# JPMORGAN CHASE & CO.

February 2011
Preliminary Terms No. 33
Registration Statement No. 333-155535
Dated February 2, 2011
Filed pursuant to Rule 433

## STRUCTURED INVESTMENTS
Opportunities in Currencies

### PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

PLUS offer leveraged exposure to a wide variety of assets and asset classes, including equities, commodities, currencies and bonds. These investments are designed to allow investors to capture enhanced returns relative to the asset's actual positive performance. The leverage typically applies only for a certain range of price performance. In exchange for enhanced performance in that range, investors generally forgo performance above a specified maximum return. At maturity, an investor will receive an amount in cash that may be greater than, equal to or less than the stated principal amount based upon the performance of an equally-weighted basket of twelve currencies relative to the U.S. dollar, subject to the maximum payment at maturity. If the basket appreciates as a whole over the term of the PLUS, an investor will receive at maturity an amount in cash that will be greater than the stated principal amount, subject to the maximum payment at maturity. Conversely, if the basket depreciates as a whole over the term of the PLUS, an investor will receive an amount in cash that will be less than the stated principal amount and could be zero. The PLUS are senior unsecured obligations of JPMorgan Chase & Co., and all payments on the PLUS are subject to the credit risk of JPMorgan Chase & Co. **There is no minimum payment at maturity on the PLUS and, accordingly, the investor may lose some or all of the stated principal amount of the PLUS.**

| SUMMARY TERMS | | | | |
|---|---|---|---|---|
| **Issuer:** | JPMorgan Chase & Co. | | | |
| **Maturity date:** | March 6, 2012, subject to adjustment for certain market disruption events and as described under "Description of PLUS — Payment at Maturity" in the accompanying product supplement no. MS-11-A-I | | | |
| **Aggregate principal amount:** | $ | | | |
| **Basket:** | **Basket currencies** | **Weighting** | **Reference source** | **Applicable time** |
| | Mexican peso ("MXN") | 1/12 | Reuters: WMRSPOT10 | 11:00 a.m., New York Time |
| | Brazilian real ("BRL") | 1/12 | Reuters: BRFR | 6:00 p.m., Sao Paulo Time |
| | Chilean peso ("CLP") | 1/12 | Reuters: CLPOB= | 3:15 p.m., New York Time |
| | Polish zloty ("PLN") | 1/12 | Reuters: WMRSPOT06 | 11:00 a.m., New York Time |
| | Turkish lira ("TRY") | 1/12 | Reuters: WMRSPOT07 | 11:00 a.m., New York Time |
| | South African rand ("ZAR") | 1/12 | Reuters: WMRSPOT17 | 11:00 a.m., New York Time |
| | Israeli new shekel ("ILS") | 1/12 | Reuters: BOIJ | 3:00 p.m., Tel-Aviv Time |
| | Chinese renminbi ("CNY") | 1/12 | Reuters: SAEC | 9:15 a.m., Shanghai Time |
| | Indian rupee ("INR") | 1/12 | Reuters: RBIB | 12:30 p.m., Mumbai Time |
| | South Korean won ("KRW") | 1/12 | Reuters: KFTC18 | 3:30 p.m., Seoul Time |
| | New Taiwan dollar ("TWD") | 1/12 | Reuters: TAIFX1-NDF | 11:15 a.m., Taipei Time |
| | Malaysian ringgit ("MYR") | 1/12 | Reuters: ABSG | 11:00 a.m., Kuala Lumpur Time |
| **Payment at maturity:** | • If the final basket value is *greater than* the initial basket value, which means the basket of currencies **strengthens** relative to the U.S. dollar, for each $10 stated principal amount PLUS, $10 + leveraged upside payment<br><br>*In no event will the payment at maturity exceed the maximum payment at maturity.*<br><br>• If the final basket value is *less than or equal to* the initial basket value, which means the basket of currencies **remains unchanged or weakens** relative to the U.S. dollar, for each $10 stated principal amount PLUS, $10 x (1 + basket performance)<br><br>*Because in this scenario, the basket performance will be zero or negative, this amount will be equal to or less than the stated principal amount of $10 and could be $0. There is no minimum payment at maturity on the PLUS.* | | | |
| **Leveraged upside payment:** | $10 x leverage factor × basket performance | | | |
| **Basket performance:** | (final basket value – initial basket value) / initial basket value | | | |
| **Initial basket value:** | Set equal to 100 on the pricing date | | | |
| **Final basket value:** | The basket closing value on the valuation date | | | |
| **Basket closing value:** | The basket closing value on the valuation date will be calculated as follows:<br><br>100 × [1 + sum of (currency performance of each basket currency × weighting of each such basket currency)] | | | |
| **Currency performance:** | With respect to each basket currency: 1 – (final exchange rate / initial exchange rate) | | | |

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|---|---|
| | *This formula effectively caps the contribution of each basket currency to a 100% return but does not limit the downside. See "How Do Currency Exchange Rates Work," "Hypothetical Payouts on the PLUS at Maturity — Example 2" and "Fact Sheet" in this document for more information.* |
| **Valuation date:** | March 1, 2012, subject to adjustment for non-currency business days or certain market disruption events and as described under "Description of PLUS — Postponement of a Calculation Date" in the accompanying product supplement no. MS-11-A-I |
| **Leverage factor:** | 250% |
| **Maximum payment at maturity:** | $15.50 to $16.00 (155.00% to 160.00% of the stated principal amount) per PLUS. The actual maximum payment at maturity will be determined on the pricing date and will not be less than $15.50 or greater than $16.00. |
| **Stated principal amount:** | $10 per PLUS |
| **Issue price:** | $10 per PLUS (see "Commissions and issue price" below) |
| **Pricing date:** | February , 2011 (expected to price on or about February 22, 2011) |
| **Original issue date:** | February , 2011 (3 business days after the pricing date) |
| **CUSIP / ISIN:** | 46634X419 / US46634X4198 |
| **Listing:** | The PLUS will not be listed on any securities exchange. |
| **Agent:** | J.P. Morgan Securities LLC ("JPMS") |

| Commissions and issue price: | Price to Public(1)(2) | Fees and Commissions(2)(3) | Proceeds to Issuer |
|---|---|---|---|
| **Per PLUS** | $10.00 | $0.125 | $9.875 |
| **Total** | $ | $ | $ |

(1)   The price to the public includes the estimated cost of hedging our obligations under the PLUS through one or more of our affiliates, which includes our affiliates' expected cost of providing such hedge as well as the profit our affiliates expect to realize in consideration for assuming the risks inherent in providing such hedge. For additional related information, please see "Use of Proceeds" beginning on PS-19 of the accompanying product supplement no. MS-11-A-I.

(2)   The actual price to public and commissions for a particular investor may be reduced for volume purchase discounts depending on the aggregate amount of PLUS purchased by that investor. The lowest price payable by an investor is $9.950 per PLUS. Please see "Syndicate Information" on page 8 for further details.

(3)   JPMS, acting as agent for JPMorgan Chase & Co., will receive a commission and will use all of that commission to allow selling concessions to Morgan Stanley Smith Barney LLC ("MSSB") that will depend on market conditions on the pricing date. In no event will the commission received by JPMS and the selling concessions to be allowed to MSSB exceed $0.125 per $10 stated principal amount PLUS. See "Underwriting (Conflicts of Interest)" beginning on page PS-31 of the accompanying product supplement no. MS-11-A-I.

**Investing in the PLUS involves a number of risks. See "Risk Factors" on page PS-10 of the accompanying product supplement no. MS-11-A-I and "Risk Factors" beginning on page 13 of these preliminary terms.**

**Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the PLUS or passed upon the accuracy or the adequacy of this document or the accompanying prospectus supplement and prospectus. Any representation to the contrary is a criminal offense.**

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

You should read this document together with the related product supplement no. MS-11-A-I, prospectus supplement and prospectus, each of which can be accessed via the hyperlinks below, before you decide to invest.

Product supplement no. MS-11-A-I dated February 1, 2011:
http://www.sec.gov/Archives/edgar/data/19617/000089109211000678/e41879_424b2.pdf
Prospectus supplement dated November 21, 2008:
http://www.sec.gov/Archives/edgar/data/19617/000089109208005661/e33600_424b2.pdf
Prospectus dated November 21, 2008: http://www.sec.gov/Archives/edgar/data/19617/000089109208005658/e33655_424b2.pdf

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in this offering will arrange to send you the prospectus if you request it by calling toll-free (800) 869-3326.

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

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## Investment Overview
### Performance Leveraged Upside Securities

The PLUS Based on the Performance of a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012 (the "PLUS") provide investors with an opportunity to gain leveraged upside exposure to the performance of an equally-weighted basket of twelve currencies (the "basket") relative to the U.S. dollar.

If, at maturity, the basket performance is positive, which means the basket as a whole has strengthened relative to the U.S. dollar, the investment will return the stated principal amount plus 250% of the percentage appreciation of the basket, subject to the maximum payment at maturity of at least $15.50 per PLUS (155.00% of the stated principal amount) (*e.g.* a 5% appreciation of the basket relative to the U.S. dollar will return 100% of principal plus an additional $1.25 per PLUS at maturity). If the basket performance is zero or negative, which means the basket has remained unchanged or has weakened, the payment at maturity per PLUS will be an amount equal to or less than the $10 stated principal amount by an amount proportionate to the percentage depreciation of the basket. The PLUS are exposed on a 1:1 basis to any weakening of the basket relative to the U.S. dollar. The PLUS do not pay interest, and all payments on the PLUS are subject to the credit risk of JPMorgan Chase & Co.

| | |
|---|---|
| **Maturity:** | 12 Months |
| **Leverage factor:** | 250% |
| **Payment at maturity:** | (i) If the final basket value is *greater than* the initial basket value, which means the basket of currencies **strengthens** relative to the U.S. dollar, for each $10 stated principal amount PLUS: |
| | $10 + leveraged upside payment |
| | *In no event will the payment at maturity exceed the maximum payment at maturity.* |
| | (ii) If the final basket value is *less than or equal to* the initial basket value, which means the basket of currencies **remains unchanged or weakens** relative to the U.S. dollar, for each $10 stated principal amount PLUS: |
| | $10 x (1 + basket performance) |
| | *Because in this scenario, the basket performance will be zero or negative, this amount will be equal to or less than the stated principal amount of $10 and could be $0. There is no minimum payment at maturity on the PLUS.* |
| **Basket performance:** | (final basket value – initial basket value) / initial basket value |
| **Initial basket value:** | Set equal to 100 on the pricing date |
| **Final basket value:** | The basket closing value on the valuation date |
| **Basket closing value:** | The basket closing value on the valuation date will be calculated as follows: |
| | 100 × [1 + sum of (currency performance of each basket currency × weighting of each such basket currency)] |
| **Currency performance:** | With respect to each basket currency: 1 – (final exchange rate / initial exchange rate) |
| | *This formula effectively caps the contribution of each basket currency to a 100% return but does not limit the downside. See "How Do Currency Exchange Rates Work," "Hypothetical Payouts on the PLUS at Maturity — Example 2" and "Fact Sheet" in this document for more information.* |
| **Maximum payment at maturity:** | $15.50 to $16.00 (155.00% to 160.00% of the stated principal amount) per PLUS. The actual maximum payment at maturity will be determined on the pricing date and will not be less than $15.50 or greater than $16.00. |
| **Minimum payment at maturity:** | None |
| **Interest:** | None |

## Basket Overview

The basket is an equally-weighted basket of twelve currencies.

| Basket Information as of February 2, 2011 | | | |
|---|---|---|---|
| Basket Currency | Weighting | Quotation Convention | Reuters Page |
| Mexican peso ("MXN") | 1/12 | # MXN / USD | Reuters: WMRSPOT10 |
| Brazilian real ("BRL") | 1/12 | # BRL / USD | Reuters: BRFR |
| Chilean peso ("CLP") | 1/12 | # CLP / USD | Reuters: CLPOB= |
| Polish zloty ("PLN") | 1/12 | # PLN / USD | Reuters: WMRSPOT06 |
| Turkish lira ("TRY") | 1/12 | # TRY / USD | Reuters: WMRSPOT07 |
| South African rand ("ZAR") | 1/12 | # ZAR / USD | Reuters: WMRSPOT17 |
| Israeli new shekel ("ILS") | 1/12 | # ILS / USD | Reuters: BOIJ |
| Chinese renminbi ("CNY") | 1/12 | # CNY / USD | Reuters: SAEC |
| Indian rupee ("INR") | 1/12 | # INR / USD | Reuters: RBIB |
| South Korean won ("KRW") | 1/12 | # KRW / USD | Reuters: KFTC18 |
| New Taiwan dollar ("TWD") | 1/12 | # TWD / USD | Reuters: TAIFX1-NDF |
| Malaysian ringgit ("MYR") | 1/12 | # MYR / USD | Reuters: ABSG |



**Historical Basket Performance**
**January 6, 2006 to January 28, 2011**

Source: Bloomberg &JPMorgan
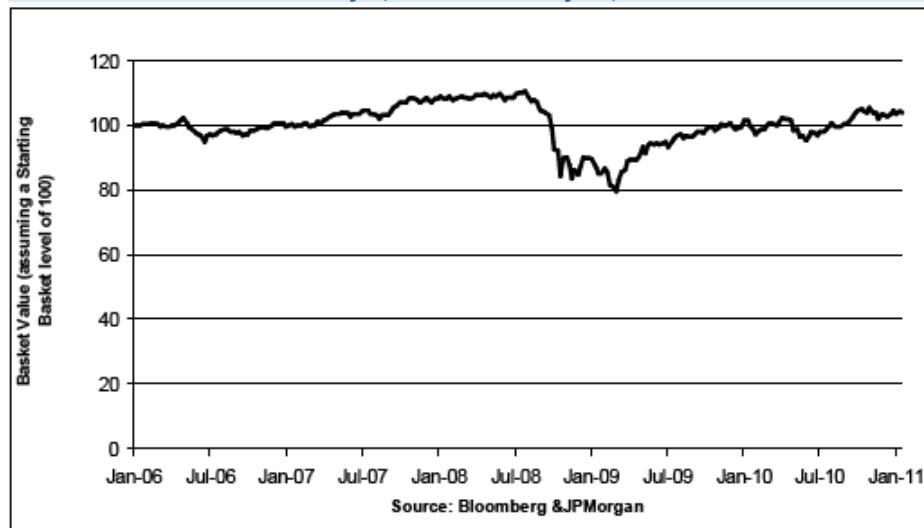
The graph is calculated to show the performance of the basket relative to the U.S. dollar during the period from January 6, 2006 through January 28, 2011 assuming that the basket currencies are equally weighted as set out above and that the basket closing value on January 6, 2006 was 100. The graph illustrates the effect of any offset and/or correlation among the basket currencies during such period. The graph does not take into account the leverage factor or the maximum payment at maturity on the PLUS, nor does it attempt to show your expected return on an investment in the PLUS. You cannot predict the future performance of any of the basket currencies or of the basket as a whole, or whether the strengthening of any of the basket currencies relative to the U.S. dollar will be offset by the weakening of other basket currencies, based on their historical performance. The historical performance of the basket and the degree of correlation between the trends of the basket currencies (or lack thereof) should not be taken as an indication of the future performance.

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012

**Performance Leveraged Upside Securities**[SM]

## How Do Currency Exchange Rates Work?

- Exchange rates reflect the amount of one currency that can be exchanged for a unit of another currency.

- The exchange rate for each of the basket currencies is expressed as the number of units of that currency per U.S. dollar. As a result, a **decrease** in the exchange rate means that the relevant basket currency has **appreciated / strengthened** relative to the U.S. dollar. This means that it takes fewer of the relevant basket currency to purchase one (1) U.S. dollar on the relevant valuation date than it did on the pricing date.

    } In this example, the Mexican peso strengthens from the initial exchange rate of 12.00 to the final exchange rate of 11.00, resulting in the currency performance of 1 – (11.00/12.00) = approximately 8.33%.

| Initial Exchange Rate (# MXN / 1 USD) | Final Exchange Rate (# MXN / 1 USD) |
|---|---|
| 12.00 | 11.00 |

    } In this example, the Mexican peso strengthens to the fullest extent possible from the initial exchange rate of 12.00 to the final exchange rate of 0.0001 (possibly due to a hypothetical devaluation of the U.S. dollar), resulting in the currency performance of 1 – (0.0001/12.00) = approximately 99.99%.

| Initial Exchange Rate (# MXN / 1 USD) | Final Exchange Rate (# MXN / 1 USD) |
|---|---|
| 12.00 | 0.0001 |

This example illustrates that, because the currency performance is calculated by subtracting the fraction equal to the final exchange rate divided by the initial exchange rate from 1, the maximum possible currency performance for each basket currency will be no greater than 100%. However, any possible decline in the basket currencies is not so limited as shown in the examples below.

- Conversely, an **increase** in the exchange rate means that the relevant basket currency has **depreciated / weakened** relative to the U.S. dollar. This means that it takes more of the relevant basket currency to purchase one (1) U.S. dollar on the relevant valuation date than it did on the pricing date.

    } In this example, the Mexican peso weakens from the initial exchange rate of 12.00 to the final exchange rate of 15.00, resulting in the currency performance of 1 – (15.00/12.00) = –25.00%.

| Initial Exchange Rate (# MXN / 1 USD) | Final Exchange Rate (# MXN / 1 USD) |
|---|---|
| 12.00 | 15.00 |

    } In this example, the Mexican peso is seriously devalued and weakens from the initial exchange rate of 12.00 to the final exchange rate of 75.00, resulting in the currency performance of 1 – (75.00/12.00) = – 525.00%.

| Initial Exchange Rate (# MXN / 1 USD) | Final Exchange Rate (# MXN / 1 USD) |
|---|---|
| 12.00 | 75.00 |

Because the currency performance is calculated in the manner described above, there is no limit on the negative performance of any basket currency. Consequently, even if eleven of the basket currencies were to appreciate significantly relative to the U.S. dollar, that positive performance could be more than offset by a severe depreciation of the twelfth basket currency so that you lose your entire initial investment in the PLUS.

**Actual initial exchange rates and final exchange rates will vary from those used in the examples above.**

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

## Key Investment Rationale

Exposure to currencies is a component of asset class diversification. Investors who believe they have underweight exposure to the currencies in the basket, overweight exposure to the U.S. dollar or those concerned about the risks associated with investing directly in currencies can use the PLUS to gain exposure to the basket currencies.

The PLUS offer 250% leveraged upside, subject to a maximum payment at maturity of $15.50 to $16.00 (155% to 160% of the stated principal amount) per PLUS. The actual maximum payment at maturity will be determined on the pricing date.

Investors can use the PLUS to enhance returns by 250% up to the maximum payment at maturity, while maintaining similar risk as a direct investment in the basket of currencies.

| | |
|---|---|
| **Leveraged Performance** | • 250% upside participation in any appreciation of the basket relative to the U.S. dollar, subject to the maximum payment at maturity of $15.50 to $16.00 (155% to 160% of the stated principal amount) per PLUS.<br><br>• The PLUS offer investors an opportunity to capture enhanced returns relative to a direct investment in the basket within a certain range of basket performance. |
| **Access** | • Exposure to an equally-weighted basket of twelve currencies valued relative to the U.S. dollar and diversification of underlying asset class exposure. |
| **Best Case Scenario** | • The basket strengthens relative to the U.S. dollar and, at maturity, the PLUS redeem for the maximum payment at maturity of $15.50 to $16.00 (155% to 160% of the stated principal amount) per PLUS. |
| **Worst Case Scenario** | • The basket weakens relative to the U.S. dollar and, at maturity, the PLUS redeem for less than the stated principal amount by an amount proportionate to the percentage depreciation of the basket relative to the U.S. dollar. For example, if the basket performance is –30%, you will receive $7 per PLUS at maturity. Due to the specific formula used to calculate the currency performance for each basket currency, the maximum possible currency performance will be no greater than 100% while there is no comparable limit on the negative performance of a basket currency. There is no minimum payment on the PLUS. |

## Summary of Selected Key Risks (see page 13)

- **No guaranteed return of principal.**

- No interest payments.

- Appreciation potential is limited to the maximum payment at maturity.

- The PLUS are subject to the credit risk of JPMorgan Chase & Co., and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the PLUS.

- Economic interests of the calculation agent and other affiliates of the issuer may be different from those of the investors.

- The PLUS will not be listed on any securities exchange and secondary trading may be limited.

- The inclusion of commissions and estimated cost of hedging in the original issue price is likely to affect adversely secondary market prices and you could receive less, and possibly significantly less, than the stated principal amount per PLUS if you try to sell your PLUS prior to maturity.

- Changes in the value of the basket currencies may offset each other.

- The PLUS are subject to currency exchange risk.

- The market price of the PLUS will be influenced by many unpredictable factors, including the exchange rate and volatility of the exchange rate between the U.S. dollar and the basket currencies.

- Investing in the PLUS is not equivalent to investing directly in the basket currencies.

- Consisting partially of emerging markets currencies, the basket is subject to an increased risk of significant adverse fluctuations.

- Intervention in the currency markets by the countries issuing the basket currencies could materially and adversely affect the value of the PLUS.

- Even though currencies trade around-the-clock, the PLUS will not.

- Suspension or disruptions of market trading in the basket currencies may adversely affect the value of the PLUS.

- The tax consequences of an investment in the PLUS are unclear.

## PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**<sup>SM</sup>

## Fact Sheet

The PLUS offered are senior unsecured obligations of JPMorgan Chase & Co., will pay no interest, do not guarantee any return of your principal at maturity and have the terms described in product supplement no. MS-11-A-I, the prospectus supplement and the prospectus, as supplemented or modified by these preliminary terms. At maturity, an investor will receive for each stated principal amount of PLUS that the investor holds, an amount in cash that may be greater than, equal to or less than the stated principal amount based upon the performance of the basket as a whole relative to the U.S. dollar. If the basket appreciates as a whole over the term of the PLUS, an investor will receive at maturity an amount in cash that will be greater than the stated principal amount, subject to the maximum payment at maturity. Conversely, if the basket depreciates as a whole over the term of the PLUS, an investor will receive an amount in cash that will be less than the stated principal amount and could be zero. The PLUS are senior notes issued as part of JPMorgan Chase & Co.'s Series E Medium-Term Notes program. All payments on the PLUS are subject to the credit risk of JPMorgan Chase & Co.

| Expected Key Dates | | |
|---|---|---|
| **Pricing date:** | **Original issue date (settlement date):** | **Maturity date:** |
| February , 2011 (expected to price on or about February 22, 2011) | February , 2011 (3 business days after the pricing date) | March 6, 2012, subject to postponement due to a market disruption event and as described under "Description of PLUS — Payment at Maturity" in the accompanying product supplement no. MS-11-A-I. |

| Key Terms | | | | |
|---|---|---|---|---|
| **Issuer:** | JPMorgan Chase & Co. | | | |
| **Basket:** | **Basket currencies** | **Weighting** | **Reference source** | **Applicable time** |
| | Mexican peso ("MXN") | 1/12 | Reuters: WMRSPOT10 | 11:00 a.m., New York Time |
| | Brazilian real ("BRL") | 1/12 | Reuters: BRFR | 6:00 p.m., Sao Paulo Time |
| | Chilean peso ("CLP") | 1/12 | Reuters: CLPOB= | 3:15 p.m., New York Time |
| | Polish zloty ("PLN") | 1/12 | Reuters: WMRSPOT06 | 11:00 a.m., New York Time |
| | Turkish lira ("TRY") | 1/12 | Reuters: WMRSPOT07 | 11:00 a.m., New York Time |
| | South African rand ("ZAR") | 1/12 | Reuters: WMRSPOT17 | 11:00 a.m., New York Time |
| | Israeli new shekel ("ILS") | 1/12 | Reuters: BOIJ | 3:00 p.m., Tel-Aviv Time |
| | Chinese renminbi ("CNY") | 1/12 | Reuters: SAEC | 9:15 a.m., Shanghai Time |
| | Indian rupee ("INR") | 1/12 | Reuters: RBIB | 12:30 p.m., Mumbai Time |
| | South Korean won ("KRW") | 1/12 | Reuters: KFTC18 | 3:30 p.m., Seoul Time |
| | New Taiwan dollar ("TWD") | 1/12 | Reuters: TAIFX1-NDF | 11:15 a.m., Taipei Time |
| | Malaysian ringgit ("MYR") | 1/12 | Reuters: ABSG | 11:00 a.m., Kuala Lumpur Time |
| **Aggregate principal amount:** | $ | | | |
| **Issue price:** | $10 per PLUS (see "Syndicate Information" on page 8) | | | |
| **Stated principal amount:** | $10 per PLUS | | | |
| **Denominations:** | $10 per PLUS and integral multiples thereof | | | |
| **Interest:** | None | | | |
| **Payment at maturity:** | <ul><li>If the final basket value is *greater than* the initial basket value, which means the basket of currencies **strengthens** relative to the U.S. dollar, for each $10 stated principal amount PLUS,<br><br>$10 + leveraged upside payment<br><br>*In no event will the payment at maturity exceed the maximum payment at maturity.*</li><li>If the final basket value is *less than or equal to* the initial basket value, which means the basket of currencies **remains unchanged or weakens** relative to the U.S. dollar, for each $10 stated principal amount PLUS,<br><br>$10 x (1 + basket performance)<br><br>*Because in this scenario, the basket performance will be zero or negative, this amount will be equal to or less than the stated principal amount of $10 and could be $0. There is no minimum payment at maturity on the PLUS.*</li></ul> | | | |

| | |
|---|---|
| **Leveraged upside payment:** | $10 x leverage factor x basket performance |
| **Basket performance:** | (final basket value – initial basket value) / initial basket value |
| **Leverage factor:** | 250% |
| **Initial basket value:** | Set equal to 100 on the pricing date |
| **Final basket value:** | The closing basket value on the valuation date |
| **Basket closing value:** | The basket closing value on the valuation date will be calculated as follows:<br><br>100 × [1 + sum of (currency performance of each basket currency × basket currency weighting of each such basket currency)] |
| **Currency performance:** | With respect to each basket currency: 1 – (final exchange rate / initial exchange rate)<br><br>*This formula effectively caps the contribution of each basket currency to a 100% return but does not limit the downside. See "How Do Currency Exchange Rates Work," "Hypothetical Payouts on the PLUS at Maturity — Example 2" and "Fact Sheet" in this document for more information.* |
| **Initial exchange rate:** | With respect to each basket currency, the exchange rate as posted on the applicable reference source on the pricing date. |
| **Final exchange rate:** | With respect to each basket currency, the exchange rate as posted on the applicable reference source on the valuation date. |

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| | |
|---|---|
| **Exchange rate:** | With respect to each basket currency on any currency business day, the reference currency per one U.S. dollar spot rate in the interbank market, in each case as reported by the applicable reference source at approximately the applicable time. |
| **Currency business day:** | A "currency business day," with respect to each basket currency, means a day on which (a) dealings in foreign currency in accordance with the practice of the foreign exchange market occur in The City of New York and the principal financial center for the applicable Basket Currency (Mexico City, Mexico with respect to the Mexican peso, Sao Paulo, Brazil with respect to the Brazilian real, Santiago, Chile with respect to the Chilean peso, Warsaw, Poland with respect to the Polish zloty, Istanbul, Turkey with respect to the Turkish lira, Johannesburg, South Africa with respect to the South African rand, Tel-Aviv, Israel, with respect to the Israeli new shekel, Shanghai, China with respect to the Chinese renminbi, Mumbai, India with respect to the Indian rupee, Seoul, South Korea, with respect to the South Korean won, Taipei, Taiwan with respect to the New Taiwan dollar and Kuala Lumpur, Malaysia with respect to the Malaysian ringgit and (b) banking institutions in The City of New York and such principal financial center for such basket currency are not otherwise authorized or required by law, regulation or executive order to close. |
| **Valuation date:** | March 1, 2012, subject to adjustment for non-currency business days or certain market disruption events and as described under "Description of PLUS — Payment at Maturity" in the accompanying product supplement no. MS-11-A-I |
| **Maximum payment at maturity:** | $15.50 to $16.00 (155.00% to 160.00% of the stated principal amount) per PLUS. The actual maximum payment at maturity will be determined on the pricing date and will not be less than $15.50 or greater than $16.00. |
| **Adjustment of maturity date:** | If the scheduled maturity date is not a business day, then the maturity date will be the following business day. If the scheduled valuation date is not a currency business day or if a market disruption event occurs on that day so that the valuation date as postponed falls less than three business days prior to the scheduled maturity date, the maturity date of the PLUS will be postponed until the third business day following the valuation date as postponed. |
| **Base currency:** | For purposes of the accompanying product supplement, the U.S. dollar is the base currency. |
| **Risk factors:** | **Please see "Risk Factors" beginning on page 13.** |

**PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012**
Performance Leveraged Upside Securities[SM]

| General Information | |
|---|---|
| **Listing:** | The PLUS will not be listed on any securities exchange. |
| **CUSIP / ISIN:** | 46634X419 / US46634X4198 |
| **Minimum ticketing size:** | 100 PLUS |
| **Tax considerations:** | You should review carefully the section entitled "Certain U.S. Federal Income Tax Consequences" in the accompanying product supplement no. MS-11-A-I. Subject to the limitations described therein, and based on certain factual representations received from us, in the opinion of our special tax counsel, Davis Polk & Wardwell LLP, your PLUS should be treated as "open transactions" for U.S. federal income tax purposes. Assuming this characterization respected, the gain or loss on your PLUS will generally be ordinary foreign currency income or loss under Section 988 of the Internal Revenue Code of 1986, as amended (the "Code"). However, under that Section, holders of certain forward contracts, futures contracts or option contracts generally are entitled to make an election to treat foreign currency gain or loss as capital gain or loss (a "Section 988 Election"). Although the matter is uncertain, it is reasonab to treat the Section 988 Election as available. Assuming the Section 988 Election is available, you make this election before the close of the day on which you acquire a PLUS, all gain or loss you recognize on a sale or exchange of that PLUS should be treated as long-term capital gain loss, assuming that you have held the PLUS for more than one year. A Section 988 Election with respect to a PLUS is made by (a) clearly identifying the PLUS on your books and records, on the date you acquire it, as being subject to this election and (b) filing the relevant statement verifying this election with your U.S. federal income tax return, or by obtaining independent verification under procedures set forth in the Treasury Regulations under Section 988. You should consult your tax adviser regarding the advisability, availability, mechanics and consequences of a Section 988 Election. |
| | However, the Internal Revenue Service (the "IRS") or a court may not respect this characterization or treatment of the PLUS, in which case the timing and character of any income or loss on the PLUS could be significantly and adversely affected. In addition, in 2007 Treasury and the IRS released a notice requesting comments on the U.S. federal income tax treatment "prepaid forward contracts" and similar instruments, such as the PLUS. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by Non-U.S. Holders should be subject to withholding tax; and whether these instruments are or should be subject to the "constructive ownership" regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the PLUS, possibly with retroactive effect. In 2007 the IRS also issued a revenue ruling holding that a financial instrument with some arguable similarity to the PLUS is properly treated as a debt instrument denominated in foreign currency. The PLUS are distinguishable in meaningful respects from the instrument described in the revenue ruling. If, however, the reach of the revenue ruling were to be extended, it could materially and adversely affect the tax consequences of an investment in the PLUS for U.S. Holders, possibly with retroactive effect. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the PLUS, including possible alternative treatments and the issues presented by the notice and revenue ruling described above. Non-U.S. Holders should also note that they may be withheld upon unless they have submitted a properly completed IRS Form W-8BEN or otherwise satisfied the applicable documentation requirements. |
| | The discussion in the preceding paragraphs, when read in combination with the section entitled "Certain U.S. Federal Income Tax Consequences" in the accompanying product supplement, constitutes the full opinion of Davis Polk & Wardwell LLP regarding the material U.S. federal income tax consequences of owning and disposing of PLUS. |
| **Trustee:** | Deutsche Bank Trust Company Americas (formerly Bankers Trust Company) |
| **Calculation agent:** | JPMS |
| **Use of proceeds and hedging:** | The net proceeds we receive from the sale of the PLUS will be used for general corporate purposes and, in part, by us or by one or more of our affiliates in connection with hedging our obligations under the PLUS. |
| | For further information on our use of proceeds and hedging, see "Use of Proceeds" in the accompanying product supplement no. MS-11-A-I. |
| **Benefit plan investor considerations:** | See "Benefit Plan Investor Considerations" in the accompanying product supplement no. MS-11-A-I. |
| **Contact:** | Morgan Stanley Smith Barney clients may contact their local Morgan Stanley Smith Barney branch office or Morgan Stanley Smith Barney's principal executive offices at 2000 Westchester Avenue, Purchase, New York 10577 (telephone number (800) 869-3326). |

| Syndicate Information | | |
|---|---|---|
| **Issue price of the PLUS** | **Commissions** | **Principal amount of PLUS for any single investor** |

| | | |
|---|---|---|
| $10.0000 | $0.1250 | <$1MM |
| $9.9750 | $0.1000 | ≥$1MM and <$3MM |
| $9.9625 | $0.0875 | ≥$3MM and <$5MM |
| $9.9500 | $0.0750 | ≥$5MM |

**MSSB may reclaim selling concessions allowed to individual brokers within MSSB in connection with the offering if, within 30 days of the offering, MSSB repurchases the PLUS distributed by such brokers.**

*This offering summary represents a summary of the terms and conditions of the PLUS. We encourage you to read the accompanying product supplement no. MS-11-A-I, the prospectus supplement and prospectus for this offering, which can be accessed via the hyperlinks on the front page of this document.*

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## How PLUS Work

### Payoff Diagram

The payoff diagram below illustrates the payment at maturity on the PLUS based on the following terms:

| | |
|---|---|
| **Stated principal amount:** | $10 per PLUS |
| **Leverage factor:** | 250% |
| **Hypothetical maximum payment at maturity:** | $15.75 (157.50% of the stated principal amount) per PLUS (which represents the midpoint of the range of $15.50 and $16.00)* |

* If the actual maximum payment at maturity as determined on the pricing date is less than $15.75, your return, if any, may be lower than the returns shown below.



PLUS Payoff Diagram
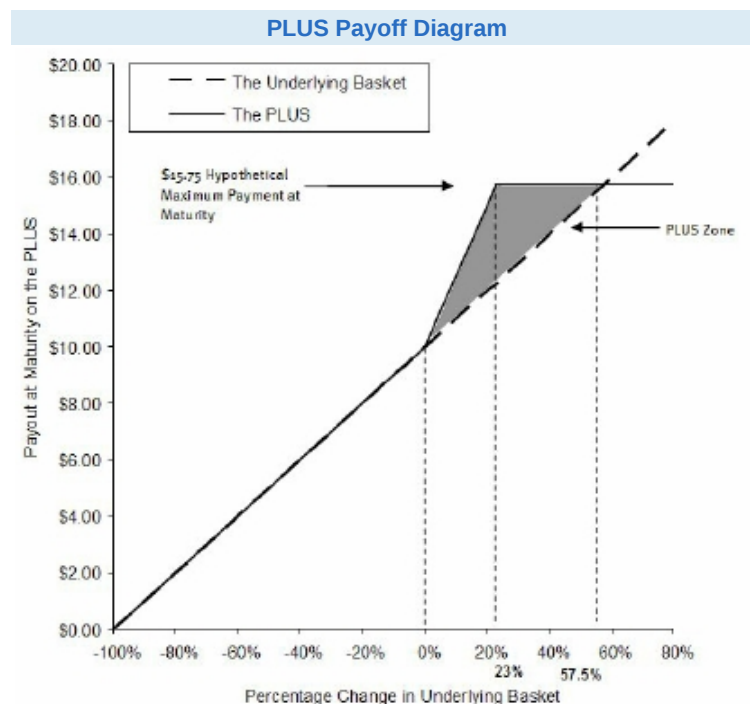
### How it works

- If the final basket value is greater than the initial basket value, for each $10 principal amount PLUS, investors will receive the $10 stated principal amount plus 250% of the appreciation of the basket closing value over the term of the PLUS, subject to the maximum payment at maturity. In the payoff diagram, an investor will realize the maximum payment at maturity at a final basket value of 23% of the initial basket value.

  - If the final basket value is greater than the initial basket value by 4%, the investor will receive a hypothetical 10% return, or $11 per PLUS.

  - If the final basket value is greater than the initial basket value by 30%, the investor will receive only the maximum payment at maturity of $15.75 per PLUS, or 157.75% of the stated principal amount.

- If the final basket value is less than or equal to the initial basket value, the investor will receive an amount less than or equal to the $10 stated principal amount, based on a 1% loss of principal for each 1% decline in the basket closing value.

  - If the final basket value is less than the initial basket value by 10%, the investor would lose 10% of its principal and receive only $9 per PLUS at maturity, or 90% of the stated principal amount.

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## Hypothetical Payouts on the PLUS at Maturity

Below are two examples of how to calculate the basket performance and the payment at maturity based on the hypothetical exchange rates in the respective tables below. The following hypothetical examples are provided for illustrative purposes only. Actual results will vary.

The exchange rates for each of the basket currencies are expressed as the number of units of the applicable basket currency per U.S. dollar. For each basket currency, a decrease in the exchange rate means that such basket currency has appreciated/strengthened relative to the U.S. dollar and an increase in the exchange rate means that such basket currency has depreciated/weakened relative to the U.S. dollar.

**Example 1:** The final basket value is *greater than* the initial basket value.

| Basket Currency | Weighting | Hypothetical Initial Exchange Rate | Hypothetical Final Exchange Rate | Currency Performance |
|---|---|---|---|---|
| MXN | 1/12 | 12.00 | 11.520 | 4% |
| BRL | 1/12 | 1.70 | 1.632 | 4% |
| CLP | 1/12 | 480.00 | 460.800 | 4% |
| PLN | 1/12 | 3.00 | 2.880 | 4% |
| TRY | 1/12 | 1.60 | 1.536 | 4% |
| ZAR | 1/12 | 7.00 | 6.720 | 4% |
| ILS | 1/12 | 3.50 | 3.360 | 4% |
| CNY | 1/12 | 6.50 | 6.240 | 4% |
| INR | 1/12 | 45.00 | 43.200 | 4% |
| KRW | 1/12 | 1110.00 | 1065.600 | 4% |
| TWD | 1/12 | 30.00 | 28.800 | 4% |
| MYR | 1/12 | 3.00 | 2.880 | 4% |

**Basket performance = (final basket value – initial basket value) / initial basket value**

**Initial basket value = 100**

**Final basket value = 100 × [1 + sum of (currency return of each basket currency × weighting of each such basket currency)]**

**Using the hypothetical exchange rates above, the sum of the currency return of each basket currency times the weighting of each such basket currency:**

$$[1 - (11.520 / 12.00)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (1.632 / 1.70)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (460.000 / 480.00)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (2.880 / 3.00)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (1.536 / 1.60)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (6.720 / 7.00)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (3.360 / 3.50)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (6.240 / 6.50)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (43.240 / 45.00)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (1065.600 / 1110.00)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (28.800 / 30.00)] \times 1/12 = 0.333\%, \text{plus}$$
$$[1 - (2.880 / 3.00)] \times 1/12 = 0.333\% = 4\%$$

| | | |
|---|---|---|
| **Final basket value** | = | 100 × (1 + 0.04), which equals 104 |
| **Basket performance** | = | (104 – 100) / 100, which equals 4% |
| **Payment at maturity** | = | $10 + leveraged upside payment |
| | = | $10 + ($10 x basket performance x leverage factor) |
| | = | $10 + ($10 x 4% x 250%) |
| | = | $11 |

Because the basket performance is positive, the payment at maturity will equal $1,000 plus the leveraged upside payment. The payment at maturity per PLUS will be $11, or the stated principal amount of $10 plus the leveraged upside payment of $1.

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**Example 2: The final basket value is *less than* the initial basket value.**

| Basket Currency | Weighting | Hypothetical Initial Exchange Rate | Hypothetical Final Exchange Rate | Currency Performance |
|---|---|---|---|---|
| MXN | 1/12 | 12.00 | 0.0001 | 99.999% |
| BRL | 1/12 | 1.70 | 0.0001 | 99.999% |
| CLP | 1/12 | 480.00 | 0.0001 | 99.999% |
| PLN | 1/12 | 3.00 | 0.0001 | 99.999% |
| TRY | 1/12 | 1.60 | 0.0001 | 99.999% |
| ZAR | 1/12 | 7.00 | 0.0001 | 99.999% |
| ILS | 1/12 | 3.50 | 0.0001 | 99.999% |
| CNY | 1/12 | 6.50 | 0.0001 | 99.999% |
| INR | 1/12 | 45.00 | 0.0001 | 99.999% |
| KRW | 1/12 | 1110.00 | 0.0001 | 99.999% |
| TWD | 1/12 | 30.00 | 0.0001 | 99.999% |
| MYR | 1/12 | 3.00 | 64.8000 | 2060.000% |

**Basket performance = (final basket value – initial basket value) / initial basket value**

**Initial basket value = 100**

**Final basket value = 100 × [1 + sum of (currency return of each basket currency × weighting of each such basket currency)]**

**Using the hypothetical exchange rates above, the sum of the currency return of each basket currency times the weighting of each such basket currency:**

$$[1 – (0.0001 / 12.00)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 1.70)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 480.00)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 3.00)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 1.60)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 7.00)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 3.50)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 6.50)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 45.00)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 1110.00)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (0.0001 / 30.00)] × 1/12 = 8.333\%, \text{ plus}$$
$$[1 – (64.8000/ 3.00)] × 1/12 = -2060.000\% = -80\%$$

| | | |
|---|---|---|
| **Final basket value** | = | 100 × (1 + -80%), which equals 20 |
| **Basket performance** | = | (20 – 100) / 100, which equals -100% |
| **Payment at maturity** | = | $10 × (1 + basket performance) |
| | = | $10 × (1 + -80%) |
| | = | $2 |

*Because the basket performance is less than zero, the payment at maturity will equal (i) $10 times (ii) 1 plus the basket performance, or $2 per PLUS, which is less than the stated principal amount by an amount proportionate to the percentage depreciation of the basket relative to the U.S. dollar.*

**The basket performance may be equal to or less than 0% even though one or more basket currencies have strengthened relative to the U.S. dollar over the term of the PLUS as this strengthening may be moderated, or wholly offset, by the weakening or lesser strengthening relative to the U.S. dollar of one or more of the other basket currencies. In this example, even though eleven of the twelve basket currencies have each achieved the maximum possible currency performance, the basket performance is negative because the serious devaluation of the twelfth basket currency more than offsets the appreciation of the other three basket currencies and investor loses 80% of its initial investment.**

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## Payment at Maturity

At maturity, investors will receive for each $10 stated principal amount of PLUS that they hold an amount in cash based upon the final basket value, determined as follows:

*If the final basket value is greater than the initial basket value*:

<div align="center">

**$10 + leveraged upside payment:**

subject to the *maximum payment at maturity* for each PLUS,

</div>

| Principal | | Leveraged Upside Payment | | |
|---|---|---|---|---|
| | | Principal | Leverage Factor | Basket performance |
| $10 | + [ | $10 × | 250% × | $\left( \dfrac{\text{final basket value} - \text{initial basket value}}{\text{initial basket value}} \right)$ ] |

*If the final basket value is less than or equal to the initial basket value:*

<div align="center">

**$10 × (1 + basket performance)**

</div>

| Principal | | Basket Performance |
|---|---|---|
| $10 | × | $(1 + \dfrac{\text{final basket value} - \text{initial basket value}}{\text{initial basket value}})$ |

**The payment at maturity in this scenario will therefore be less than or equal to the stated principal amount. There is no minimum payment at maturity on the PLUS.**

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## Risk Factors

*The following is a non-exhaustive list of certain key risk factors for investors in the PLUS. For further discussion of these and other risks, you should read the section entitled "Risk Factors" beginning on page PS-10 of the accompanying product supplement no. MS-11-A-I. We also urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the PLUS.*

- **The PLUS do not pay interest or guarantee return of any principal and your investment in the PLUS may result in a loss.** The terms of the PLUS differ from those of ordinary debt securities in that the PLUS do not pay interest or guarantee the payment of any principal amount at maturity. If the final basket value is less than the initial basket value, the payout at maturity will be an amount in cash that is less than the $10 stated principal amount of each PLUS by an amount proportionate to the decline in the basket closing value.

- **Appreciation potential is limited to the maximum payment at maturity.** The appreciation potential of PLUS is limited by the maximum payment at maturity of $15.50 to $16.00 (155.00% to 160.00% of the stated principal amount) per PLUS. The actual maximum payment at maturity will be determined on the pricing date. Although the leverage factor provides 250% exposure to any amount by which the final basket value is greater than the initial basket value, because the maximum payment at maturity will be limited to 155.00% to 160.00% of the stated principal amount for the PLUS, any amount by which the final basket value is greater than the initial basket value by more than 22.00% (in the case where the maximum payment at maturity is 155.00% of the stated principal amount) to 24.00% (in the case where the maximum payment at maturity is 160.00% of the stated principal amount) will not further increase the return on the PLUS. Moreover, due to the specific formula used to calculate the currency performance for each basket currency, the maximum possible currency performance will be no greater than 100%. For an explanation of this possibility and how the currency performance formula is calculated, see "How Do Currency Exchange Rates Work?" on page 4 and "Hypothetical Payouts on the PLUS at Maturity — Example 2" on page 11.

- **The PLUS are subject to the credit risk of JPMorgan Chase & Co., and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the PLUS.**
  Investors are dependent on JPMorgan Chase & Co.'s ability to pay all amounts due on the PLUS at maturity, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to affect adversely the value of the PLUS.

- **Economic interests of the calculation agent and other affiliates of the issuer may be different from those of investors.** We and our affiliates play a variety of roles in connection with the issuance of the PLUS, including acting as calculation agent and hedging our obligations under the PLUS. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the PLUS. The calculation agent will determine the initial basket value and the final basket value, and will calculate the amount you will receive at maturity. Determinations made by the calculation agent, including with respect to the occurrence or non-occurrence of market disruption events, the selection of a successor to a basket currency or calculation of the final share price in the event of a discontinuance of a basket currency, and any anti-dilution adjustments, may affect the payout to you at maturity.

- **The inclusion in the original issue price of commissions and estimated cost of hedging is likely to adversely affect secondary market prices.** Assuming no change in market conditions or any other relevant factors, the price, if any, at which JPMS is willing to purchase PLUS in secondary market transactions will likely be lower than the original issue price, because the original issue price will include, and secondary market prices are likely to exclude, commissions paid with respect to the PLUS, as well as the estimated cost of hedging the issuer's obligations under the PLUS. In addition, any such prices may differ from values determined by pricing models used by JPMS, as a result of dealer discounts, mark-ups or other transaction costs. The PLUS are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your PLUS to maturity.

- **The market price of the PLUS is influenced by many unpredictable factors.** Several factors will influence the value of the PLUS in the secondary market and the price at which JPMS may be willing to purchase or sell the PLUS in the secondary market, including: time remaining to maturity, geopolitical conditions and economic, financial, political, regulatory, geographical, agricultural, meteorological and judicial events that affect the basket currencies, the exchange rate and the volatility of the exchange rate between the U.S. dollar and the basket currencies and and any actual or anticipated changes in our credit ratings or credit spreads. The price of the basket currencys may be and has recently been volatile, and we can give you no assurance that the volatility will lessen. You may receive less, and possibly significantly less, than the stated principal amount per PLUS if you try to sell your PLUS prior to maturity.

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- **Changes in the exchange rates of one or more of the basket currencies relative to the U.S. dollar may offset each other**. Exchange rate movements in the basket currencies may not correlate with each other. At a time when one or more of the basket currencies strengthens relative to the U.S. dollar, one or more of the other basket currencies may weaken relative the U.S. dollar or strengthen to a lesser extent. Therefore, in calculating the basket performance, the strengthening relative to the U.S. dollar of one or more of the basket currencies may be moderated, or wholly offset, by the weakening or lesser strengthening relative to the U.S. dollar of one or more of the other basket currencies.

  Moreover, due to the specific formula used to calculate the currency performance for each basket currency, the maximum possible currency performance will be no greater than 100% while there is no comparable limit on the negative performance of a basket currency. Consequently, even if eleven of the basket currencies were to appreciate significantly relative to the U.S. dollar, that positive performance could be more than offset by a severe devaluation of the twelfth basket currency, so that the investor would lose a significant amount or all of its initial investment. For an explanation of this possibility and how the currency performance formula is calculated, see "How Do Currency Exchange Rates Work?" on page 4 and "Hypothetical Payouts on the PLUS at Maturity — Example 2" on page 11.

  You can review a table of the historical exchange rates and related graphs of each of the basket currencies and a graph of the historical performance of the basket (assuming that each of the basket currencies is equally weighted) in these preliminary terms under "Historical Information" on page 20 below and "Basket Overview" on page 3 above. You cannot predict the future performance of any of the basket currencies or of the basket as a whole, or whether the strengthening of any of the basket currencies relative to the U.S. dollar will be offset by the weakening of the other basket currencies relative to the U.S. dollar, based on historical performance. In addition, there can be no assurance that the basket performance will be positive so that you will receive at maturity an amount in excess of the stated principal amount of the PLUS. If the basket performance is less than zero, you will receive at maturity an amount that is less, and potentially significantly less, than the amount of your original investment in the PLUS.

- **The PLUS might not pay as much as an investment in the individual basket currencies.** You may receive a lower payment at maturity than you would have received if you had invested in the basket currencies individually, a combination of basket currencies or contracts related to the basket currencies for which there is an active secondary market.

- **The PLUS are subject to currency exchange risk.** Foreign currency exchange rates vary over time, and may vary considerably during the term of the PLUS. The value of a basket currency or the U.S. dollar is at any moment a result of the supply and demand for that currency. Changes in foreign currency exchange rates result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the countries issuing the basket currencies and the United States, and economic and political developments in other relevant countries or regions.

  Of particular importance to potential currency exchange risk are:

  - existing and expected rates of inflation;

  - existing and expected interest rate levels;

  - the balance of payments; and

  - the extent of government surpluses or deficits in the countries issuing the basket currencies and the United States of America.

  All of these factors are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of various countries issuing the basket currencies and the United States and other countries important to international trade and finance.

- **Governmental intervention could materially and adversely affect the value of the PLUS**. Foreign exchange rates can be fixed by the sovereign government, allowed to float within a range of exchange rates set by the government or left to float freely. Governments, including those issuing the basket currencies and the U.S. dollar, use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency, fix the exchange rate or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the PLUS is that their trading value and amount payable could be affected by the actions of sovereign governments, fluctuations in response to other market forces and the movement of currencies across borders.

- **Because the basket currencies are emerging markets currencies, the basket is subject to an increased risk of significant adverse fluctuations.** The PLUS are linked to the performance of an equally weighted Basket of twelve currencies, ten of which are emerging markets currencies. There is an

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increased risk of significant adverse fluctuations in the performances of the emerging markets currencies as they are currencies of less developed and less stable economies without a stabilizing component that could be provided by one of the major currencies. With respect to any emerging or developing nation, there is the possibility of nationalization, expropriation or confiscation, political changes, government regulation and social instability. Currencies of emerging economies are often subject to more frequent and larger central bank interventions than the currencies of developed countries and are also more likely to be affected by drastic changes in monetary or exchange rate policies of the relevant countries, which may negatively affect the value of the PLUS.

- *Mexican peso*

The exchange rate between the Mexican peso and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in Mexico or elsewhere, and by macroeconomic factors and speculative actions. Since 1994, the Mexican government has allowed the peso to float freely against the U.S. dollar and since 1982 has not restricted the ability to convert pesos into foreign currencies. The peso depreciated through the late 1990s, stabilized and strengthened in 2001 and depreciated significantly thereafter, due in large part to the worldwide economic slowdown and increased volatility in the foreign exchange markets. In 2008, the Mexican peso continued to depreciate against the dollar on worries about the trouble in the global financial markets. There can be no assurance that the peso will not depreciate significantly in the future, as it has in the past, or that the Mexican government will maintain its current foreign exchange policies. Factors that might affect the likelihood of the government's imposing these or other exchange control restrictions include the extent of Mexico's foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the size of Mexico's debt service burden relative to the economy as a whole, Mexico's policy towards the International Monetary Fund, and political constraints to which Mexico may be subject.

- *Brazilian real*

The exchange rate between the Brazilian real and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in Brazil or elsewhere, and by macroeconomic factors and speculative actions. The exchange rate is freely negotiated, but may be influenced from time to time by intervention by the Central Bank of Brazil. From 1995 to 1999, the Central Bank of Brazil allowed the gradual devaluation of the real relative to the U.S. dollar. In 1999, the Brazilian real suffered a currency crisis with significant devaluation. Subsequently, the Central Bank of Brazil allowed the exchange rate to float freely, although subject to frequent intervention by the Central Bank of Brazil to manipulate the exchange rate of the Brazilian real for U.S. dollars. Since then the exchange rate has fluctuated considerably. In addition, under certain conditions the government has the ability to restrict the conversion of the real into foreign currencies. Factors that might affect the likelihood of the government's imposing these or other exchange control restrictions include the extent of Brazil's foreign currency reserves, the size of Brazil's debt service burden relative to the economy as a whole, Brazil's policy towards the International Monetary Fund, and political constraints to which Brazil may be subject.

- *Chilean peso*

The Chilean peso has been subject to large devaluations and revaluations in the past and could be subject to significant fluctuations in the future. Prior to 1999, transactions by banks were generally conducted within an exchange rate band set by the Chilean Central Bank, and the Chilean Central Bank intervened in the foreign exchange market in order to maintain the exchange rate within such limits. Since 1999, when the Chilean Central Bank eliminated this band, the Chilean Central Bank has allowed the currency to float against the U.S. dollar and other currencies as part of the Formal Exchange Market discussed below, while retaining the right to intervene in the exchange rate market under certain circumstances. Chile has two currency markets, the Formal Exchange Market and the Informal Exchange Market. The Formal Exchange Market comprises banks and other entities authorized by the Chilean Central Bank. The Informal Exchange Market comprises entities that are not expressly authorized to operate in the Formal Exchange Market, such as most foreign exchange houses and travel agencies that are permitted to operate in the Informal Exchange Market. There are no limits imposed on the extent to which the rate of exchange in the Informal Exchange Market can fluctuate above or below the observed exchange rate. Current Chilean regulations require that the Chilean Central Bank be informed of certain transactions and that these transactions be effected through the Formal Exchange Market. The Chilean Central Bank sets a reference exchange rate for the Formal Exchange Market which is reset daily, taking into account internal and external inflation and variations in parities between the Chilean peso and each of the U.S. dollar, the euro and the Japanese yen. The Formal Exchange Market uses this reference exchange rate as a benchmark for effecting transactions in this market. The observed exchange rate, which is publicly reported by the Chilean Central Bank, is computed by taking the weighted average of the previous business day's transactions on the Formal Exchange Market. On April 10, 2008, the Chilean Central Bank announced that it would intervene in the Formal Exchange Market by increasing the level of its international reserves by

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U.S. $8 billion by purchasing approximately $50 million U.S. dollars daily on the local currency exchange. The Chilean Central Bank has stated that it decided to implement this program in order to strengthen the international liquidity of the Chilean economy in the face of recent uncertainty in the global financial markets. This intervention program was launched on April 14, 2008 and is scheduled to continue until the end of 2008. These interventions and any other interventions by the Chilean Central Bank in the foreign exchange market as a response to economic crises, political pressure or otherwise could have a significant adverse effect on the value of the Chilean peso. Factors that could affect the value of the Chilean peso and the likelihood of government intervention or the imposition of certain exchange control restrictions include: the extent of Chile's foreign currency reserves; inflation rates; copper prices (which influence the profitability of Chile's copper exports); events in Brazil and Argentina; the balance of payments; the extent of governmental surpluses and deficits; the size of Chile's debt service burden relative to the economy as a whole, and political constraints to which Chile may be subject.

- *Polish zloty*

  The exchange rate between the Polish zloty and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in Poland or elsewhere, and by macroeconomic factors and speculative actions. Although the Polish zloty is not officially pegged or linked to other currencies, the National Bank of Poland ("NBP") has in the past actively managed the Polish zloty's value in the years following the 1989 overthrow of Poland's communist regime. In 1989, inflation exploded and reached a four-figure level. At the beginning of the 1990s there was a considerable degree of dollarization of the economy as currency resources were composed in 75% of foreign currencies and only in 25% of zloty funds in cash and in bank accounts. Since 1999, direct inflation target strategy has been utilized in the implementation of monetary policy. Within the framework of this strategy, a body of the NBP called the Monetary Policy Council defines the inflation target and then adjusts the NBP basic interest rates in order to maximize the probability of achieving the target. Since the beginning of 2004, the NBP has pursued a continuous inflation target at the level of 2.5% with a permissible fluctuation band of +/- 1 percentage point. The NBP maintains interest rates at a level consistent with the adopted inflation target by influencing the level of nominal short-term interest rates on the money market. In January 1, 1995, a redenomination of the zloty was performed at a rate of 10,000 old Polish zBoty to 1 new zloty. The NBP's policies with respect to interest rates, as a result of political pressure, economic crises or otherwise, could have a significant negative effect on the value of the Polish zloty and, consequently, the basket performance. Factors that might affect the likelihood of the government's imposing these or other exchange control restrictions include European Union requirements, the level of Poland's foreign debt, the extent of Poland's foreign currency reserves, the size of Poland's debt service burden relative to the economy as a whole, regional hostilities, terrorist attacks or social unrest, and political constraints to which Poland may be subject. Poland, a member of the European Union, is seeking to adopt the Euro in 2012. Disagreements with the European Union about Poland's budget deficit make the date of adoption uncertain.

- *Turkish lira*

  The exchange rate between the Turkish lira and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in Turkey or elsewhere, and by macroeconomic factors and speculative actions. The Central Bank of Turkey has implemented a floating exchange rate regime, which has been in effect since February 2001. In an attempt to address the severe depreciation in value of the Turkish lira due to a period of chronic inflation, the Turkish government replaced the Turkish lira with the new Turkish lira at a rate of 1,000,000 old lira to 1 new Turkish lira on January 1, 2005. In addition, the Bank has from time to time intervened in the foreign exchange market by conducting foreign exchange purchase auctions and other forms of intervention, usually in cases of excess volatility in the floating exchange rate regime. The government may impose other restrictions on the foreign exchange market, such as by restricting the ability to convert lira into foreign currencies. Factors that might affect the likelihood of the government's imposing these or other exchange control restrictions include the level of Turkey's foreign debt, the extent of Turkey's foreign exchange reserves, regional hostilities, terrorist activities or social unrest, including unresolved issues in Turkey's relations with Greece, and the level of untaxed economic activities due to Turkey's substantial unregistered economy.

- *South African rand*

  The exchange rate between the South African rand and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in South Africa or elsewhere, and by macroeconomic factors and speculative actions. The South African Reserve Bank allows the rand to float freely against the U.S. dollar and does not have fixed exchange rate targets, although it intervenes in the market to achieve policy goals, such as attempting to limit inflation. From 1996 to 1998, the South African rand was impacted by a currency crisis and depreciated significantly. After expending large amounts of its

currency reserves in 1998 to defend the South African rand, the South African Reserve Bank publicly stated that it would no longer try to protect any predetermined level of the South African rand over a sustained period. In addition, the South African government abolished in 1995 the dual exchange rate system under which exchange controls were imposed upon both foreigners and residents, leaving in place exchange controls on the movement of capital by South African residents only, although some restrictions remain on capital outflows in connection with large foreign investments. Any abolition or reduction of exchange controls on capital movements by residents may impact on the South African rand, although the degree of such impact would depend on the precise policy parameters, in conjunction with prevailing market conditions.

- *Israeli shekel*

The exchange rate between the Israeli new shekel and the U.S. dollar is primarily affected by the supply and demand for the two currencies but is also heavily influenced by the actions of the central bank of Israel, the Bank of Israel, and is also influenced significantly from time to time by political or economic developments in Israel or elsewhere, and by macroeconomic factors and speculative actions. Since 1986, the value of the shekel has been linked to a basket of currencies. The shekel was based on the U.S. dollar, German mark, pound sterling, French franc, and Japanese yen until 1999, at which point the mark and franc were exchanged for the euro. Israel has from time to time experienced political volatility and has been subject to ongoing security concerns. Since the establishment of the State of Israel in 1948, a number of armed conflicts have occurred between Israel and its Arab neighbors. Since 2005, when Israel withdrew from the Gaza strip, terrorist violence in Israel has increased. If the level of violence increases in the future, Israel's capital markets, the level of tourism in Israel and foreign investment in Israel, among other things, may suffer. The conflicts with the Hamas-led Palestinian Authority and with Hezbollah in Lebanon may worsen and potentially affect Israel's economic condition. In addition, political instability may affect the stability of the Israeli economy.

- *Chinese renminbi*

The exchange rate between the Chinese renminbi and the U.S. dollar is managed by the Chinese government, and may also be influenced by political or economic developments in the People's Republic of China or elsewhere and by macroeconomic factors and speculative actions. From 1994 to 2005, the Chinese government used a managed floating exchange rate system, under which the People's Bank of China (the "People's Bank") allowed the renminbi to float against the U.S. dollar within a very narrow band around the central exchange rate published daily by the People's Bank.

In July 2005, the People's Bank revalued the renminbi by 2% and announced that in the future it would set the value of the renminbi with reference to a basket of currencies rather than solely with reference to the U.S. dollar. In addition, the People's Bank recently announced that the reference basket of currencies used to set the value of the renminbi will be based on a daily poll of onshore market dealers and other undisclosed factors. Movements in the exchange rate between the Chinese renminbi and the U.S. dollar within the narrow band established by the People's Bank result from the supply of, and the demand for, those two currencies and fluctuations in the reference basket of currencies.

To the extent that management of the renminbi by the People's Bank has resulted in and currently results in trading levels that do not fully reflect market forces, any further changes in the government's management of the Chinese renminbi could result in significant movement in the value of the renminbi. Changes in the exchange rate result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the People's Republic of China and the United States, including economic and political developments in other countries.

- *Indian rupee*

The exchange rate between the Indian rupee and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in India or elsewhere, and by macroeconomic factors and speculative actions. During the past decade, the Indian government has pursued policies of economic liberalization and deregulation, but the government's role in the economy has remained significant. From 1993 to 2003, the Indian rupee depreciated, but an increase in foreign investment in India led to strengthening of the Indian rupee from 2003 to 2007. In 2008, the Indian rupee depreciated rapidly against the U.S. dollar, owing to the global dollar liquidity shortage, heavy withdrawals of portfolio investment from India and purchases of U.S. dollars by Indian banks to fund their overseas operations. The Indian government allows the exchange rate to float freely, without a fixed target or band, but the Reserve Bank of India will intervene when it deems necessary to preserve stability. It also has the ability to restrict the conversion of rupees into foreign currencies, and under certain circumstances investors that seek to convert rupees into foreign currency must obtain the approval of the Reserve Bank of India. Factors that might affect the likelihood of the government's imposing these or other exchange control restrictions include political pressure related to recent inflation and its effect on exporters, the extent

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of India's foreign currency reserves, the balance of payments, the extent of governmental surpluses and deficits, the size of India's debt service burden relative to the economy as a whole, regional hostilities, terrorist attacks or social unrest, and political constraints to which India may be subject.

- *South Korean won*

  The exchange rate between the Korean won and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in the Republic of Korea or elsewhere and by macroeconomic factors and speculative actions. Prior to 1997, the South Korean government permitted exchange rates to float within a daily range of 2.25%. In response to economic difficulties in 1997, the government expanded the range of permitted exchange rate fluctuations to 10%. In December 1997, the government eliminated the daily exchange rate band and the Korean won now floats according to market forces. During the Asian financial crisis of 1997, the Korean won lost roughly half of its value against the U.S. dollar and did not recover to pre-crisis levels until 2006. While the Korean won is currently allowed to float freely, any existing or future restrictions on currency exchange in the Republic of Korea could affect the exchange rate between the Korean won and the U.S. dollar.

- *New Taiwan dollar*

  The exchange rate between the Taiwan dollar and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments and by macroeconomic factors and speculative actions. The Taiwan dollar has been allowed to float according to market forces since 1989, but the government has from time to time intervened to minimize fluctuation of the exchange rate and to prevent significant declines of the Taiwan dollar with respect to the U.S. dollar. In addition, the exchange rate may be affected by developments in relations between Taiwan and the People's Republic of China which has threatened to use military force to gain control over Taiwan in certain limited circumstances, such as a declaration of independence by Taiwan.

- *Malaysian ringgit*

  The exchange rate between the Malaysian ringgit and the U.S. dollar is primarily affected by the supply and demand for the two currencies but is also heavily influenced by the actions of the central bank of Malaysia, Bank Negara Malaysia ("BNM"). The Malaysian ringgit was heavily impacted by the Asian financial crisis of 1997/1998. In the wake of the market driven devaluation, the Malaysian government announced that it would peg the Malaysian ringgit to the U.S. dollar. This peg remained in place until July 2005 when, following a similar announcement by the government of China related to the renminbi, the Malaysian government announced it was removing the peg and would allow the Malaysian ringgit to operate in a managed float. The BNM monitors the exchange rate for the Malaysian ringgit against a basket of currencies. The components of the basket are not disclosed. Factors that might affect the Malaysian government's policy with respect to the Malaysian ringgit include the extent of Malaysia's foreign currency reserves, the monetary policy of neighboring regional powers such as China, the balance of payments, the extent of governmental surpluses and deficits, the size of Malaysia's debt service burden relative to the economy as a whole, regional hostilities, terrorist attacks or social unrest, and political constraints to which Malaysia may be subject.

- **Even though the basket currencies and U.S. dollar trade around-the-clock, the PLUS will not**. Because the inter-bank market in foreign currencies is a global, around-the-clock market, the hours of trading for the PLUS, if any, will not conform to the hours during which the basket currencies and U.S. dollar are traded. Consequently, significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the price of the PLUS. Additionally, there is no systematic reporting of last-sale information for foreign currencies which, combined with the limited availability of quotations to individual investors, may make it difficult for many investors to obtain timely and accurate data regarding the state of the underlying foreign exchange markets.

- **The recent global financial crisis or any future financial crisis can be expected to heighten currency exchange risks**. In periods of financial turmoil, capital can move quickly out of regions that are perceived to be more vulnerable to the effects of the crisis than others with sudden and severely adverse consequences to the currencies of those regions. In addition, governments around the world, including the United States government and governments of other major world currencies, have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. Such interventions affect currency exchange rates globally and, in particular, the value of the basket currencies relative to the U.S. dollar. Further interventions, other government actions or suspensions of actions, as well as other changes in government economic policy or other financial or economic events affecting the currency markets, may cause currency exchange rates to fluctuate sharply in the future, which could have a material adverse effect on the value of the PLUS and your return on your investment in the PLUS at maturity.

- **Currency market disruptions may adversely affect your return.** The calculation agent may, in its sole discretion, determine that the currency markets have been affected in a manner that prevents it from properly determining, among other things, the spot rates and the currency performance. These events may include disruptions or suspensions of trading in the currency markets as a whole, and could be a Convertibility Event, a Deliverability Event, a Liquidity Event, a Taxation Event, a Discontinuity Event or a Price Source Disruption Event. See "General Terms of Notes — Market Disruption Events" in the accompanying product supplement no. MS-11-A-I for further information on what constitutes a market disruption event.

- **Hedging and trading activity by the calculation agent and its affiliates could potentially affect the value of the PLUS.** The hedging or trading activities of the issuer's affiliates and of any other hedging counterparty with respect to the PLUS on or prior to the pricing date and prior to maturity could adversely affect the value of the basket currencys, and, as a result, could decrease the amount an investor may receive on the PLUS at maturity. Any of these hedging or trading activities on or prior to the pricing date could potentially affect the value of the basket currencys on the pricing date and, therefore, could potentially increase the level that the basket currencys must reach on the valuation date before you receive a payment at maturity that exceeds the issue price of the PLUS. Additionally, such hedging or trading activities during the term of the PLUS, including on the valuation date, could adversely affect the final basket value and, accordingly, the amount of cash an investor will receive at maturity.

- **Secondary trading may be limited.** The PLUS will not be listed on a securities exchange. There may be little or no secondary market for the PLUS. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the PLUS easily. JPMS may act as a market maker for the PLUS, but is not required to do so. Because we do not expect that other market makers will participate significantly in the secondary market for the PLUS, the price at which you may be able to trade your PLUS is likely to depend on the price, if any, at which JPMS is willing to buy the PLUS. If at any time JPMS or another agent does not act as a market maker, it is likely that there would be little or no secondary market for the PLUS.

- **The tax consequences of an investment in the PLUS are unclear**. There is no direct legal authority as to the proper U.S. federal income tax characterization of the PLUS, and we do not intend to request a ruling from the IRS regarding the PLUS. The IRS might not accept, and a court might not uphold, the characterization and tax treatment of the PLUS described in "Fact Sheet General Information Tax considerations" in this document and in "Certain U.S. Federal Income Tax Consequences" in the accompanying product supplement no. MS-11-A-I. If the IRS were successful in asserting an alternative characterization or treatment for the PLUS, the timing and character of income on the PLUS could differ materially and adversely from our description herein. In addition, in 2007 Treasury and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments, such as the PLUS. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by Non-U.S. Holders should be subject to withholding tax; and whether these instruments are or should be subject to the "constructive ownership" regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the PLUS, possibly with retroactive effect. In 2007 the IRS also issued a revenue ruling holding that a financial instrument with some arguable similarity to the PLUS is properly treated as a debt instrument denominated in a foreign currency. The PLUS are distinguishable in meaningful respects from the instrument described in the revenue ruling. If, however, the reach of the revenue ruling were to be extended, it could materially and adversely affect the tax consequences of an investment in the PLUS for U.S. Holders, possibly with retroactive effect. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the PLUS, including possible alternative treatments and the issues presented by the notice and revenue ruling described above. Non-U.S. Holders should also note that they may be withheld upon unless they have submitted a properly completed IRS Form W-8BEN or otherwise satisfied the applicable documentation requirements.

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
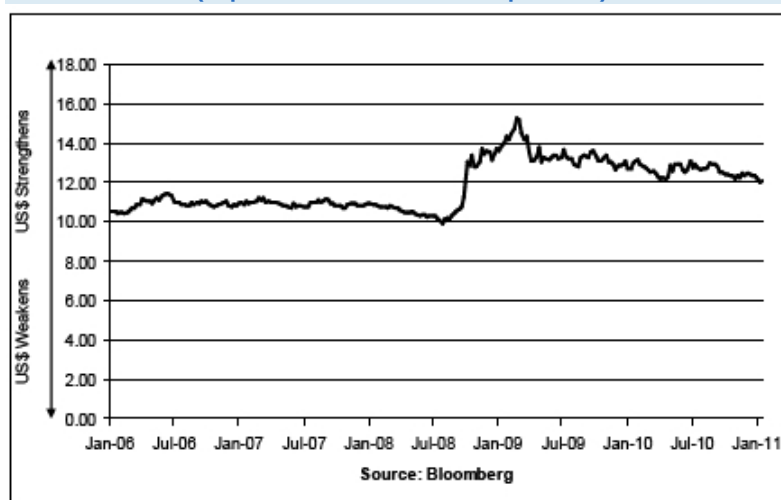**Performance Leveraged Upside Securities**[SM]

## Historical Information

The following tables set forth the published high and low exchange rates, as well as end-of-quarter exchange rates, for each of the basket currencies for each quarter in the period from January 2, 2006 through February 1, 2011. We obtained the information in the tables and graphs below from Bloomberg Financial Markets, without independent verification. The historical exchange rates of the basket currencies should not be taken as an indication of future performance, and no assurance can be given as to the exchange rates on the valuation date.

| MXN (# MXN / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 11.0160 | 10.4352 | 10.8740 |
| Second Quarter | 11.4806 | 10.8520 | 11.3400 |
| Third Quarter | 11.2500 | 10.7714 | 10.9837 |
| Fourth Quarter | 11.0914 | 10.7317 | 10.8188 |
| **2007** | | | |
| First Quarter | 11.2083 | 10.7685 | 11.0448 |
| Second Quarter | 11.0180 | 10.7155 | 10.8076 |
| Third Quarter | 11.1954 | 10.7378 | 10.9355 |
| Fourth Quarter | 11.0161 | 10.6540 | 10.9088 |
| **2008** | | | |
| First Quarter | 10.9972 | 10.6434 | 10.6434 |
| Second Quarter | 10.5830 | 10.2683 | 10.3097 |
| Third Quarter | 11.0315 | 9.8581 | 10.9339 |
| Fourth Quarter | 13.9000 | 10.9600 | 13.6944 |
| **2009** | | | |
| First Quarter | 15.5665 | 13.3803 | 14.1737 |
| Second Quarter | 14.0461 | 12.9463 | 13.1850 |
| Third Quarter | 13.7483 | 12.8290 | 13.5020 |
| Fourth Quarter | 13.7618 | 12.6357 | 13.0903 |
| **2010** | | | |
| First Quarter | 13.2139 | 12.3610 | 12.3610 |
| Second Quarter | 13.1465 | 12.1523 | 12.9403 |
| Third Quarter | 13.1995 | 12.4991 | 12.5925 |
| Fourth Quarter | 12.5920 | 12.2026 | 12.3603 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 12.2474 | 11.9811 | 11.9999 |



**Mexican peso**
**January 6, 2006 through January 28, 2011**
**(expressed as units of MXN per USD)**

Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012

**Performance Leveraged Upside Securities**[SM]

| BRL (#BRL / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 2.3364 | 2.1040 | 2.1640 |
| Second Quarter | 2.3525 | 2.0555 | 2.1650 |
| Third Quarter | 2.2244 | 2.1230 | 2.1690 |
| Fourth Quarter | 2.2000 | 2.1310 | 2.1355 |
| **2007** | | | |
| First Quarter | 2.1520 | 2.0395 | 2.0590 |
| Second Quarter | 2.0475 | 1.9025 | 1.9291 |
| Third Quarter | 2.0562 | 1.8330 | 1.8330 |
| Fourth Quarter | 1.8484 | 1.7355 | 1.7790 |
| **2008** | | | |
| First Quarter | 1.8335 | 1.6625 | 1.7597 |
| Second Quarter | 1.7400 | 1.5907 | 1.6040 |
| Third Quarter | 1.9625 | 1.5598 | 1.9060 |
| Fourth Quarter | 2.5120 | 1.9179 | 2.3145 |
| **2009** | | | |
| First Quarter | 2.4506 | 2.1695 | 2.3233 |
| Second Quarter | 2.2733 | 1.9214 | 1.9528 |
| Third Quarter | 2.0035 | 1.7664 | 1.7664 |
| Fourth Quarter | 1.7930 | 1.7002 | 1.7445 |
| **2010** | | | |
| First Quarter | 1.8860 | 1.7215 | 1.7783 |
| Second Quarter | 1.8841 | 1.7270 | 1.8047 |
| Third Quarter | 1.7927 | 1.6876 | 1.6876 |
| Fourth Quarter | 1.7403 | 1.6533 | 1.6600 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 1.6890 | 1.6475 | 1.6648 |
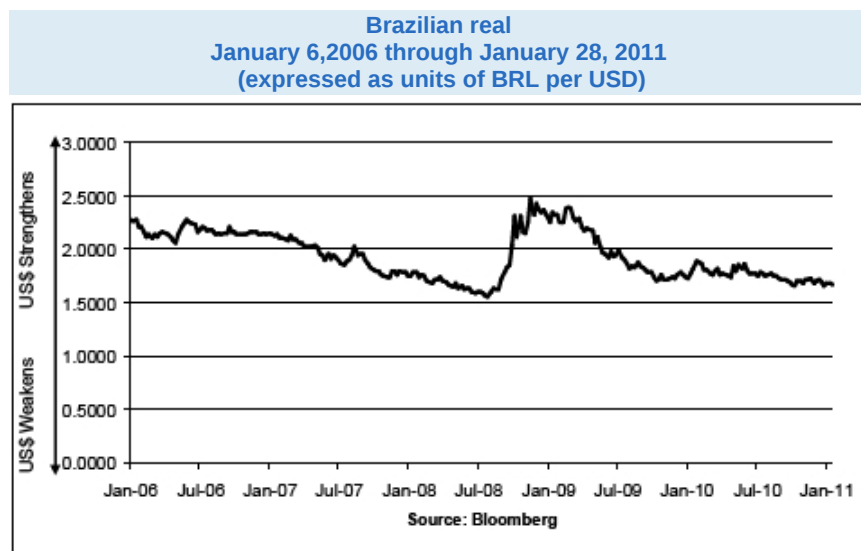
**Brazilian real**
**January 6, 2006 through January 28, 2011**
**(expressed as units of BRL per USD)**



Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| CLP (#CLP / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 534.9500 | 513.5500 | 526.3500 |
| Second Quarter | 550.3500 | 511.0000 | 538.8500 |
| Third Quarter | 546.8500 | 530.7500 | 535.1000 |
| Fourth Quarter | 537.2200 | 522.0400 | 533.3800 |
| **2007** | | | |
| First Quarter | 549.3500 | 534.7400 | 539.2700 |
| Second Quarter | 539.6400 | 517.0300 | 527.5500 |
| Third Quarter | 526.8200 | 510.4700 | 510.4700 |
| Fourth Quarter | 515.4500 | 493.5000 | 497.9500 |
| **2008** | | | |
| First Quarter | 497.5800 | 430.8800 | 437.0800 |
| Second Quarter | 524.6500 | 434.2500 | 524.6500 |
| Third Quarter | 558.9500 | 490.5500 | 552.3500 |
| Fourth Quarter | 683.2500 | 560.7500 | 637.2500 |
| **2009** | | | |
| First Quarter | 641.1300 | 573.2000 | 584.9500 |
| Second Quarter | 601.5000 | 530.1500 | 533.2500 |
| Third Quarter | 559.4500 | 532.0000 | 549.5000 |
| Fourth Quarter | 555.7500 | 492.6500 | 507.4500 |
| **2010** | | | |
| First Quarter | 550.7300 | 487.8600 | 524.1700 |
| Second Quarter | 546.3500 | 512.5400 | 545.9500 |
| Third Quarter | 540.6000 | 484.0500 | 484.0500 |
| Fourth Quarter | 494.7500 | 467.9500 | 468.0000 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 499.0000 | 465.6700 | 480.4500 |

**Chilean peso**
**January 6, 2006 through January 28, 2011**
**(expressed as units of CLP per USD)**



Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| PLN (# PLN / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 3.2853 | 3.1112 | 3.2366 |
| Second Quarter | 3.2899 | 2.9982 | 3.1792 |
| Third Quarter | 3.2268 | 2.9994 | 3.1336 |
| Fourth Quarter | 3.1203 | 2.8514 | 2.9032 |
| **2007** | | | |
| First Quarter | 3.0542 | 2.8841 | 2.8950 |
| Second Quarter | 2.8860 | 2.7539 | 2.7832 |
| Third Quarter | 2.8593 | 2.6425 | 2.6425 |
| Fourth Quarter | 2.6795 | 2.4263 | 2.4707 |
| **2008** | | | |
| First Quarter | 2.5285 | 2.2259 | 2.2268 |
| Second Quarter | 2.2437 | 2.1258 | 2.1300 |
| Third Quarter | 2.4645 | 2.0241 | 2.4107 |
| Fourth Quarter | 3.0856 | 2.4259 | 2.9614 |
| **2009** | | | |
| First Quarter | 3.8953 | 2.9277 | 3.5004 |
| Second Quarter | 3.4976 | 3.1284 | 3.1701 |
| Third Quarter | 3.1889 | 2.8009 | 2.8727 |
| Fourth Quarter | 2.9411 | 2.7106 | 2.8634 |
| **2010** | | | |
| First Quarter | 3.0165 | 2.7897 | 2.8581 |
| Second Quarter | 3.4929 | 2.8278 | 3.3890 |
| Third Quarter | 3.3248 | 2.9073 | 2.9073 |
| Fourth Quarter | 3.1140 | 2.7452 | 2.9619 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 3.0161 | 2.8325 | 2.8190 |

**Polish zloty
January 6,2006 through January 28, 2011
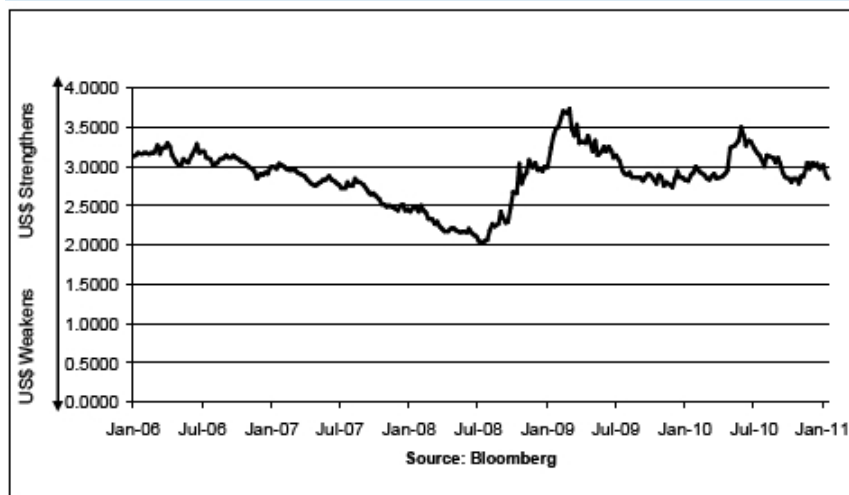(expressed as units of PLN per USD)**



Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| TRY (#TRY / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 1.3590 | 1.3028 | 1.3483 |
| Second Quarter | 1.7077 | 1.3175 | 1.5870 |
| Third Quarter | 1.5988 | 1.4380 | 1.5128 |
| Fourth Quarter | 1.5160 | 1.4160 | 1.4173 |
| **2007** | | | |
| First Quarter | 1.4547 | 1.3815 | 1.3892 |
| Second Quarter | 1.3888 | 1.3007 | 1.3134 |
| Third Quarter | 1.3870 | 1.2066 | 1.2066 |
| Fourth Quarter | 1.2236 | 1.1640 | 1.1705 |
| **2008** | | | |
| First Quarter | 1.3358 | 1.1487 | 1.3358 |
| Second Quarter | 1.3265 | 1.2083 | 1.2232 |
| Third Quarter | 1.2870 | 1.1536 | 1.2693 |
| Fourth Quarter | 1.7393 | 1.2729 | 1.5405 |
| **2009** | | | |
| First Quarter | 1.8066 | 1.5110 | 1.6649 |
| Second Quarter | 1.6546 | 1.5218 | 1.5404 |
| Third Quarter | 1.5618 | 1.4530 | 1.4830 |
| Fourth Quarter | 1.5280 | 1.4439 | 1.4986 |
| **2010** | | | |
| First Quarter | 1.5530 | 1.4501 | 1.5182 |
| Second Quarter | 1.6130 | 1.4708 | 1.5843 |
| Third Quarter | 1.5803 | 1.4456 | 1.4456 |
| Fourth Quarter | 1.5626 | 1.3950 | 1.5443 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 1.6145 | 1.5404 | 1.5787 |
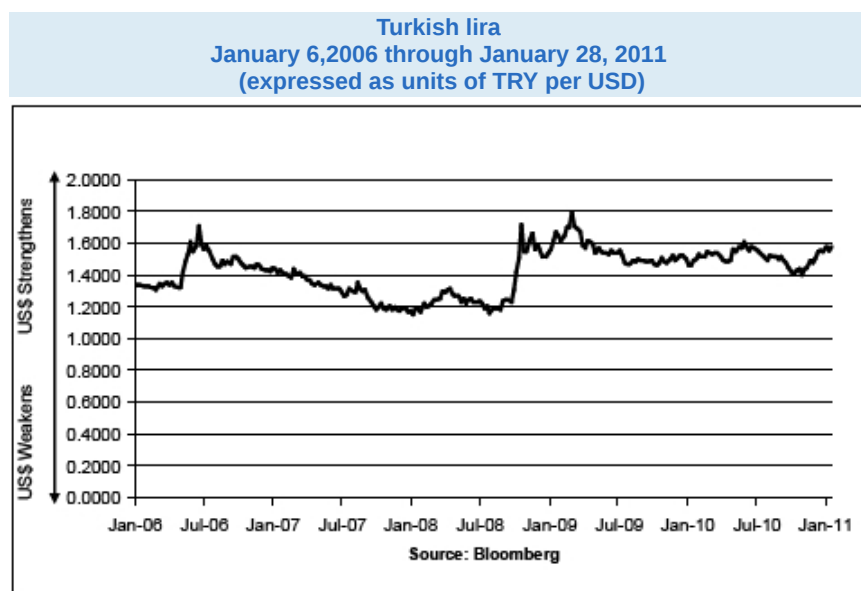


**Turkish lira
January 6,2006 through January 28, 2011
(expressed as units of TRY per USD)**
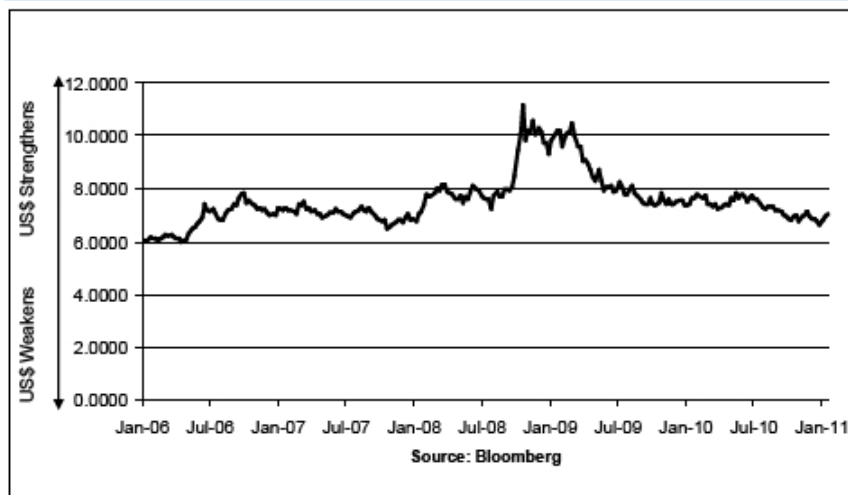
Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| ZAR (# ZAR / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 6.3547 | 5.9590 | 6.1765 |
| Second Quarter | 7.4268 | 5.9606 | 7.1730 |
| Third Quarter | 7.7693 | 6.7335 | 7.7693 |
| Fourth Quarter | 7.8812 | 6.9302 | 7.0061 |
| **2007** | | | |
| First Quarter | 7.5035 | 6.9146 | 7.2550 |
| Second Quarter | 7.2838 | 6.8895 | 7.0426 |
| Third Quarter | 7.4750 | 6.8210 | 6.8712 |
| Fourth Quarter | 7.0646 | 6.4953 | 6.8626 |
| **2008** | | | |
| First Quarter | 8.1651 | 6.7419 | 8.0922 |
| Second Quarter | 8.1425 | 7.4668 | 7.8199 |
| Third Quarter | 8.3543 | 7.2201 | 8.2884 |
| Fourth Quarter | 11.6500 | 8.2415 | 9.3213 |
| **2009** | | | |
| First Quarter | 10.6350 | 9.2950 | 9.5124 |
| Second Quarter | 9.3609 | 7.7147 | 7.7147 |
| Third Quarter | 8.2635 | 7.3181 | 7.5086 |
| Fourth Quarter | 7.9662 | 7.2338 | 7.3890 |
| **2010** | | | |
| First Quarter | 7.8004 | 7.2835 | 7.2835 |
| Second Quarter | 7.9595 | 7.2292 | 7.6714 |
| Third Quarter | 7.7528 | 6.9454 | 6.9678 |
| Fourth Quarter | 7.1525 | 6.6276 | 6.6276 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 7.1939 | 6.6275 | 7.1222 |

**South African rand**
**January 6, 2006 through January 28, 2011**
**(expressed as units of ZAR per USD)**
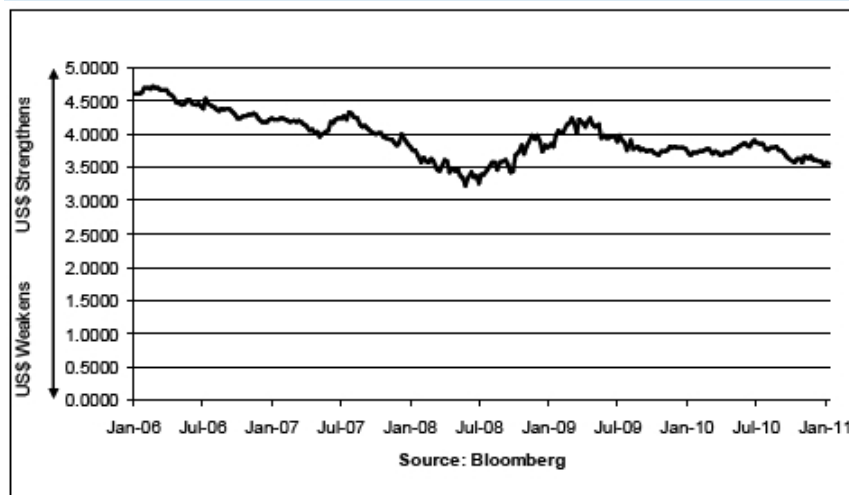


Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| ILS (# ILS / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 4.7240 | 4.5968 | 4.6635 |
| Second Quarter | 4.6460 | 4.4220 | 4.4300 |
| Third Quarter | 4.5532 | 4.3015 | 4.3042 |
| Fourth Quarter | 4.3370 | 4.1700 | 4.2164 |
| **2007** | | | |
| First Quarter | 4.2680 | 4.1580 | 4.1580 |
| Second Quarter | 4.2810 | 3.9400 | 4.2521 |
| Third Quarter | 4.3405 | 4.0180 | 4.0180 |
| Fourth Quarter | 4.0443 | 3.8300 | 3.8560 |
| **2008** | | | |
| First Quarter | 3.8560 | 3.3830 | 3.5400 |
| Second Quarter | 3.6385 | 3.2370 | 3.3523 |
| Third Quarter | 3.6335 | 3.2160 | 3.4590 |
| Fourth Quarter | 4.0273 | 3.4565 | 3.7810 |
| **2009** | | | |
| First Quarter | 4.2450 | 3.7739 | 4.2149 |
| Second Quarter | 4.2599 | 3.8980 | 3.9370 |
| Third Quarter | 3.9880 | 3.7250 | 3.7670 |
| Fourth Quarter | 3.8155 | 3.6895 | 3.7866 |
| **2010** | | | |
| First Quarter | 3.7911 | 3.6780 | 3.6950 |
| Second Quarter | 3.8880 | 3.6800 | 3.8880 |
| Third Quarter | 3.9050 | 3.6360 | 3.6395 |
| Fourth Quarter | 3.6927 | 3.5246 | 3.5246 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 3.7210 | 3.5201 | 3.6815 |

**Israeli new shekel**
**January 6,2006 through January 28, 2011**
**(expressed as units of ILS per USD)**
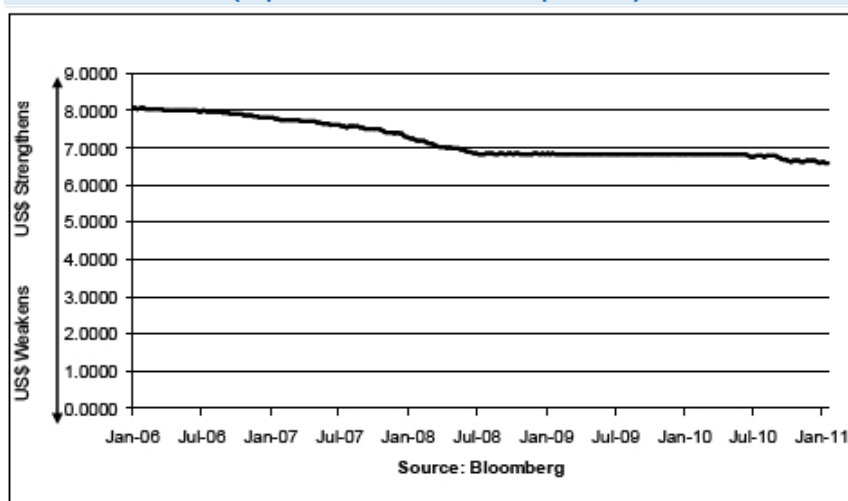


Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| CNY (# CNY / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 8.0702 | 8.0172 | 8.0172 |
| Second Quarter | 8.0265 | 7.9943 | 7.9943 |
| Third Quarter | 8.0048 | 7.8965 | 7.9041 |
| Fourth Quarter | 7.9149 | 7.8051 | 7.8051 |
| **2007** | | | |
| First Quarter | 7.8170 | 7.7258 | 7.7258 |
| Second Quarter | 7.7350 | 7.6132 | 7.6132 |
| Third Quarter | 7.6095 | 7.5036 | 7.5061 |
| Fourth Quarter | 7.5201 | 7.2971 | 7.2971 |
| **2008** | | | |
| First Quarter | 7.3071 | 7.0105 | 7.0120 |
| Second Quarter | 7.0184 | 6.8543 | 6.8543 |
| Third Quarter | 6.8760 | 6.8109 | 6.8460 |
| Fourth Quarter | 6.8850 | 6.8152 | 6.8255 |
| **2009** | | | |
| First Quarter | 6.8487 | 6.8235 | 6.8336 |
| Second Quarter | 6.8374 | 6.8199 | 6.8307 |
| Third Quarter | 6.8360 | 6.8258 | 6.8263 |
| Fourth Quarter | 6.8305 | 6.8251 | 6.8271 |
| **2010** | | | |
| First Quarter | 6.8346 | 6.8255 | 6.8265 |
| Second Quarter | 6.8330 | 6.7814 | 6.7814 |
| Third Quarter | 6.8105 | 6.6880 | 6.6900 |
| Fourth Quarter | 6.6918 | 6.5897 | 6.5897 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 6.6377 | 6.5829 | 6.5870 |

**Chinese renminbi**
**January 6,2006 through January 28, 2011**
**(expressed as units of CNY per USD)**
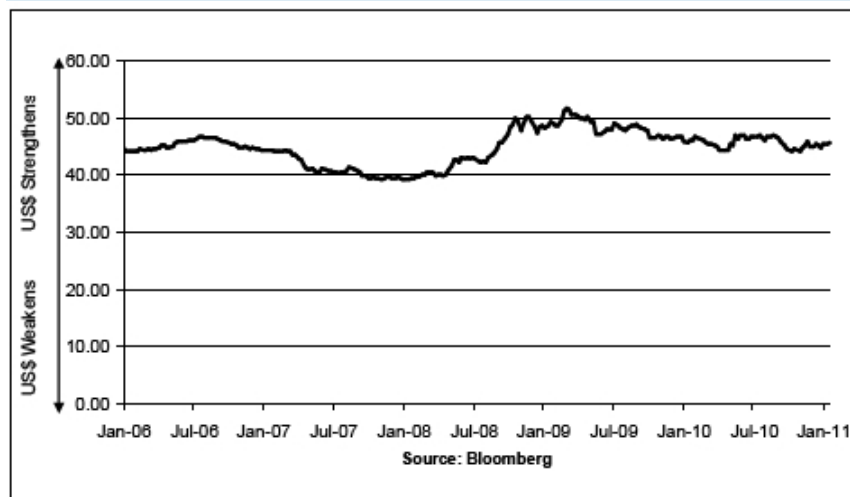


Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**<sup>SM</sup>

| INR (# INR / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 45.0925 | 44.1175 | 44.6225 |
| Second Quarter | 46.3900 | 44.6012 | 46.0400 |
| Third Quarter | 46.9950 | 45.7700 | 45.9250 |
| Fourth Quarter | 45.9715 | 44.2600 | 44.2600 |
| **2007** | | | |
| First Quarter | 44.6800 | 43.0450 | 43.4725 |
| Second Quarter | 43.0850 | 40.4850 | 40.7000 |
| Third Quarter | 41.3450 | 39.6900 | 39.7700 |
| Fourth Quarter | 39.8950 | 39.2500 | 39.4150 |
| **2008** | | | |
| First Quarter | 40.7350 | 39.2650 | 40.1100 |
| Second Quarter | 43.1000 | 39.7850 | 43.0550 |
| Third Quarter | 46.9800 | 42.0050 | 46.9800 |
| Fourth Quarter | 50.3500 | 46.6300 | 48.6750 |
| **2009** | | | |
| First Quarter | 51.9700 | 48.2600 | 50.7350 |
| Second Quarter | 50.5150 | 46.9650 | 47.9050 |
| Third Quarter | 49.0900 | 47.5300 | 48.1050 |
| Fourth Quarter | 47.7450 | 46.0550 | 46.5275 |
| **2010** | | | |
| First Quarter | 46.8050 | 44.8950 | 44.9500 |
| Second Quarter | 47.7050 | 44.2850 | 46.4525 |
| Third Quarter | 47.3600 | 44.9400 | 44.9650 |
| Fourth Quarter | 45.9450 | 44.1000 | 44.7050 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 45.9075 | 44.6150 | 45.4500 |

**Indian rupee
January 6,2006 through January 28, 2011
(expressed as units of INR per USD)**
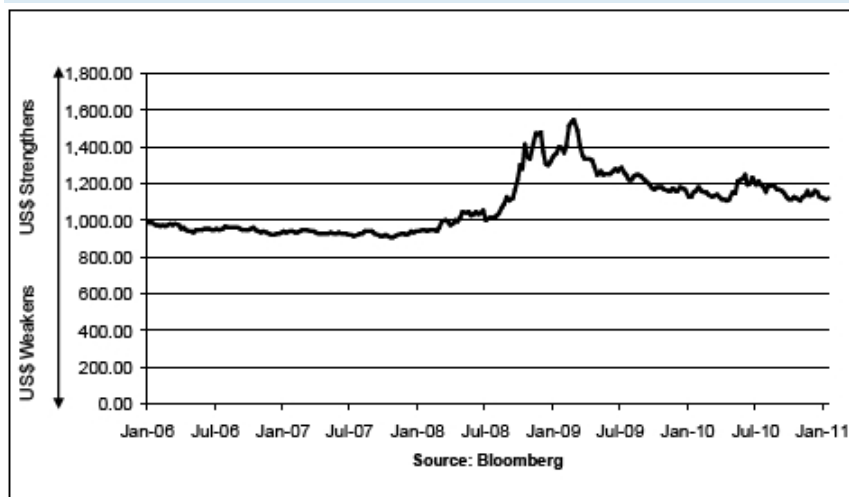


Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| KRW (# KRW / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 1007.9500 | 961.6000 | 971.6500 |
| Second Quarter | 970.8000 | 927.8000 | 948.7000 |
| Third Quarter | 965.7500 | 942.0000 | 946.5000 |
| Fourth Quarter | 963.8500 | 913.9000 | 930.0000 |
| **2007** | | | |
| First Quarter | 950.2500 | 925.6500 | 940.6000 |
| Second Quarter | 937.3500 | 923.0000 | 923.6000 |
| Third Quarter | 946.9000 | 913.9000 | 915.2500 |
| Fourth Quarter | 943.7000 | 902.1000 | 936.0500 |
| **2008** | | | |
| First Quarter | 1021.0500 | 936.0000 | 991.0000 |
| Second Quarter | 1050.5000 | 973.9000 | 1047.2500 |
| Third Quarter | 1186.5000 | 995.0500 | 1186.5000 |
| Fourth Quarter | 1514.5000 | 1190.5000 | 1259.5500 |
| **2009** | | | |
| First Quarter | 1582.3000 | 1259.5500 | 1367.2500 |
| Second Quarter | 1359.6000 | 1231.7800 | 1272.3500 |
| Third Quarter | 1305.2500 | 1175.6000 | 1175.6000 |
| Fourth Quarter | 1204.8500 | 1150.6000 | 1158.0500 |
| **2010** | | | |
| First Quarter | 1179.1300 | 1119.8500 | 1131.8500 |
| Second Quarter | 1252.0000 | 1104.2500 | 1231.2000 |
| Third Quarter | 1230.2000 | 1138.1500 | 1138.1500 |
| Fourth Quarter | 1171.2000 | 1105.9000 | 1124.8000 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 1125.7800 | 1105.90 | 1105.90 |

**South Korean won
January 6, 2006 through January 28, 2011
(expressed as units of KRW per USD)**
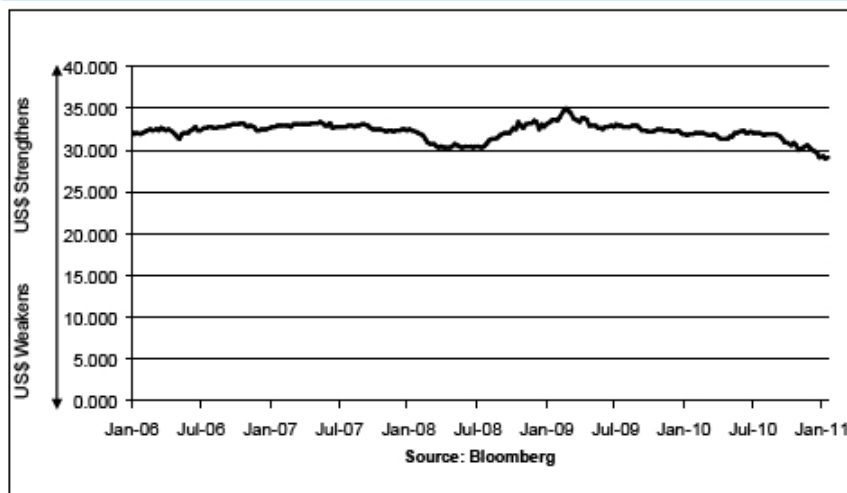


Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**[SM]

| TWD (# TWD / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 32.8100 | 31.8760 | 32.4580 |
| Second Quarter | 32.7500 | 31.3320 | 32.3780 |
| Third Quarter | 33.0980 | 32.2280 | 33.0980 |
| Fourth Quarter | 33.3160 | 32.2940 | 32.5900 |
| **2007** | | | |
| First Quarter | 33.1550 | 32.4010 | 33.0600 |
| Second Quarter | 33.4350 | 32.7350 | 32.8500 |
| Third Quarter | 33.1240 | 32.6690 | 32.6690 |
| Fourth Quarter | 32.6920 | 32.2380 | 32.4280 |
| **2008** | | | |
| First Quarter | 32.4950 | 29.9990 | 30.3800 |
| Second Quarter | 31.0100 | 30.1800 | 30.3600 |
| Third Quarter | 32.2450 | 30.3000 | 32.2450 |
| Fourth Quarter | 33.5900 | 32.1100 | 32.8200 |
| **2009** | | | |
| First Quarter | 35.2400 | 32.8180 | 33.9120 |
| Second Quarter | 33.8810 | 32.3680 | 32.8100 |
| Third Quarter | 33.1870 | 32.1640 | 32.1640 |
| Fourth Quarter | 32.5750 | 31.9900 | 31.9900 |
| **2010** | | | |
| First Quarter | 32.1350 | 31.7030 | 31.7600 |
| Second Quarter | 32.4430 | 31.2960 | 32.1320 |
| Third Quarter | 32.2500 | 31.2150 | 31.2280 |
| Fourth Quarter | 30.9980 | 29.1250 | 29.1560 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 29.3400 | 28.9790 | 29.0310 |

**New Taiwan dollar**
**January 6, 2006 through January 28, 2011**
**(expressed as units of TWD per USD)**
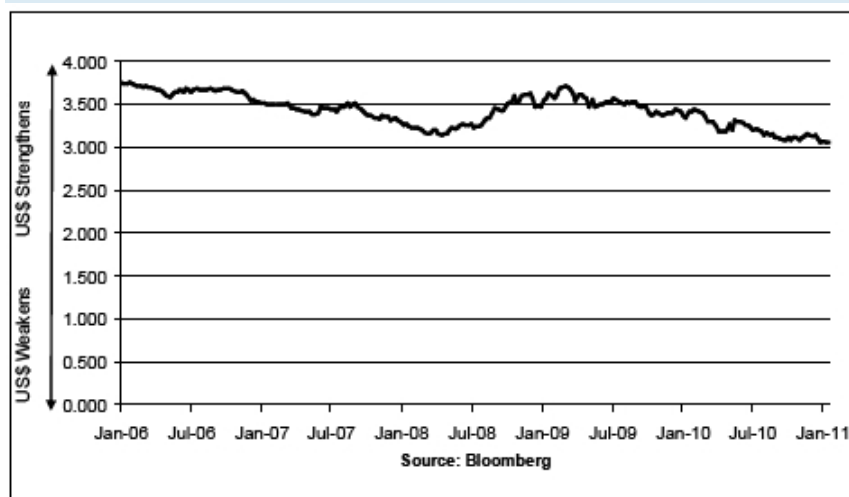


Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**<sup>SM</sup>

| MYR (# MYR / USD) | High | Low | Period End |
|---|---|---|---|
| **2006** | | | |
| First Quarter | 3.7790 | 3.6831 | 3.6831 |
| Second Quarter | 3.6875 | 3.5765 | 3.6745 |
| Third Quarter | 3.6950 | 3.6415 | 3.6880 |
| Fourth Quarter | 3.6955 | 3.5280 | 3.5280 |
| **2007** | | | |
| First Quarter | 3.5300 | 3.4505 | 3.4575 |
| Second Quarter | 3.4830 | 3.3840 | 3.4525 |
| Third Quarter | 3.5155 | 3.4015 | 3.4075 |
| Fourth Quarter | 3.4095 | 3.3067 | 3.3067 |
| **2008** | | | |
| First Quarter | 3.3134 | 3.1560 | 3.1923 |
| Second Quarter | 3.2790 | 3.1355 | 3.2665 |
| Third Quarter | 3.4700 | 3.2150 | 3.4425 |
| Fourth Quarter | 3.6419 | 3.4410 | 3.4525 |
| **2009** | | | |
| First Quarter | 3.7390 | 3.4525 | 3.6440 |
| Second Quarter | 3.6425 | 3.4705 | 3.5160 |
| Third Quarter | 3.5900 | 3.4593 | 3.4593 |
| Fourth Quarter | 3.4819 | 3.3565 | 3.4415 |
| **2010** | | | |
| First Quarter | 3.4445 | 3.2610 | 3.2610 |
| Second Quarter | 3.3655 | 3.1778 | 3.2255 |
| Third Quarter | 3.2355 | 3.0845 | 3.0845 |
| Fourth Quarter | 3.1700 | 3.0600 | 3.0600 |
| **2011** | | | |
| First Quarter (through February 1, 2011) | 3.0797 | 3.0435 | 3.0435 |

**Malaysian ringgit
January 6,2006 through January 28, 2011
(expressed as units of MYR per USD)**



Source: Bloomberg

PLUS Based on a Basket of Twelve Currencies Relative to the U.S. Dollar due March 6, 2012
**Performance Leveraged Upside Securities**<sup>SM</sup>

## Supplemental Plan of Distribution

Subject to regulatory constraints, JPMS intends to use its reasonable efforts to offer to purchase the PLUS in the secondary market, but is not required to do so.

We or our affiliate may enter into swap agreements or related hedge transactions with one of our other affiliates or unaffiliated counterparties in connection with the sale of the PLUS, and JPMS and/or an affiliate may earn additional income as a result of payments pursuant to the swap or related hedge transactions. See "Use of Proceeds" beginning on page PS-19 of the accompanying product supplement no. MS-11-A-I.

## Where You Can Find More Information

You may revoke your offer to purchase the PLUS at any time prior to the time at which we accept such offer by notifying the applicable agent. We reserve the right to change the terms of, or reject any offer to purchase, the PLUS prior to their issuance. In the event of any changes to the terms of the PLUS, we will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes in which case we may reject your offer to purchase.

You should read this document together with the prospectus dated November 21, 2008, as supplemented by the prospectus supplement dated November 21, 2008 relating to our Series E medium-term notes of which these PLUS are a part, and the more detailed information contained in product supplement no. MS-11-A-I dated February 1, 2011.

**This document, together with the documents listed below, contains the terms of the PLUS and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, stand-alone fact sheets, brochures or other educational materials of ours.** You should carefully consider, among other things, the matters set forth in "Risk Factors" in the accompanying product supplement no. MS-11-A-I, as the PLUS involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the PLUS.

You may access these documents on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Product supplement no. MS-11-A-I dated February 1, 2011:
  http://www.sec.gov/Archives/edgar/data/19617/000089109211000678/e41879_424b2.pdf

- Prospectus supplement dated November 21, 2008:
  http://www.sec.gov/Archives/edgar/data/19617/000089109208005661/e33600_424b2.pdf

- Prospectus dated November 21, 2008:
  http://www.sec.gov/Archives/edgar/data/19617/000089109208005658/e33655_424b2.pdf

Our Central Index Key, or CIK, on the SEC website is 19617.

As used in this document, the "Company," "we," "us" and "our" refer to JPMorgan Chase & Co.

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