11/27/2024	At least $1,420.00
25th determination date:	2/27/2025	At least $1,437.50
26th determination date:	5/27/2025	At least $1,455.00
27th determination date:	8/27/2025	At least $1,472.50
28th determination date:	11/28/2025	At least $1,490.00
29th determination date:	2/27/2026	At least $1,507.50
30th determination date:	5/27/2026	At least $1,525.00
31st determination date:	8/27/2026	At least $1,542.50
Final determination date:	11/27/2026	See “Payment at maturity” above

* The actual early redemption payment with respect to each determination date will be determined on the pricing date and will be an amount in cash per stated principal amount determined by the calculation agent corresponding to a return of at least 7.00% *per annum*.

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

Investment Summary

Jump Securities with Auto-Callable Feature

Principal at Risk Securities

The Jump Securities with Auto-Callable Feature due December 2, 2026 All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index (the "securities") do not provide for the regular payment of interest throughout the term of the securities. Instead, the securities will be automatically redeemed if the index closing value of **each of** the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index on any quarterly determination date is greater than or equal to its respective call threshold level, for an early redemption payment that will increase over the term of the securities, as described below. No further payments will be made on the securities once they have been redeemed. In addition, after the first three months, we will pay a one-time fixed coupon payment at the rate specified below. At maturity, if the securities have not previously been redeemed and the final index value of each underlying index is **greater than or equal to** its respective call threshold level, investors will receive a fixed positive return, as set forth below. If the securities have not previously been redeemed and the final index value of **any** underlying index is **less than** its respective call threshold level but the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level, investors will receive a payment of maturity of $1,000 per $1,000 security. However, if the securities are not redeemed prior to maturity and the final index value of **any underlying index is** less than its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis, and will receive a payment at maturity that is less than 85% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.** Investors will not participate in any appreciation in any underlying index.

Maturity:	Approximately 8 years

Fixed coupon payment:	A one-time fixed coupon payment of 2.75% of the stated principal amount will be paid on the fixed coupon payment date.
Automatic early redemption:	If, on any quarterly determination date, the index closing value of each underlying index is greater than or equal to its respective call threshold level, the securities will be automatically redeemed for the applicable early redemption payment on the related early redemption date.
Early redemption payment:	The early redemption payment will be an amount in cash per stated principal amount (corresponding to a return of at least 7.00% *per annum*) for each quarterly determination date, as follows*: · 1st determination date: At least $1,017.50 · 2nd determination date: At least $1,035.00 · 3rd determination date: At least $1,052.50 · 4th determination date: At least $1,070.00 · 5th determination date: At least $1,087.50 · 6th determination date: At least $1,105.00 · 7th determination date: At least $1,122.50 · 8th determination date: At least $1,140.00 · 9th determination date: At least $1,157.50 · 10th determination date: At least $1,175.00 · 11th determination date: At least $1,192.50 · 12th determination date: At least $1,210.00 · 13th determination date: At least $1,227.50 · 14th determination date: At least $1,245.00 · 15th determination date: At least $1,262.50 · 16th determination date: At least $1,280.00 · 17th determination date: At least $1,297.50 · 18th determination date: At least $1,315.00

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

- 19th determination date: At least $1,332.50
- 20th determination date: At least $1,350.00
- 21st determination date: At least $1,367.50
- 22nd determination date: At least $1,385.00
- 23rd determination date: At least $1,402.50
- 24th determination date: At least $1,420.00
- 25th determination date: At least $1,437.50
- 26th determination date: At least $1,455.00
- 27th determination date: At least $1,472.50
- 28th determination date: At least $1,490.00
- 29th determination date: At least $1,507.50
- 30th determination date: At least $1,525.00
- 31st determination date: At least $1,542.50

*The actual early redemption payment with respect to each applicable determination date will be determined on the pricing date.

No further payments will be made on the securities once they have been redeemed.

Payment at maturity:	If the securities have not previously been redeemed, you will receive at maturity a cash payment per security as follows:

· If the final index value of **each** underlying index is **greater than or equal to** its respective call threshold level:

At least $1,560 (to be determined on the pricing date)

· If the final index value of **any** underlying index is **less than** its respective call threshold level but the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level:

$1,000

· If the final index value of **any** underlying index is **less than** its respective downside threshold level:

$1,000 × index performance factor of the worst performing underlying index

Under these circumstances, investors will lose a significant portion or all of their investment. Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.

The original issue price of each security is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date will be less than $1,000. We estimate that the value of each security on the pricing date will be approximately $968.80, or within $20.00 of that estimate. Our estimate of the value of the securities as determined on the pricing date will be set forth in the final pricing supplement.

What goes into the estimated value on the pricing date?

In valuing the securities on the pricing date, we take into account that the securities comprise both a debt component and a performance-based component linked to the underlying indices. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying indices, instruments based on the underlying indices, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the fixed coupon payment amount, the early redemption payment amounts and the downside threshold levels, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the securities would be more favorable to you.

What is the relationship between the estimated value on the pricing date and the secondary market price of the securities?

The price at which MS & Co. purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 12 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

MS & Co. may, but is not obligated to, make a market in the securities, and, if it once chooses to make a market, may cease doing so at any time.

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

Key Investment Rationale

The securities do not provide for the regular payment of interest throughout the term of the securities. Instead, the securities will be automatically redeemed if the index closing value of **each of** the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index on any quarterly determination date is greater than or equal to its respective call threshold level. In addition, after the first three months, we will pay a one-time fixed coupon payment of 2.75% of the stated principal amount.

The following scenarios are for illustrative purposes only to demonstrate how an automatic early redemption payment or the payment at maturity (if the securities have not previously been redeemed) are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed prior to maturity and the payment at maturity may be less than 85% of the stated principal amount of the securities and may be zero.

Scenario 1: The securities are redeemed prior to maturity	When each underlying index closes at or above its respective call threshold level on any quarterly determination date, the securities will be automatically redeemed for the applicable early redemption payment on the related early redemption date. Investors do not participate in any appreciation in any underlying index.
Scenario 2: The securities are not redeemed prior to maturity, and investors receive a fixed positive return at maturity	This scenario assumes that any underlying index closes below its respective call threshold level on each of the quarterly determination dates. Consequently, the securities are not redeemed prior to maturity. On the final determination date, each underlying index closes at or above its respective call threshold level. At maturity, investors will receive a cash payment equal to at least \$1,560 per stated principal amount (to be determined on the pricing date). Investors do not participate in any appreciation in any underlying index.
Scenario 3: The securities are not redeemed prior to maturity, and investors receive the return of principal at maturity	This scenario assumes that any underlying index closes below its respective call threshold level on each of the quarterly determination dates. Consequently, the securities are not redeemed prior to maturity. On the final determination date, at least one underlying index closes below its respective call threshold level, but the final index value of each underlying index is greater than or equal to its respective downside threshold level. At maturity, investors will receive a cash payment equal to \$1,000 per \$1,000

	security.
Scenario 4: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity	This scenario assumes that any underlying index closes below its respective call threshold level on each of the quarterly determination dates. Consequently, the securities are not redeemed prior to maturity. On the final determination date, any underlying index closes below its respective downside threshold level. At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be significantly less than the stated principal amount and could be zero.

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples are for illustrative purposes only. Whether the securities are redeemed prior to maturity will be determined by reference to the index closing value of each underlying index on each of the quarterly determination dates, and the payment at maturity, if any, will be determined by reference to the index closing value of each underlying index on the final determination date. The actual early redemption payment with respect to each applicable determination date, initial index values, call threshold levels and downside threshold levels will be determined on the pricing date. Some numbers appearing in the examples below have been rounded for ease of analysis. All payments on the securities are subject to our credit risk. The below examples are based on the following terms:

Hypothetical Early Redemption Payment:	The hypothetical early redemption payment will be an amount in cash per stated principal amount (corresponding to a return of approximately 7.00% *per annum*) for each quarterly determination date, as follows:

- 1st determination date: $1,017.50
- 2nd determination date: $1,035.00
- 3rd determination date: $1,052.50
- 4th determination date: $1,070.00
- 5th determination date: $1,087.50
- 6th determination date: $1,105.00
- 7th determination date: $1,122.50
- 8th determination date: $1,140.00
- 9th determination date: $1,157.50

· 10th determination date: $1,175.00

· 11th determination date: $1,192.50

· 12th determination date: $1,210.00

· 13th determination date: $1,227.50

· 14th determination date: $1,245.00

· 15th determination date: $1,262.50

· 16th determination date: $1,280.00

· 17th determination date: $1,297.50

· 18th determination date: $1,315.00

· 19th determination date: $1,332.50

· 20th determination date: $1,350.00

· 21st determination date: $1,367.50

· 22nd determination date: $1,385.00

· 23rd determination date: $1,402.50

· 24th determination date: $1,420.00

· 25th determination date: $1,437.50

· 26th determination date: $1,455.00

· 27th determination date: $1,472.50

· 28th determination date: $1,490.00

· 29th determination date: $1,507.50

· 30th determination date: $1,525.00

· 31st determination date: $1,542.50

	No further payments will be made on the securities once they have been redeemed.
Fixed Coupon Payment	A one-time fixed coupon payment of 2.75% of the stated principal amount will be paid on the fixed coupon payment date.
Payment at Maturity	If the securities have not previously been redeemed, you will receive at maturity a cash payment per security as follows:

· If the final index value of **each** underlying index is **greater than or equal to** its respective call threshold level:

$1,560 (the actual payment at maturity for this scenario will be determined on the pricing date)

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

· If the final index value of **any** underlying index is **less than** its respective call threshold level but the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level:

$1,000

· If the final index value of **any** underlying index is **less than** its respective downside threshold level:

$1,000 × index performance factor of the worst performing underlying index.

Under these circumstances, you will lose a significant portion or all of your investment.

Stated Principal Amount:	$1,000
Hypothetical Initial Index Value:	With respect to the SPX Index: 2,500 With respect to the NDX Index: 6,800 With respect to the INDU Index: 25,000 With respect to the RTY Index: 1,200
Hypothetical Downside Threshold Level:	With respect to the SPX Index: 2,125, which is 85% of its hypothetical initial index value With respect to the NDX Index: 5,780, which is 85% of its hypothetical initial index value With respect to the INDU Index: 21,250, which is 85% of its hypothetical initial index value With respect to the RTY Index: 1,020, which is 85% of its hypothetical initial index value
Hypothetical Call Threshold Level:	With respect to the SPX Index: 2,425, which is 97% of its hypothetical initial index value

With respect to the NDX Index: 6,596, which is 97% of its hypothetical initial index value

With respect to the INDU Index: 24,250, which is 85% of its hypothetical initial index value

With respect to the RTY Index: 1,164, which is 97% of its hypothetical initial index value

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

Automatic Call:

Example 1 — the securities are redeemed following the second determination date

Date	SPX Index Closing Value	NDX Index Closing Value	INDU Index Closing Value	RTY Index Closing Value	Payment (per Security)
1st Determination Date	2,000 (**below** the call threshold level)	7,200 (**at or above** the call threshold level)	27,000 (**at or above** the call threshold level)	1,400 (**at or above** the call threshold level)	--
2nd Determination Date	2,800 (**at or above** the call threshold level)	7,500 (**at or above** the call threshold level)	26,500 (**at or above** the call threshold level)	1,750 (**at or above** the call threshold level)	$1,035

In this example, investors receive the one-time fixed coupon payment on the fixed coupon payment date. On the first determination date, the index closing values of three of the underlying indices are at or above their respective call threshold levels, but the index closing value of the other underlying index is below its respective call threshold level. Therefore, the securities are not redeemed. On the second determination date, the index closing value of each underlying index is at or above the respective call threshold level. Therefore, the securities are automatically redeemed on the second early redemption date. Investors will receive a payment of $1,035 per security on the related early redemption date. No further payments will be made on the securities once they have been redeemed, and investors do not participate in the appreciation in any underlying index.

How to calculate the payment at maturity:

In the following examples, one or more of the underlying indices close below the respective call threshold level(s) on each of the quarterly determination dates, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

	SPX Index Final Index Value	NDX Index Final Index Value	INDU Index Final Index Value	RTY Index Final Index Value	Payment at Maturity (per Security)
Example 1:	4,000 (**at or above** its call threshold level)	8,300 (**at or above** its call threshold level)	27,550 (**at or above** its call threshold level)	2,500 (**at or above** its call threshold level)	$1,560
Example 2:	3,000 (**at or above** its call threshold level and downside threshold level)	6,120 (**below** its call threshold level but **at or above** its downside threshold level)	28,750 (**at or above** its call threshold level and downside threshold level)	1,320 (**at or above** its call threshold level and downside threshold level)	$1,000
Example 3:	3,000 (**at or above** its call threshold level and downside threshold level)	8,500 (**at or above** its call threshold level and downside threshold level)	28,750 (**at or above** its call threshold level and downside threshold level)	480 (**below** its downside threshold level)	$1,000 x (480 / 1,200) = $400
Example 4:	3,000 (**at or above** its call threshold level and downside threshold level)	1,360 (**below** its downside threshold level)	27,500 (**at or above** its call threshold level and downside threshold level)	1,080 (**below** its call threshold level but **at or above** its downside threshold level)	$1,000 x (1,360 / 6,800) = $200
Example 5:	500 (**below** its downside threshold level)	3,060 (**below** its downside threshold level)	15,000 (**below** its downside threshold level)	600 (**below** its downside threshold level)	$1,000 x (500 / 2,500) = $200

In each of these examples, investors receive the one-time fixed coupon payment on the fixed coupon payment date.

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due December 2, 2026

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the NASDAQ-100 Index®, the Dow Jones Industrial Average℠ and the Russell 2000® Index

Principal at Risk Securities

In example 1, the final index value of each underlying index is at or above its respective call threshold level. Therefore, investors receive at maturity a fixed positive return. Investors do not participate in any appreciation in any underlying index.

In example 2, the final index values of three of the underlying indices are at or above their call threshold levels and downside threshold levels, but the final index value of the other underlying index is below its call threshold level and at or above its downside threshold level. The SPX Index has increased 20% from its initial index value to its final index value, the INDU Index has increased 15% from its initial index value to its final index value, the RTY Index has increased 10% from its initial index value to its final index value and the NDX Index has declined 10% from its initial index value to its final index value. Therefore, investors receive $1,000 per security at maturity. Investors do not participate in any appreciation in any underlying index.

In example 3, the final index values of three of the underlying indices are at or above their call threshold levels and downside threshold levels, but the final index value of the other underlying index is below its respective downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity. The SPX Index has increased 20% from its initial index value to its final index value, the NDX Index has increased 25% from its initial index value to its final index value, the INDU Index has increased 15% from its initial index value and the RTY Index has declined 60% from its initial index value to its final index value. Therefore, investors receive at maturity an amount equal to the stated principal amount times the index performance factor of the RTY Index, which is the worst performing underlying index in this example.

In example 4, the final index value of two of the underlying indices are at or above their call threshold levels and downside threshold levels, the final index value of one of the underlying indices is below its call threshold level and at or above its downside threshold level, and the final index value of the other underlying index is below its respective downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity. The SPX Index has increased 20% from its initial index value to its final index value, the INDU Index has increased 10% from its initial index value to its final index value, the RTY Index has declined 10% from its initial index value to its final index value and the NDX Index has declined 80% from its initial index value to its final index value. Therefore, investors receive at maturity an amount equal to the stated principal amount times the index performance factor of the NDX Index, which is the worst performing underlying index in this example.

In example 5, the final index value of each underlying index is below its respective downside threshold level, and investors receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. The SPX Index has declined 80% from its initial index value to its final index value, the NDX Index has declined 55% from its initial index value to its final index value, the INDU Index has declined 40% from its initial index value to its final index value and the RTY Index has declined 50% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the SPX Index, which is the worst performing underlying index in this example.

If the final index value of any underlying index is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying index at maturity, and your payment at maturity will be less than 85% of the stated principal amount per security and could be zero.

November 2018 Page 10

1,170

1,179

1,133

-0.8

%

3.2

%

Hispanobras(1)

1,119

989

755

13.1

%

48.2

%

Itabrasco

1,118

1,112

1,090

0.6

%

2.5

%

Southern System

2,278

2,413

2,007

-5.6

%

13.5

%

Fabrica

802

955

954

-16.0

%

-15.9

%

Vargem Grande

1,476

1,458

1,053

1.2

%

40.1

%

Oman

1,842

2,304

1,965

-20.1

%

-6.3

%

TOTAL PELLETS

9,928

10,409

9,141

-4.6

%

8.6

%

Samarco(2)

2,219

2,755

2,530

-19.5

%

-12.3

%

---

(1) Production attributable to Vale on a pro forma basis. In July 2012, we entered into a leasing contract for the Hispanobras pelletizing operation. As a consequence, their production is being consolidated 100% on a pro forma basis.

(2) Vale s attributable production capacity of 50%.

Production overview

Excluding Samarco s attributable production of 2.2 Mt, Vale s pellets production was 9.9 Mt in 1Q14, 8.6% higher than in 1Q13 and 4.6% lower than in 4Q13.

Better weather conditions in 1Q14 supported the increase in pellet production. Output was still lower than in 4Q13 due to scheduled maintenance stoppages which are concentrated in the first half of the year.

Southeastern System

Production volumes at the Tubarão operating plants Nibrasco, Kobrasco, Hispanobras and Itabrasco increased to 5.8 Mt in 1Q14 from 5.7 Mt in 4Q13 and 5.2 Mt in 1Q13.

The quarter-on-quarter improvement was partially due to the intense rainfall at the end of December 2013 and the bringing forward of the scheduled maintenance stoppage of Nibrasco and Itabrasco to December 2013. The increase in output compared to 1Q13 was mostly due to the maintenance stoppage in Hispanobras for 2 months at the beginning of 2013.

Table of Contents

Southern System

Fábrica produced 0.8 Mt of pellets, 16.0% and 15.9% less than in 4Q13 and in 1Q13 respectively, due to a scheduled maintenance stoppage in 1Q14.

Vargem Grande pellet output was 1.5 Mt, slightly above the previous quarter and 40.1% higher than in 1Q13, given Vale´s decision to increase capacity utilization of Vargem Grande´s pellet plant.

Oman operations

The Oman operations produced 1.8 Mt of direct reduction pellets in 1Q14, less than in 4Q13 and in 1Q13 due to a scheduled maintenance stoppage in 1Q14. The Oman pellet plant did not undergo scheduled preventive maintenance in 1Q13 because the operation was in ramp-up at that time.

Samarco

Attributable production from Samarco´s three plants was 19.5% and 12.3% lower than in 4Q13 and in 1Q13, respectively, due to a scheduled maintenance stoppage of pellet plant I in 1Q14.

The start-up of Samarco s fourth pellet plant (pellet plant IV), together with the expansion of its mine, construction of a new slurry pipeline and improvements to its maritime terminal infrastructure is expected for 2Q14. Samarco´s pellet plant IV has a nominal capacity of 8.3 Mtpy.

Table of Contents

Manganese ore and ferroalloys

000 metric tons	1Q14	4Q13	1Q13	1Q14/4Q13 % Change	1Q14/1Q13 % Change
MANGANESE ORE	**470**	**638**	**501**	**-26.4%**	**-6.2%**
Azul	332	490	381	-32.3%	-12.9%
Urucum	130	117	98	11.1%	33.1%
Other mines	8	31	23	-74.3%	-64.2%
FERROALLOYS	**46**	**50**	**32**	**-8.7%**	**42.1%**
Brazil	46	50	32	-8.7%	42.1%

Production overview

In 1Q14, production of manganese ore reached 470,000 t against 638,000 t in 4Q13 and 501,000 t in 1Q13.

Manganese ore production

Output from the Carajás Azul manganese mine decreased by 32.3% and 12.9% against 4Q13 and 1Q13, respectively, reaching 332,000 t. The production decreased due to low feed availability for the plant.

In 1Q14, production from Urucum reached the historical record of 130,000 t, increasing by 11.1% against 4Q13 and 33.1% against 1Q13. This production increase was a result of operational improvements carried out in the beneficiation plant in 4Q13, which improved productivity and the physical availability of the plant in 1Q14.

A mine expansion project, which will allow significant production increases as of next year is currently ongoing and in 2H14 we will build the infrastructure in the underground mine to access high quality ore bodies.

Production at Morro da Mina was 8,000 t in 1Q14, a decrease of 74.3% and 64.2% respectively when compared to 4Q13 and 1Q13. The weak performance was caused by interruption of production in the north section of the mine, due to geological conditions. In 2Q14, we will improve production in the south section to deal with this restriction.

Ferroalloys production

Production of ferroalloys was 8.7% lower than in 4Q13, due to a decision to shut down furnaces and to sell excess energy to the Brazilian national grid.

Ferroalloy quarterly production was comprised of 28,000 t of ferrosilicon manganese alloys (FeSiMn), 13,000 t of high-carbon manganese alloys (FeMnHc) and 5,000 t of medium-carbon manganese alloys (FeMnMC).

Table of Contents

Nickel

Finished production by source

000 metric tons	1Q14	4Q13	1Q13	1Q14/4Q13 % Change	1Q14/1Q13 % Change
Canada	**41.6**	**43.0**	**44.8**	**-3.4%**	**-7.3%**
Sudbury	17.6	18.0	17.1	-1.8%	3.1%
Thompson	7.6	6.3	7.2	20.7%	6.4%
Voisey s Bay	14.5	16.9	18.7	-14.4%	-22.5%
Ore from third parties(1)	1.9	1.9	1.9	-1.8%	-1.8%
Indonesia(2)	**16.4**	**20.9**	**17.4**	**-21.5%**	**-5.5%**
New Caledonia(3)	**4.1**	**2.1**	**2.9**	**99.8%**	**41.1%**
Brazil (Onça Puma)	**5.4**	**1.9**	**0.0**	**186.8%**	**n.m.**
TOTAL NICKEL	**67.5**	**67.9**	**65.1**	**-0.6%**	**3.7%**

(1) External feed purchased from third parties and processed into finished nickel in our operations.

(2) Nickel in matte at Sorowako totaled 19,600 t in 1Q14 lower than 16,400 t, due to material in transit and work in progress in other refineries.

(3) VNC quarterly output was 5,600 t of NiO and NHC lower than 4,100 t, due to material in transit and work in progress in other refineries.

Production overview

Nickel production reached 67,500 t in 1Q14, in line with 4Q13 and 3.7% higher than 1Q13, reaching an historic mark for a first quarter. Negative impacts from a longer and colder winter in our Canadian operations were offset by increased production from Onça Puma and Vale New Caledonia.

Canadian Operations

In 1Q14, Sudbury production reached 17,600 t, 3.1% higher than in 1Q13, but 1.8% lower than in 4Q13. Colder than average winter temperatures impacted our power systems, particularly at the Clarabelle Mill, resulting in a series of unplanned outages.

In May, we will carry out a major maintenance on our Sudbury operations, lasting approximately 4 weeks and impacting our 2Q14 production. The Sudbury operation executes major maintenance, particularly on the acid plant and furnaces, approximately every 18 months.

Thompson production in 1Q14 was 7,600 t, 20.7% higher than in 4Q13 and 6.4% higher than1Q13, as we have prioritized the use of Thompson feed in the mix.

Voisey s Bay nickel in concentrate production amounted to 14,500 t in 1Q14, a decrease of 14.4% and 22.5% in relation to 4Q13 and 1Q13, respectively. In January, we experienced a failure

Table of Contents

in the grinding section of the mill, resulting in a loss of three weeks of milling time. The mill resumed normal operations on February 1st, 2014. Additionally, extremely thick ice in the coastal area near our port has created minor delays in the shipping of concentrates from the facility.

Long Harbour is being commissioned. We are anticipating the first nickel out of the plant at the end of 2Q14. Initially Long Harbour will process nickel in matte from PTVI, processing nickel from Voisey´s Bay at a later stage.

Indonesian Operations

In 1Q14, production of nickel in matte from our Indonesian operations at Sorowako totaled 19,600 t.

Finished nickel production sourced from PTVI was 16,400 t. Production was 5.5% lower than 1Q13 and 21.5% lower than in 4Q13 mainly because we have sent matte from PTVI to our Long Harbour processing facility in Newfoundland and Labrador to support the start-up of that plant.

New Caledonia Operations

On January 1st, 2014, VNC resumed operations, following repairs to the effluent placement and dispersion line that failed in November 2013. The second autoclave and the fluid bed reactor (FBR) section subsequently commenced operation on January 22nd. The plant has continued to operate stably with two and at times three autoclaves in operation. Debottlenecking of the integrated operation continues to improve throughput.

With an output of 5,600 t, VNC production of NiO and NHC was on par with its best quarter to date. This included 2,688 t produced in March, which was a record month for the operation.

Production of finished products (NHC and Utility Nickel from VNC sourced NiO) totaled 4,100 t in 1Q14 as we rebuilt the supply pipeline after the stoppage in 4Q13.

Brazilian Operation (Onça Puma)

Production at Onça Puma was 5,400 t of nickel contained in ferronickel, reaching 86% of its nominal capacity for a single furnace operation in 1Q14.

Table of Contents

Copper

Finished production by source

000 metric tons	1Q14	4Q13	1Q13	1Q14/4Q13 % Change	1Q14/1Q13 % Change
Brazil	**47.3**	**52.8**	**38.8**	**-10.4%**	**22.0%**
Sossego	26.3	31.7	27.7	-17.1%	-5.3%
Salobo	21.1	21.1	11.0	-0.3%	90.7%
Canada	**38.6**	**38.8**	**45.2**	**-0.5%**	**-14.6%**
Sudbury	24.5	24.2	26.0	1.1%	-5.7%
Thompson	0.3	0.7	0.4	-54.0%	-25.0%
Voisey s Bay	6.9	8.6	11.0	-19.4%	-37.3%
Ore from third parties	6.8	5.3	7.7	30.0%	-11.4%
Zambia (Lubambe)	**2.5**	**2.2**	**1.8**	**16.2%**	**36.7%**
Chile	**0.0**	**0.8**	**3.7**	**n.m.**	**n.m.**
TOTAL COPPER	**88.4**	**94.6**	**89.5**	**-6.5%**	**-1.2%**

Production overview

In 1Q14, copper output was 88,400 t, 6.5% and 1.2% lower respectively than in 4Q13 and 1Q13,.

Brazilian Operations

Production of copper in 1Q14 at the Sossego mine totaled 26,300 t in the form of copper in concentrates, 5.3% and 17.1% lower respectively than in 1Q13 and 4Q13. During January and February, the mine operated in a lower than average grade section of the ore body. Grades increased later in the quarter, but rains delayed access to certain areas of the pit.

Salobo I continued its ramp-up, producing 21,100 t of copper in concentrates in 1Q14, 90.7% higher than in 1Q13. Production was in line with 4Q13, the best quarter to date, despite the impact of the fog. The Salobo operation has begun commissioning some of the components of phase 2 as that project nears completion

Canadian Operations

Sudbury production reached 24,500 t, 1.1% higher than in 4Q13 but 5.7% lower than in 1Q13. Colder than average winter temperatures resulted in failures in our power systems,

Table of Contents

particularly at our Clarabelle Mill, resulting in a series of unplanned outages.

Voisey s Bay production was 6,900 t, 37.3% and 19.4% lower than in 1Q13and 4Q13, respectively. As mentioned earlier, in January we experienced a failure in the grinding section of the mill, which resulted in a loss of three weeks of milling time. The mill resumed operations on February 1st, 2014.

African Operation (Lubambe)

Lubambe, our Zambian JV, is ramping up and delivering 6,250 t of copper in concentrates on a 100% basis (attributable production of 2,500 t). Lubambe has a nominal capacity of 45,000 t per year.

Chile Operation discontinued operation

As previously announced, Vale completed the sale of Tres Valles, in Chile on December 9th, 2013.

Table of Contents

Nickel and copper by-products

Finished production by source

	1Q14	4Q13	1Q13	1Q14/4Q13 % Change	1Q14/1Q13 % Change
COBALT (metric tons)	**856.7**	**711.4**	**992.8**	20.4%	-13.7%
Ontario	402.1	435.6	441.0	-7.7%	-8.8%
Manitoba	167.4	139.9	179.8	19.7%	-6.9%
Vale Newfoundland and Labrador	0.0	0.0	0.0	n.m.	n.m.
VNC	287.2	136.0	372.0	111.2%	-22.8%
PLATINUM (000 oz troy)	**49.2**	**42.9**	**34.2**	**14.8%**	**43.3%**
Ontario	49.2	42.9	34.2	14.8%	43.3%
PALLADIUM (000 oz troy)	**109.2**	**96.2**	**88.7**	**13.5%**	**23.1%**
Ontario	109.2	96.2	88.7	13.5%	23.1%
GOLD (000 oz troy)	**73.7**	**88.3**	**57.9**	**-16.5%**	**27.2%**
Ontario	20.1	26.7	21.9	-24.7%	-8.1%
Sossego	18.0	21.3	17.4	-15.5%	3.5%

Salobo	35.6	40.3	18.7	-11.5%	90.6%
SILVER (000 oz troy)	**433**	**514**	**425**	**-15.8%**	**1.8%**
Ontario	433	514	425	-15.8%	1.8%

Cobalt

Output of cobalt reached 857 t in 1Q14, 20.4% higher than in 4Q13, mainly reflecting the increase in VNC production, which totaled 287 t in 1Q14.

Platinum and palladium

Platinum output was 49,200 oz and palladium was 109,200 oz, 14.8% and 13.5% higher than in 4Q13, respectively.

Gold

Gold production amounted to 73,700 oz in 1Q14, 16.5% lower than in 4Q13, due to the decrease in Salobo s gold output.

Table of Contents

Coal

000 metric tons	1Q14	4Q13	1Q13	1Q14/4Q13 % Change	1Q14/1Q13 % Change
METALLURGICAL COAL	**1,223**	**1,850**	**1,373**	**-33.9%**	**-10.9%**
Moatize	595	401	417	48.4%	42.7%
Carborough Downs	73	814	554	-91.0%	-86.8%
Integra Coal	379	433	218	-12.5%	73.8%
Others	176	202	184	-12.9%	-4.3%
THERMAL COAL	**561**	**408**	**379**	**37.5%**	**48.1%**
Moatize	414	277	256	49.2%	61.6%
Integra Coal	48	34	24	41.2%	99.3%
Others	100	97	99	2.6%	0.8%
TOTAL COAL	**1,785**	**2,258**	**1,752**	**-21.0%**	**1.9%**

Production overview

Total coal output in 1Q14 reached 1.8 Mt, 21.0% lower than in 4Q13, mostly due to the weak performance of Carborough Downs (CD). Production was slightly higher than 1Q13 due to Moatize s ramp-up.

Australian operations

CD output was 73,000t in 1Q14, 91.0% less than in 4Q13 due to the longer than expected longwall move, which began in the middle of December and finished only in mid-March as a result of a roof fall at the beginning of January.

In 1Q14, Integra Coal output was 8.6% lower than in 4Q13, but 76.4% higher than in 1Q13. In 4Q13 we accessed better geological sections of the mine. Integra coal production totaled 379,000 t of metallurgical and 48,000 t of thermal coal.

Production from our other Australian mines was 276,000 t in 1Q14, a decrease of 7.7% from the 299,000 t registered in 4Q13, due to higher strip ratios.

Moatize operations

In 1Q14, Moatize produced 1.009 Mt, of which 0.595 Mt of met coal and 0.414 Mt of thermal

Table of Contents

coal. Met and thermal coal output increased by 48.4% and 49.2%, respectively, when compared to 4Q13, due to a normalization of the supply of explosives. The lack of availability of explosives limited our production flexibility in 4Q13 and affected the production mix, resulting in only 49% of met coal output in1 Q14.

The ramp-up of the first phase of the Moatize coal project is being temporarily restricted by the existing limitations of the logistics infrastructure railway and port which do not allow for total utilization of the mine s nominal capacity of 11 Mtpy.

The start-up of the Nacala corridor project, expected by 2H14, will eliminate the above-mentioned logistics bottleneck.

Table of Contents

Potash

000 metric tons	1Q14	4Q13	1Q13	1Q14/4Q13 % Change	1Q14/1Q13 % Change
POTASH	**109**	**126**	**120**	**-13.4%**	**-8.9%**
Taquari-Vassouras	109	126	120	-13.4%	-8.9%

Phosphates

000 metric tons	1Q14	4Q13	1Q13	1Q14/4Q13 % Change	1Q14/1Q13 % Change
PHOSPHATE ROCK	**1,932**	**2,286**	**1,991**	**-15.5%**	**-3.0%**
Brazil	1,026	1,234	1,137	-16.9%	-9.7%
Bayóvar	906	1,051	855	-13.9%	6.0%
MAP(1)	276	305	288	-9.3%	-4.1%
TSP(2)	207	252	251	-17.8%	-17.5%
SSP(3)	357	459	554	-22.1%	-35.5%
DCP(4)	118	127	121	-7.3%	-2.2%

(1) Monoammonium phosphate

(2) Triple superphosphate

(3) Single superphosphate

(4)Dicalcium phosphate

Potash

In 1Q14, potash production totaled 109,000 t, 13.4% and 8.9% lower than in 4Q13 and in 1Q13, respectively. In 1Q14, we accessed lower quality ore and faced lower availability of the concentration plant due to maintenance stoppages .

Phosphate Rock

Total production of phosphate rock reached 1.9 Mt in line with 1Q13, but 15.5% lower than in 4Q13, driven by a decrease in production in our Brazilian operations. We have also reduced production in the Brazilian mines to draw down inventory in our Araxá plant in 1Q14.

In 1Q14, Bayóvar output was affected by a stoppage to modify the source of energy to supply two dryers, changing from liquefied petroleum gas (LPG) to liquefied natural gas (LNG). The change will result in a cost reduction in the Bayóvar operation.

Table of Contents

MAP

In 1Q14, the production of MAP (monoammonium phosphate) totaled 276,000 t, 9.3% lower on a quarter-on-quarter basis as a result of operational adjustments for the use of Bayóvar phosphate rock instead of phosphate rock from Catalão, due to its low availability, which impacted the production of Cubatão plant 2.

The Catalão mining and chemical complex, located in Minas Gerais, produces phosphate rock, SSP and TSP.

TSP

The output of TSP (Triple superphosphate) decreased against 4Q13 and 1Q13, by 17.8% and 17.5%, respectively, due to the prioritization of MAP production in the Uberaba plant.

SSP

Production of SSP (single superphosphate) was 22.1% and 35.5% lower than in 4Q13 and 1Q13, respectively, due to the maintenance stoppage in Catalão in 1Q14.

DCP

DCP (dicalcium phosphate) production was 118,000 t, 7.3% lower than in 4Q13, reflecting weaker demand.

Nitrogen

000 metric tons	**1Q14**	**4Q13**	**1Q13**

				1Q14/4Q13 % Change	1Q14/1Q13 % Change
AMMONIA	49	39	141	23.2%	-65.7%
UREA	0	0	128	n.m.	n.m.
NITRIC ACID	113	117	115	-3.4%	-1.6%
AMMONIUM NITRATE	114	123	120	-7.4%	-5.4%

Ammonia and Urea Production

In 1Q14, ammonia production increased by 23.2% compared to 4Q13, recovering from the low availability of gas at Cubatão 2.

Cubatão plant 2 is part of Cubatão s four plant complex, and it produces ammonia, nitric acid and ammonium nitrate.

The decrease in production when compared to 1Q13 is explained by the sale of the Araucária operation on June 1st, 2013. Araucária produced nitrogens, with an annual production capacity of approximately 1.1 million tons of ammonia and urea.

As mentioned previously, we no longer produce urea, while ammonia is being produced exclusively in Cubatão.

Nitric Acid and Ammonium Production

The output of nitric acid and ammonium nitrate was lower than in 4Q13. Nitric acid output was impacted by equipment problems at Cubatão 2, which will be replaced by August 2014.

Table of Contents

For further information.please contact:

+55-21-3814-4540

Rogério T. Nogueira: rogerio.nogueira@vale.com

Viktor Moszkowicz: viktor.moszkowicz@vale.com

Carla Albano Miller: carla.albano@vale.com

Andrea Gutman: andrea.gutman@vale.com

Marcelo Bonança Correa: marcelo.bonanca@vale.com

Marcelo Lobato: marcelo.lobato@vale.com

Marcio Loures Penna: marcio.penna@vale.com

Samantha Pons: samantha.pons@vale.com

This press release may include statements that present Vale s expectations about future events or results. All statements, when based upon expectations about the future and not on historical facts, involve various risks and uncertainties. Vale cannot guarantee that such statements will prove correct. These risks and uncertainties include factors related to the following: (a) the countries where we operate, especially Brazil and Canada; (b) the global economy; (c) the capital markets; (d) the mining and metals prices and their dependence on global industrial production, which is cyclical by nature; and (e) global competition in the markets in which Vale operates. To obtain further information on factors that may lead to results different from those forecast by Vale, please consult the reports Vale files with the U.S. Securities and Exchange Commission (SEC), the Brazilian Comissão de ValoresMobiliários (CVM), the French Autorité des Marchés Financiers (AMF), and The Stock Exchange of Hong Kong Limited, and in particular the factors discussed under Forward-Looking Statements and Risk Factors in Vale s annual report on Form 20-F.

Table of Contents

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Vale S.A.
(Registrant)

Date: April 30, 2014

By: /s/ Rogerio T. Nogueira
Rogerio T. Nogueira
Director of Investor Relations