MORGAN STANLEY
Form 424B2
December 26, 2018

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	*Maximum Aggregate Offering Price*	*Amount of Registration Fee*
Callable Buffered Range Accrual Securities due 2026	$4,915,000.00	$595.70

December 2018

Pricing Supplement No. 1,287

Registration Statement Nos. 333-221595; 333-221595-01
Dated December 21, 2018
Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Callable Buffered Range Accrual Securities due June 25, 2026
All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

Unlike ordinary debt securities, the Callable Buffered Range Accrual Securities due June 25, 2026, All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index, which we refer to as the securities, do not provide for the regular payment of interest and provide for the minimum return of only 20% of the stated principal amount at maturity. The securities offer the opportunity for investors to earn a contingent monthly coupon, if any, based on the number of index business days in the relevant coupon payment period on which the index closing value of the S&P 500® Index is greater than or equal to 80% of the initial index value, which we refer to as the barrier level. If the index closing value remains below the barrier level for extended periods of time, investors will receive reduced contingent monthly coupon payments or no contingent monthly coupon payments at all. As a result, investors must be willing to accept the risk of not receiving any contingent monthly coupon during the entire 7.5-year term of the securities. In addition, beginning on December 27, 2019, **we will have the right to redeem the securities at our discretion on any monthly redemption date** for a redemption payment equal to the sum of the stated principal amount plus any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period. An early redemption of the securities will be at our discretion and will not automatically occur based on the performance of the underlying index. At maturity, if the securities have not previously been redeemed and the final index value is greater than or equal to the barrier level, investors will receive the stated principal amount of the securities and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period. However, if the final index value is less than the barrier level, investors will lose 1% for every 1% decline in the final index value from the initial index value beyond the buffer amount of 20%, in addition to any accrued and unpaid contingent monthly coupon. **Accordingly, investors may lose up to 80% of their entire initial investment in the securities.** Investors will not participate in any appreciation of the S&P 500® Index. These long-dated securities are for investors who seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of losing some or a substantial portion of their principal and the risk of receiving reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, if the S&P 500® Index remains below the barrier level for extended periods of time, and the risk of an early redemption of the securities at our discretion. The securities are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The securities are issued as part of MSFL's Series A Global Medium-Term Notes program.

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

FINAL TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying index:	S&P 500® Index
Aggregate principal amount:	$4,915,000
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security (see "Commissions and issue price" below)
Pricing date:	December 21, 2018
Original issue date:	December 27, 2018 (3 business days after the pricing date)
Maturity date:	June 25, 2026
Optional early redemption:	Beginning on December 27, 2019, we will have the right to redeem the securities, **at our discretion**, in whole but not in part, on any monthly redemption date for the redemption payment. If we decide to redeem the securities, we will give you notice at least 3 business days before the redemption date specified in the notice. No further payments will be made on the securities once they have been redeemed.
Redemption payment:	The redemption payment will be an amount equal to (i) the stated principal amount *plus* (ii) any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period.
Redemption dates:	Beginning on December 27, 2019, monthly. See "Coupon Observation Period End-Dates, Contingent Coupon Payment Dates and Redemption Dates" below. If any such day is not a business day, that redemption payment, if payable, will be made on the next succeeding business day and no adjustment will be made to any redemption payment made on that succeeding business day.
Contingent monthly coupon:	Unless the securities are previously redeemed, the contingent monthly coupon payable on the securities will be determined as follows: At a rate of 6.20% per annum *times* N/ACT *where:*

·

"N" = the total number of index business days in the applicable coupon payment period on which the index closing value is greater than or equal to the barrier level (each such day, an "accrual day"); and

·

"ACT" = the total number of index business days in the applicable coupon payment period.

If, on any index business day, the index closing value is below the barrier level, no coupon will accrue for that day. It is possible that you will receive no contingent coupon on the securities for extended periods of time if the index closing value were to remain below the barrier level.

Payment at maturity:	If the securities have not previously been redeemed, investors will receive on the maturity date a payment at maturity determined as follows:
· If the final index value is **greater than or equal to** the barrier level:	the stated principal amount and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period
· If the final index value is **less than** the barrier level:	(i) $1,000 x (index performance factor + buffer amount) *plus* (ii) any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period
Buffer amount:	20%
Minimum payment at maturity:	$200 per security
Barrier level:	1,933.296, which is equal to 80% of the initial index value
	Terms continued on the following page
Agent:	Morgan Stanley & Co. LLC ("MS & Co."), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See "Supplemental information regarding plan of distribution; conflicts of interest."
Estimated value on the pricing date:	$917.50 per security. See "Investment Summary" on page 4.

Commissions and issue price:	Price to public(1)	Agent's commissions(2)	Proceeds to us(3)
Per security	$1,000	$40	$960
Total	$4,915,000	$196,600	$4,718,400

(1) The price to public for investors purchasing the securities in fee-based advisory accounts will be $970 per security.

(2) Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $40 for each security they sell; provided that dealers selling to investors purchasing the securities in fee-based advisory accounts will receive a sales commission of $10 per security. See "Supplemental information regarding plan of distribution; conflicts of interest." For additional information, see "Plan of Distribution (Conflicts of Interest)" in the accompanying prospectus supplement.

(3) See "Use of proceeds and hedging" on page 24.

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 9.

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

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

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

References to "we," "us" and "our" refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

Prospectus Supplement dated November 16, 2017

Index Supplement dated November 16, 2017 Prospectus dated November 16, 2017

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Principal at Risk Securities

Terms continued from previous page:

Initial index value:	2,416.62, which is the index closing value of the underlying index on the pricing date
Final index value:	The index closing value of the underlying index on the final observation date
Coupon payment period:	Monthly. For each contingent coupon payment date, the coupon payment period will be the period from but excluding the pricing date (in the case of the first coupon payment period) or the prior coupon observation period end-date to and including the following coupon observation period end-date; *provided* that the final coupon payment period will end on (and include) the final observation date.
Final observation date:	June 22, 2026, subject to postponement as set forth under "Additional Information About the Securities – Postponement of the final observation date" below.
Contingent coupon payment dates:	Monthly, as set forth under "Coupon Observation Period End-Dates, Contingent Coupon Payment Dates and Redemption Dates" below. If any such day is not a business day, that coupon payment will be made on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day. The contingent monthly coupon, if any, with respect to the final observation date shall be paid on the maturity date.
Index performance factor:	The final index value *divided by* the initial index value.
CUSIP / ISIN:	61768DTN5 / US61768DTN56
Listing:	The securities will not be listed on any securities exchange.

Coupon Observation Period End-Dates, Contingent Coupon Payment Dates and Redemption Dates

Coupon Observation Period End-Dates	Contingent Coupon Payment Dates / Redemption Dates
January 22, 2019	January 25, 2019*
February 21, 2019	February 26, 2019*
March 21, 2019	March 26, 2019*
April 22, 2019	April 25, 2019*
May 21, 2019	May 24, 2019*
June 21, 2019	June 26, 2019*
July 22, 2019	July 25, 2019*
August 21, 2019	August 26, 2019*
September 23, 2019	September 26, 2019*
October 21, 2019	October 24, 2019*
November 21, 2019	November 26, 2019*
December 23, 2019	December 27, 2019
January 21, 2020	January 24, 2020

February 21, 2020	February 26, 2020
March 23, 2020	March 26, 2020
April 21, 2020	April 24, 2020
May 21, 2020	May 27, 2020
June 22, 2020	June 25, 2020
July 21, 2020	July 24, 2020
August 21, 2020	August 26, 2020
September 21, 2020	September 24, 2020
October 21, 2020	October 26, 2020
November 23, 2020	November 27, 2020
December 21, 2020	December 24, 2020
January 21, 2021	January 26, 2021
February 22, 2021	February 25, 2021
March 22, 2021	March 25, 2021
April 21, 2021	April 26, 2021
May 21, 2021	May 26, 2021
June 21, 2021	June 24, 2021
July 21, 2021	July 26, 2021
August 23, 2021	August 26, 2021
September 21, 2021	September 24, 2021
October 21, 2021	October 26, 2021
November 22, 2021	November 26, 2021
December 21, 2021	December 27, 2021
January 21, 2022	January 26, 2022
February 22, 2022	February 25, 2022
March 21, 2022	March 24, 2022
April 21, 2022	April 26, 2022
May 23, 2022	May 26, 2022
June 21, 2022	June 24, 2022
July 21, 2022	July 26, 2022
August 22, 2022	August 25, 2022
September 21, 2022	September 26, 2022
October 21, 2022	October 26, 2022
November 21, 2022	November 25, 2022
December 21, 2022	December 27, 2022
January 23, 2023	January 26, 2023
February 21, 2023	February 24, 2023
March 21, 2023	March 24, 2023
April 21, 2023	April 26, 2023
May 22, 2023	May 25, 2023

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Coupon Observation Period End-Dates	Contingent Coupon Payment Dates / Redemption Dates
June 21, 2023	June 26, 2023
July 21, 2023	July 26, 2023
August 21, 2023	August 24, 2023
September 21, 2023	September 26, 2023
October 23, 2023	October 26, 2023
November 21, 2023	November 27, 2023
December 21, 2023	December 27, 2023
January 22, 2024	January 25, 2024
February 21, 2024	February 26, 2024
March 21, 2024	March 26, 2024
April 22, 2024	April 25, 2024
May 21, 2024	May 24, 2024
June 21, 2024	June 26, 2024
July 22, 2024	July 25, 2024
August 21, 2024	August 26, 2024
September 23, 2024	September 26, 2024
October 21, 2024	October 24, 2024
November 21, 2024	November 26, 2024
December 23, 2024	December 27, 2024
January 21, 2025	January 24, 2025
February 21, 2025	February 26, 2025
March 21, 2025	March 26, 2025
April 21, 2025	April 24, 2025
May 21, 2025	May 27, 2025
June 23, 2025	June 26, 2025
July 21, 2025	July 24, 2025
August 21, 2025	August 26, 2025
September 22, 2025	September 25, 2025
October 21, 2025	October 24, 2025
November 21, 2025	November 26, 2025
December 22, 2025	December 26, 2025
January 21, 2026	January 26, 2026
February 23, 2026	February 26, 2026
March 23, 2026	March 26, 2026
April 21, 2026	April 24, 2026
May 21, 2026	May 27, 2026
June 22, 2026	June 25, 2026 (maturity date)

* The securities are not subject to redemption at the issuer's option until the 12th contingent coupon payment date, which is December 27, 2019.

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Principal at Risk Securities

Investment Summary

Callable Buffered Range Accrual Securities

Principal at Risk Securities

The Callable Buffered Range Accrual Securities due June 25, 2026, All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index, which we refer to as the securities, provide an opportunity for investors to earn a contingent monthly coupon, if any, based on the number of index business days in the relevant coupon payment period on which the index closing value of the S&P 500® Index is greater than or equal to 80% of the initial index value, which we refer to as the barrier level. If the index closing value remains below the barrier level for extended periods of time, investors will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all. As a result, investors must be willing to accept the risk of not receiving any contingent monthly coupon during the entire 7.5-year term of the securities. In addition, beginning on December 27, 2019, **we will have the right to redeem the securities at our discretion on any monthly redemption date** for a redemption payment equal to the sum of the stated principal amount plus any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period.

If the securities have not been previously redeemed and the final index value is greater than or equal to the barrier level, investors will receive the stated principal amount of the securities and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period. However, if the final index value is less than the barrier level, in addition to any accrued and unpaid contingent monthly coupon, investors will be exposed on a 1:1 basis to the percentage decline of the final index value from the initial index value beyond the buffer amount of 20%. Accordingly, investors could lose up to 80% of the stated principal amount of the securities. Investors in the securities must be willing to accept the risk of losing some or a substantial portion of their principal and also the risk of not receiving any contingent monthly coupons. In addition, investors will not participate in any appreciation of the underlying index.

Maturity:	Approximately 7.5 years, unless redeemed earlier at our discretion
Payment at maturity:	If the securities have not previously been redeemed, investors will receive on the maturity date a payment at maturity determined as follows:

If the final index value is **greater than or equal to** the barrier level, investors will receive the stated principal amount and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period

If the final index value is **less than** the barrier level, investors will receive (i) $1,000 x (index performance factor + buffer amount) *plus* (ii) any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period

Accordingly, investors in the securities must be willing to accept the risk of losing up to 80% of their entire initial investment.

Contingent monthly coupon:

Unless the securities are previously redeemed, the contingent monthly coupon payable on the securities will be determined as follows:

At a rate of 6.20% per annum *times* N/ACT

where:

· "N" = the total number of index business days in the applicable coupon payment period on which the index closing value is greater than or equal to the barrier level (each such day, an "accrual day"); and

· "ACT" = the total number of index business days in the applicable coupon payment period.

If, on any index business day, the index closing value is below the barrier level, no coupon will accrue for that day. It is possible that you will receive no contingent coupon on the securities for extended periods of time if the index closing value were to remain below the barrier level.

Early redemption at the option of the

We have the right to redeem the securities on any monthly redemption date for an early redemption payment equal to the stated principal amount plus any accrued and unpaid

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Principal at Risk Securities

issuer:	contingent monthly coupon otherwise due with respect to the related coupon payment period. Any early redemption of the securities will be at our discretion and will not automatically occur based on the performance of the underlying index. It is more likely that we will redeem the securities when it would otherwise be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the index closing value of the underlying index is at or above the barrier level, which would otherwise result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities at a time when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent monthly coupon payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.
	On the other hand, we will be less likely to exercise our redemption right when the index closing value of the underlying index is below the barrier level and/or when the final index value is expected to be below the barrier level, such that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupons at all, and/or that you will suffer a significant loss on your initial investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, and suffer a loss at maturity.

Morgan Stanley Wealth Management clients may contact their local Morgan Stanley branch office or our principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (212) 761-4000).

The original issue price of each security is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than $1,000. We estimate that the value of each security on the pricing date is $917.50.

What goes into the estimated value on the pricing date?

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

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the contingent monthly coupon rate, the barrier level and the buffer amount, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the securities would be more favorable to you.

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

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

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

Morgan Stanley Finance LLC

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Principal at Risk Securities

Key Investment Rationale

The securities do not guarantee any repayment of principal at maturity and offer investors an opportunity to earn a contingent monthly coupon based on the number of index business days in the relevant coupon payment period on which the index closing value of the S&P 500® Index is greater than or equal to 80% of the initial index value, which we refer to as the barrier level. If the index closing value remains below the barrier level for extended periods of time, investors will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all. As a result, investors must be willing to accept the risk of not receiving any contingent monthly coupon during the entire 7.5-year term of the securities. The securities have been designed for investors who seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of losing up to 80% of their principal and the risk of receiving reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, if the S&P 500® Index remains below the barrier level for extended periods of time, and the risk of an early redemption of the securities at our discretion.

S&P 500® Index Summary

The S&P 500® Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC ("S&P"), consists of stocks of 500 component companies selected to provide a performance benchmark for the U.S. equity markets. The calculation of the S&P 500® Index is based on the relative value of the float adjusted aggregate market capitalization of the 500 component companies as of a particular time as compared to the aggregate average market capitalization of 500 similar companies during the base period of the years 1941 through 1943.

Information as of market close on December 21, 2018:

Bloomberg Ticker Symbol:	SPX
Current Index Value:	2,416.62
52 Weeks Ago:	2,684.57
52 Week High (on 9/20/2018):	2,930.75

52 Week Low (on 12/21/2018): 2,416.62

For additional information about the S&P 500® Index, see the information set forth under "S&P 500® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "S&P 500® Index Historical Performance" below.

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Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples are for illustrative purposes only. Whether you receive a contingent monthly coupon will be determined based on the total number of index business days in each monthly coupon payment period on which the index closing value is greater than or equal to the barrier level. For illustrative purposes, the table below assumes that the coupon payment period contains 22 index business days. The actual contingent monthly coupons will depend on the actual number of index business days in each coupon payment period and the actual index closing value on each index business day in such coupon payment period. Any early redemption of the securities will be at our discretion. The actual initial index value and barrier level are set forth on the cover of this document. All payments on the securities are subject to our credit risk. The numbers in the hypothetical examples may be rounded for ease of analysis. The below examples are based on the following terms:

Hypothetical Initial Index Value:	2,800
Hypothetical Barrier Level:	2,240, which is 80% of the hypothetical initial index value

Hypothetical Contingent Monthly Coupon Payable on the Securities: 6.20% per annum times N/ACT

N	Hypothetical Contingent Monthly Coupon
0	[(0/22) x (6.20% x $1,000)] / 12 = $0.000 per security
3	[(3/22) x (6.20% x $1,000)] / 12 = $0.705 per security
6	[(6/22) x (6.20% x $1,000)] / 12 = $1.409 per security
11	[(11/22) x (6.20% x $1,000)] / 12 = $2.583 per security
14	[(14/22) x (6.20% x $1,000)] / 12 = $3.288 per security
18	[(18/22) x (6.20% x $1,000)] / 12 = $4.227 per security
22	[(22/22) x (6.20% x $1,000)] / 12 = $5.167 per security

If the index closing value is less than the barrier level on any index business day, no contingent monthly coupon will accrue for that index business day. If the index closing value remains below the barrier level on each index business day in any coupon payment period, you will receive no contingent monthly coupon payment for that coupon payment period.

Optional Early Redemption:	The securities may be redeemed at our discretion on any monthly redemption date for a redemption payment equal to the stated principal amount plus any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period.

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Principal at Risk Securities

How to calculate the payment at maturity:

Payment at Maturity (if the securities have not been redeemed early at our option):	If the final index value is **greater than or equal to** the barrier level: the stated principal amount and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period If the final index value is **less than** the barrier level: (i) $1,000 x (index performance factor + buffer amount) *plus* (ii) any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period

The following examples assume that we do not exercise our right to redeem the securities prior to maturity.

Example 1— The securities are not redeemed prior to maturity. The final index value is 3,400, which is at or above the barrier level. In this scenario, you receive a payment at maturity per security equal to the stated principal amount, in addition to any accrued and unpaid contingent monthly coupon payment for the final coupon payment period. However, you do not participate in the appreciation in the value of the underlying index.

Example 2— The securities are not redeemed prior to maturity. The final index value is 2,700, which is at or above the barrier level. In this scenario, you receive a payment at maturity per security equal to the stated principal amount, in addition to any accrued and unpaid contingent monthly coupon payment for the final coupon payment period.

Example 3—The securities are not redeemed prior to maturity. The final index value is 1,120, which is below the barrier level. Therefore, in addition to any accrued and unpaid contingent monthly coupon payment, the payment at maturity per security would be calculated as $1,000 × [(1,120 / 2,800) + 20%] = $600.00, representing a significant loss on the initial investment.

If we do not redeem the securities prior to maturity and the final index value is less than the barrier level, you will lose some or a substantial portion of your investment in the securities.

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Principal at Risk Securities

Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying index supplement and prospectus. You should also consult your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

§ **The securities provide a minimum payment at maturity of only 20% of your principal.** The terms of the securities differ from those of ordinary debt securities in that the securities do not guarantee the regular payment of interest and provide a minimum payment at maturity of only 20% of the principal amount of the securities. If the securities have not been redeemed prior to maturity and the final index value is less than the barrier level, you will receive an amount in cash that is less than the $1,000 stated principal amount of each security by an amount proportionate to the decline in the value of the underlying index beyond the buffer amount of 20%. **You could lose up to 80% of the stated principal amount of the securities**.

§ **You will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, if the index closing value remains below the barrier level for extended periods of time.** The securities will pay a contingent monthly coupon based on the number of index business days in the relevant coupon payment period on which the index closing level of the underlying index is greater than or equal to the barrier level. If, on any index business day, the index closing value is below the barrier level, no interest will accrue for that day. It is possible that the index closing value will remain below the barrier level for extended periods of time. If you do not earn sufficient contingent monthly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity, and may even be zero.

§ **The securities are subject to our redemption right.** The term of the securities, and thus your opportunity to earn a potentially above-market coupon if the underlying index remains above the barrier level, may be limited by our right to redeem the securities at our option on any monthly redemption date, beginning December 27, 2019. The term of your investment in the securities may be limited to as short as one year. It is more likely that we will redeem the securities when it would be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the index closing value of the underlying index is at or above the barrier level, which would otherwise result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent monthly coupon payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

On the other hand, we will be less likely to exercise our redemption right when the index closing value of the underlying index is below the barrier level and/or when the final index value is expected to be below the barrier level, such that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, and/or that you will suffer a significant loss on your initial investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, and suffer a loss at maturity.

§ **Investors will not participate in any appreciation in the value of the underlying index.** Investors will not participate in any appreciation in the value of the underlying index from the initial index value, and the return on the securities will be limited to the contingent monthly coupons, if any, that are paid with respect to each index business day during each coupon payment period on which the index closing value is greater than or equal to the barrier level until the securities are redeemed or reach maturity. It is possible that the index closing value could be below the barrier level on most or all of the index business days during each coupon payment period so that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all. If you do not earn sufficient contingent monthly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

§ **If there are no accrual days in any coupon payment period, we will not pay any contingent monthly coupon on the securities for that coupon payment period and the market value of the securities may decrease significantly.** It is

Morgan Stanley Finance LLC

Callable Buffered Range Accrual Securities due June 25, 2026
All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index
Principal at Risk Securities

possible that the index closing level of the S&P 500® Index will be less than the barrier level for many days during any monthly coupon payment period such that the coupon payment for that monthly interest payment period will be less than the amount that would be paid on an ordinary debt security and may even be zero. In addition, to the extent that the index closing value of the index is less than the barrier level on any number of days during a coupon payment period, the market value of the securities may decrease and you may receive substantially less than the stated principal amount if you wish to sell your securities at such time.

§ **The market price will be influenced by many unpredictable factors.** Several factors, many of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may be willing to purchase or sell the securities in the secondary market. We expect that generally the level of interest rates available in the market and the value of the underlying index on any day, including in relation to the barrier level, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

o the volatility (frequency and magnitude of changes in value) of the S&P 500® Index,

o whether the index closing value of the S&P 500® Index is currently or has been below the barrier level on any index business day,

o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the component stocks of the underlying index or securities markets generally and which may affect the value of the underlying index,

o dividend rates on the securities underlying the S&P 500® Index,

o the time remaining until the securities mature,

o interest and yield rates in the market,

o the availability of comparable instruments,

- o the composition of the S&P 500® Index and changes in the constituent stocks of such index, and
- o any actual or anticipated changes in our credit ratings or credit spreads.

Some or all of these factors will influence the price that you will receive if you sell your securities prior to maturity. Generally, the longer the time remaining to maturity, the more the market price of the securities will be affected by the other factors described above. In particular, if the underlying index has closed near or below the barrier level, the market value of the securities is expected to decrease substantially and you may have to sell your securities at a substantial discount from the stated principal amount of $1,000 per security.

You cannot predict the future performance of the S&P 500® Index based on its historical performance. The value of the underlying index may decrease and be below the barrier level on each index business day so that you will receive no contingent monthly coupons and you will lose some or a significant portion of your investment. There can be no assurance that the index closing value of the underlying index will be greater than or equal to the barrier level on any index business day so that you will receive any contingent monthly coupon during the term of the securities, or that it will be greater than or equal to the barrier level on the final observation date so that you do not suffer a significant loss on your initial investment in the securities. See “S&P 500® Index Historical Performance” below.

§ **The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities.** You are dependent on our ability to pay all amounts due on the securities on each contingent coupon payment date, upon early redemption, or at maturity, and therefore you are subject to our credit risk. If we default on our obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to early redemption or maturity will be affected by 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 adversely affect the market value of the securities.

§ **As a finance subsidiary, MSFL has no independent operations and will have no independent assets.** As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and

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The Compensation Committee Report shall not be deemed incorporated by reference by any general statement incorporating this Proxy Statement by reference into any filing under the Securities Act of 1933 (the Securities Act) or the Securities Exchange Act of 1934 (the Exchange Act), except to the extent that Aleris specifically incorporates this information by reference, and shall not otherwise be deemed filed under those Acts.

COMPENSATION OF EXECUTIVE OFFICERS

Summary of Cash and Certain Other Compensation

The following table provides certain summary information for 2004, 2003 and 2002 concerning compensation paid or accrued by the Company to or on behalf of (i) the individuals who served as our chief executive officers during 2004, (ii) the four most highly-compensated executive officers of the Company (other than the chief executive officer) who were serving as executive officers at December 31, 2004, and (iii) two other individuals who were executive officers of the Company during a portion of 2004 and who would have been included as one of the four most highly compensated executives of the Company but for the fact that they were not executive officers of the Company at December 31, 2004.

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year(1)	Annual Compensation: Salary	Annual Compensation: Bonus(2)	Annual Compensation: Other annual Compensation	Long-Term Compensation Awards: Restricted Stock Award(s)($)	Long-Term Compensation Awards: Securities underlying Options/SARs(#)	All other Compensation(4)
Steven J. Demetriou Chairman of the Board and Chief Executive Officer	2004	$ 52,308	$ 750,000	$ 5,075(5)	$ 808,500(3)	262,500	$ 1,178
Michael D. Friday Executive Vice President and Chief Financial Officer	2004	$ 24,519	$ 250,000	$ -0-	$ 192,500(3)	62,500	$ 281
John J. Wasz Executive Vice President and President Rolled Products	2004	$ 23,538	$ 489,600	$ 111	$ 192,500(3)	62,500	$ 179
Barry K. Hamilton President, U.S. Zinc Corp. (subsidiary)	2004 2003 2002	$ 253,000 $ 245,000 $ 196,261	$ 140,000 $ 30,000 $ 96,456	$ 44 $ -0- $ 69,780(5)	$ 113,750(3) $ -0- $ 70,000	31,300 -0- 15,000	$ 16,169 $ 7,838 $ 5,168
Robert R. Holian Senior Vice President and Controller	2004 2003 2002	$ 180,000 $ 165,000 $ 155,000	$ 85,280 $ 33,000 $ 69,892	$ -0- $ -0- $ 9,270(6)	$ 97,020(3) $ -0- $ -0-	31,300 -0- 15,000	$ 14,814 $ 10,379 $ 16,467
Don V. Ingram Former Chief Executive Officer and President	2004 2003 2002	$ 169,167 $ 560,000 $ 525,000	-0- $ 200,000 $ 435,462	$ 61 $ -0- $ -0-	$ 656,250(3) $ -0- $ 1,098,002	-0- -0- 200,000	$ 1,509,097(7) $ 12,000 $ 41,805
Richard L. Kerr Former Chief Executive Officer and President	2004 2003 2002	$ 426,933 $ 310,000 $ 300,000	$ 90,000 $ 22,000 $ 178,358	$ 91 $ -0- $ 40,073(6)	$ 218,750(3) -0- $ -0-	-0- -0- 80,000	$ 2,017,958(7) $ 12,000 $ 19,018
Paul V. Dufour Former Executive Vice President and Chief Financial Officer	2004 2003 2002	$ 379,600 $ 315,000 $ 292,000	$ -0- $ 87,000 $ 190,657	$ 90 $ -0- $ 47,624(6)	$ 218,750(3) $ 600,002 -0-	-0- -0- 80,000	$ 2,302,785(7) $ 12,000 $ 18,171
Joseph M. Byers	2004	$ 193,000	$ 80,000	$ -0-	$ 120,120(3)	39,100(8)	$ 18,224

Former Senior Vice President

(1) Information for the year ended December 31, 2004 for each individual named in this table, except for Barry K. Hamilton, Robert R. Holian and Joseph M. Byers, is not for a full calendar year. Information for Mr. Ingram is for January 1 through April 12, 2004, the date of his resignation from Aleris; information for Messrs. Dufour and Kerr is for January 1, 2004 through December 9, 2004, the date of their retirement from Aleris; information for Messrs. Demetriou, Friday and Wasz is from December 9, 2004, the date they became executive officers of Aleris, through December 31, 2004. Mr. Byers became an executive officer of Aleris in 2004 but resigned in March 2005.

(2) Does not include grants of performance share units. See *Long-Term Incentive Plans Awards in 2004* below.

(3) Represents restricted stock grants or restricted stock unit awards under award agreements or Company equity compensation plans. We are required to use the closing price per share of our common stock (according to the NYSE composite tape) on the date of grant of the restricted stock or restricted stock unit awards shown in the table above ($15.40 on December 15, 2004 for Messrs. Demetriou, Friday, Wasz, Hamilton, Holian and Byers for the grants made on that date, and $9.27 on February 25, 2004 for Mr. Hamilton, Mr. Holian, Mr. Ingram, Mr. Kerr, Mr. Dufour and Mr. Byers for the grants made on that date) for valuation purposes under this column. The restricted stock and restricted stock unit awards that were held by Messrs. Ingram, Kerr and Dufour were forfeited or vested during 2004 in connection with their leaving the Company. Shares of restricted stock cannot be sold or pledged and are subject to forfeiture during their restriction periods. The terms of certain restricted stock awards provide that dividends may be paid on the shares of restricted stock granted. The vesting periods for shares of restricted stock and restricted stock units granted to executive officers are not less than three years from the date of grant. Based on the last reported sales price on the NYSE composite tape on December 31, 2004 of $16.92 per share, Mr. Demetriou s restricted stock holdings had a value of $888,300; Mr. Friday s restricted stock holdings had a value of $211,500; Mr. Wasz s restricted stock holdings had a value of $211,500; Mr. Hamilton s restricted stock holdings had a value of $309,636; Mr. Holian s restricted stock holdings had a value of $224,190 and Mr. Byers restricted stock holdings had a value of $250,416. See *Compensation Committee Report to Stockholders,* and *Employment and Separation Arrangements* below.

(4) Represents compensation paid or accrued pursuant to our defined contribution plans and executive individual and group life and health insurance programs.

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Defined Contribution Plans. We contributed the following amounts to these plans for the accounts of the individuals named in the table above for 2004, 2003 and 2002:

	2004	2003	2002
Steven J. Demetriou	$		
Michael D. Friday	$		
John J. Wasz	$		
Barry K. Hamilton	$ 15,660	$ 7,838	$ 5,168
Robert R. Holian	$ 14,700	$ 9,865	$ 15,670
Don V. Ingram	$ 8,200	$ 12,000	$ 12,438
Richard L. Kerr	$ 15,887	$ 12,000	$ 15,375
Paul V. Dufour	$ 15,887	$ 12,000	$ 16,000
Joseph M. Byers	$ 15,203		

Executive Life Insurance Programs. We had previously entered into split-dollar life insurance agreements with certain of the individuals named in the table above to provide them with death benefits in the following amounts: Mr. Ingram $3,000,000; Messrs. Kerr and Dufour $1,000,000 each; and Mr. Holian $350,000. The amounts shown below for 2002 included the entire dollar amount of the term life portion of each insurance premium and included the present value of the interest-free use of the non-term portion of each premium**.** We ceased making any further payments of insurance premiums on these policies in April 2002.

	2002
Don V. Ingram	$ 29,367
Richard L. Kerr	$ 3,643
Paul V. Dufour	$ 2,171

(5) In the case of Mr. Demetriou, represents fees for financial advisory services in 2004. In the case of Mr. Hamilton, represents reimbursement in 2002 of moving expenses to Mr. Hamilton under the Company s relocation policy.

(6) Represents interest forgiven in March 2002 under the terms of our former Executive Option Exercise Loan Program. Each of these loans was repaid in full in accordance with their terms during 2002. See *Stock Option Grants, Exercises and Holdings Loan Program* below.

(7) Amounts include severance payments in 2004 to Messrs. Ingram ($1,500,000), Kerr ($1,950,000) and Dufour ($2,250,000). See *Stock Option Grants, Exercises and Holdings Loan Program* below.

(8) Stock options granted to Mr. Byers in 2004 expired due to the fact that they were non-vested as of the effective date of his departure from the Company on March 31, 2005.

Stock Option Grants, Exercises and Holdings

The following table sets forth information regarding grants of options during 2004 to the individuals named in the summary compensation table above.

OPTIONS GRANTED DURING FISCAL YEAR 2004

Name	Number of Securities Underlying Options Granted	Percentage of Total Options Granted to Employees In Fiscal Year (%)	Exercise or Base Price ($/Sh)	Expiration Date	Potential Realizable Value At Assumed Annual Rates of Stock Price Appreciation for Option Terms (5%)	(10%)
Steven J. Demetriou	262,500	19.82	15.40	12/15/2014	$ 2,542,307	$ 6,442,704
Michael D. Friday	62,500	4.72	15.40	12/15/2014	605,311	1,533,977
John J. Wasz	62,500	4.72	15.40	12/15/2014	605,311	1,533,977
Barry K. Hamilton	31,300	2.36	15.40	12/15/2014	303,140	768,216
Robert R. Holian	31,300	2.36	15.40	12/15/2014	303,140	768,216
Don V. Ingram	-0-					
Richard L. Kerr	-0-					
Paul V. Dufour	-0-					
Joseph M. Byers(1)	39,100	2.95	15.40	12/15/2014	378,683	959,656

(1) Stock options granted to Mr. Byers in 2004 expired due to the fact that they were non-vested as of the date of his departure from the Company, effective March 31, 2005.

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The following table provides information with respect to the individuals named in the summary compensation table above concerning stock options exercised by them during 2004 and their unexercised options held as of the end of fiscal 2004 under our stock option plans:

AGGREGATED OPTION EXERCISES IN 2004 AND DECEMBER 31, 2004 OPTION VALUES

			Exercisable		Unexercisable	
Name	**Shares acquired on exercise(#)**	**Value realized(1)**	**Number of shares underlying unexercised options at 12/31/04(#)**	**Value of unexercised in-the-money options at 12/31/04($)(2)**	**Number of shares underlying unexercised options at 12/31/04(#)**	**Value of unexercised in-the-money options at 12/31/04($)(2)**
Steven J. Demetriou	-0-		16,300	$ 135,496	425,500	$ 1,242,960
Michael D. Friday	-0-		-0-		123,625	$ 468,107
John J. Wasz	-0-		108,395	$ 923,684	144,671	$ 569,845
Barry K. Hamilton	-0-		35,500	$ 345,601	36,300	$ 91,176
Robert R. Holian	8,000	$ 16,200	56,366	$ 226,310	36,300	$ 91,176
Don V. Ingram	225,000	$ 1,143,125	-0-	-0-	-0-	-0-
Richard L. Kerr	30,000	$ 78,750	150,500	$ 1,193,515	-0-	-0-
Paul V. Dufour	22,000	$ 47,910	150,500	$ 1,193,515	-0-	-0-
Joseph M. Byers	35,000	$ 346,500	5,000	$ 43,600	44,100(3)	$ 103,032(3)

(1) Value realized is calculated based on the difference between the option exercise price and the closing market price of the common stock on the date of exercise, multiplied by the number of shares to which the exercise relates.

(2) Value based on the last reported sale price of our common stock on the NYSE composite tape on December 31, 2004 was $16.92 per share.

(3) Options for 39,100 shares granted to Mr. Byers expired due to the fact that they were non-vested as of the date of his departure from the Company, effective March 31, 2005.

Loan Program. During 1998, we had extended loans to certain management employees under our Executive Option Exercise Loan Program. This program was designed to facilitate these employees ability to exercise their outstanding options and to pay their federal and state taxes realized upon exercise. All loans under the Exercise Loan Program accrued interest at the applicable federal rate (determined under U.S. federal income tax regulations), and all loans were secured by the shares purchased from the proceeds of the loans. During 2002, all loans outstanding under the Exercise Loan Program were repaid in full in accordance with their terms, and the program was terminated.

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Long-Term Incentive Plans Awards in 2004

The following table shows the performance share unit awards granted in the first quarter of 2004 to certain of the individuals named in the summary compensation table above under the Aleris International, Inc. Performance Share Unit Plan.

Name	Number of Shares, Units or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts under Non-Stock Price Plan (1)		
			Threshold ($ or #)	Target ($ or #)	Maximum ($ or #)
Barry K. Hamilton	4,350	January 1, 2004 December 31, 2006			
Robert R. Holian	2,900	January 1, 2004 December 31, 2006			
Don V. Ingram	32,000	January 1, 2004 December 31, 2006			
Richard L. Kerr	10,000	January 1, 2004 December 31, 2006			
Paul V. Dufour	10,000	January 1, 2004 December 31, 2006			
Joseph M. Byers	5,000	January 1, 2004 December 31, 2006			

(1) During the first quarter of 2004, the Compensation Committee granted performance share unit awards to the individuals shown above in the table. The terms of the Performance Share Unit Plan grant the Compensation Committee the power to administer and interpret the plan s provisions in connection with determining whether financial targets under the plan have been met. The Committee is specifically authorized to make appropriate adjustments to exclude the effect of extraordinary corporate transactions affecting Aleris, such as acquisitions, divestitures, recapitalizations and reorganizations to the extent that they would affect results under applicable performance goals. Due to the fact that Aleris was engaged in preliminary merger negotiations with Commonwealth at the time the performance share unit awards were granted in 2004, the Compensation Committee did not set performance goals for those awards at that time. The Compensation Committee anticipates setting the performance goals for these awards in 2005.

Based on Aleris results of operations for 2002, 2003 and 2004, no accruals for financial accounting purposes have been made for any payout of any awards made under the Performance Share Unit Plan.

Benefit Plans

In connection with the merger, Aleris assumed the Commonwealth Industries, Inc. Cash Balance Plan (the Pension Plan), which provides benefits for eligible employees. Former Commonwealth officers and employees continue to participate under this plan. Through December 31, 1997, the Pension Plan was structured as a traditional defined benefit plan. Effective January 1, 1998, the present value of accrued benefits under the Pension Plan was converted to a cash balance formula.

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Under the cash balance formula, each participant has an account, for recordkeeping purposes only, to which credits are allocated annually based upon a percentage (the Applicable Percentage) of the participant s base salary plus bonus paid in the prior year (Pensionable Earnings). The Applicable Percentage is determined by the age of the participant as of the participant s birthday nearest to January 1 of the Pension Plan year for which benefit credit is applied. The following table shows the Applicable Percentage used to determine credits at the age indicated:

Age	Applicable Percentage
39 and under	3.5%
40 to 49	4.5%
50 to 54	6.0%
55 and older	8.0%

For the 2004 plan year, the applicable ages of Messrs. Demetriou, Friday and Wasz were 46, 53 and 44, respectively. Benefit credits are applied to each participant s account who accrued 1,000 or more hours of service (as defined in the Pension Plan) for a plan year; however, if a participant experiences a Termination of Employment (as defined in the Pension Plan) for a plan year, the benefit credits would be applied to the account of such participant regardless of whether or not the participant accrues 1,000 hours or more of service during the plan year.

All balances in the accounts earn a fixed annual rate of interest, which is credited quarterly. The interest rate for a particular year is the lesser of the prior year s average of the three-year U.S. Treasury securities or the rate on the thirty-year U.S. Treasury securities on November 1. In 2004 the interest rate was 2.09%.

At retirement or other termination of employment, an amount equal to the vested balance then credited to the account is payable to the participant in the form of an immediate or deferred lump sum or as an annuity.

The following table sets forth the estimated annual benefit payable to each of the individuals named in the summary compensation table above who were former Commonwealth employees, as a single life annuity at age 65 under the Pension Plan and includes pensionable earnings for each individual s prior service with Commonwealth Industries, Inc. The projections contained in the table are based on the following assumptions:

- Employment until age 65 at base salaries in effect at December 31, 2004 with no increase in salary to the extent the base salary plus annual bonus does not exceed the Omnibus Reconciliation Act of 1993 annual compensation limit, as adjusted with no increase in salary assumed;
- Interest credits at the actual rates for all years through 2004, and the minimum rate of 4% for 2005 and later years; and
- The conversion to a straight life annuity at normal retirement age based on an interest rate of 4% for years 2005 and beyond and the 1983 Group Annuity Mortality table setting forth generally accepted life expectancies.

Executive Officer	Total Annual Benefits
Steven J. Demetriou	$ 29,927

John J. Wasz	$	57,828
Michael D. Friday	$	19,483

Employment, Severance and Separation Arrangements

Employment Arrangements

Steven J. Demetriou. Effective upon the closing of the Company s merger transaction with Commonwealth, Steven J. Demetriou became the Chairman of the Board and Chief Executive Officer of Aleris. Mr. Demetriou receives an annual salary of $800,000, which is subject to annual review by Aleris Board of Directors. Mr. Demetriou s bonus is targeted at 100% of his base salary, but may not exceed 200% of base salary.

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The options and restricted stock awards awarded by Commonwealth to Mr. Demetriou were assumed by Aleris in connection with the merger transaction. There was no accelerated vesting of the options and restricted stock awards granted to Mr. Demetriou after June 1, 2004 as a result of the merger transaction; these particular grants will continue to vest under their normal vesting schedule. Performance goals for Mr. Demetriou s performance-based restricted stock may be re-set or adjusted by Aleris Board of Directors.

Michael D. Friday and John J. Wasz. Effective upon the closing of the merger transaction, Michael D. Friday became the Executive Vice President and Chief Financial Officer of Aleris, and John J. Wasz became Executive Vice President and President of the Rolled Products business of Aleris. Mr. Friday and Mr. Wasz s annual salaries are currently $375,000 and $360,000, respectively, which are subject to annual review by Aleris Board of Directors. Mr. Friday s target bonus is 75% of his base salary, with a maximum bonus of 150% of his base salary. Mr. Wasz s target bonus was 100% of his base salary in 2004, and will be 75% of his base salary starting in 2005, with a maximum bonus in each case of 150% of his base salary.

As in the case with Mr. Demetriou, the options and restricted stock awards awarded by Commonwealth to Mr. Friday and Mr. Wasz were assumed by Aleris in connection with the merger, and the options and awards granted to them after June 1, 2004 continued to vest under their normal vesting schedule and did not accelerate as a result of the merger transaction. The performance goals for Mr. Friday s and Mr. Wasz s performance-based restricted stock may be re-set or adjusted by Aleris Board of Directors.

Robert R. Holian and Joseph M. Byers. Robert R. Holian and Joseph M. Byers each have employment agreements with Aleris. The effective dates that these agreements were entered into are September 1, 2000 for Mr. Holian and September 1, 2001 for Mr. Byers. Each agreement is for a two-year term, but is automatically renewable for additional consecutive one year terms unless either party provides prior written notice of termination. Each agreement provides for participation in the Company s incentive plans, performance share unit plan, stock option and other equity benefit plans and other benefit plans made available to senior executives. Mr. Byers employment with Aleris terminated effective March 31, 2005.

Severance Agreements

Steven Demetriou, Michael Friday, Sean Stack, Christopher Clegg and John Wasz have each entered into an agreement with Commonwealth that provides that if he is terminated without cause (as defined in his agreement) (or, in the case of Mr. Wasz, following certain relocation requests), in the absence of any future change in control, he will be entitled to severance compensation as follows:

- a lump sum payment in an amount equal to two times (for Mr. Demetriou) or one-and-one-half times (for Messrs. Friday, Stack, Clegg, and Wasz) the sum of his base pay plus his target bonus; and
- continued welfare benefits for 24 months (for Mr. Demetriou) or 18 months (for Messrs. Friday, Stack, Clegg and Wasz) following his termination date.

Commonwealth s obligations under these agreements were assumed by Aleris effective upon the closing of the merger with Commonwealth.

In addition, Messrs. Demetriou, Friday, Stack, Clegg and Wasz have each entered into a change in control severance agreement with Commonwealth that would take effect only on a change in control that occurred after the consummation of the merger transaction with Aleris.

Under these agreements, if the individual s employment is terminated by Aleris during the two year period following any such future change in control for any reason other than for cause, death, disability or certain retirements, or if the officer terminates his employment for good reason (each as defined in his change in control severance agreement), the officer will be entitled to severance compensation as follows:

- a lump sum payment in an amount equal to three times (for Mr. Demetriou) or two times (for Messrs. Friday, Stack, Clegg and Wasz) the sum of his base salary (at the highest rate in effect for any period within the past twelve months prior to his termination date) plus highest of (1) the target bonus for the

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fiscal year in which a change in control occurs, (2) the target bonus for the fiscal year in which the termination occurs or (3) the highest bonus earned by him in respect of the three fiscal years prior to the change in control;

- a lump sum payment of a pro-rata portion of the annual bonus (based on the greater of (1) the target bonus for the fiscal year in which a change in control occurs or (2) the target bonus for the fiscal year in which the termination occurs) and any compensation previously deferred by the officer under a non-qualified plan;
- continued welfare benefits for 36 months (for Mr. Demetriou) or 24 months (for Messrs. Friday, Stack, Clegg and Wasz) following his termination date; and
- reimbursement for any excise tax liability imposed by Section 4999 of the Internal Revenue Code, and any interest or penalties incurred with respect to such excise tax in an amount such that after payment by the respective officer of all taxes, said officer retains an amount equal to the amount of the excise tax.

Mr. Wasz also has an agreement that would pay him certain benefits in the event his employment is terminated following certain relocation requests. Aleris assumed Commonwealth s obligations under these agreements effective upon the completion of the merger.

Robert R. Holian s and Joseph M. Byers employment agreements with Aleris contain change in control severance provisions and provisions for post-employment consulting services. Each of these agreements provide that in the event of a change in control (as defined in the agreements) of Aleris, if the executive s employment is terminated (1) by Aleris for any reason other than for cause (as defined in the agreements) or as a result of his death or disability on or after the date which is 90 days prior to the change in control or (2) by the executive for good reason (as defined in the agreements) during a two-year period following the change in control, then the executive will be entitled to severance compensation as follows:

- payments in an amount equal to two (2) times his base amount (as that term is defined under Section 280G under the Internal Revenue Code); and
- for the lesser of 18 months, or until he obtains comparable coverage through a subsequent employer, welfare benefits substantially similar to those that he was receiving or entitled to receive immediately prior to the termination.

Separation Agreements

Pursuant to a separation agreement entered into between Mr. Ingram and Aleris, Mr. Ingram resigned and retired effective April 12, 2004 as President, Chief Executive Officer and Chairman of the Board of Aleris, and his employment agreement was terminated as of that date. He also resigned as a director. Under the terms of the separation agreement, Aleris made a cash payment of $1,500,000 to Mr. Ingram and accelerated the vesting of 450,000 shares of restricted stock that Mr. Ingram had previously been granted in connection with his employment agreement. The remaining shares of restricted stock and his restricted stock units were forfeited. Mr. Ingram s unexercised stock options have expired, and his performance share units will continue to be governed by the applicable post-termination provisions under the terms of the plans and agreements governing his performance share units. Consistent with the terms of his former employment agreement, for the sooner of 36 months or until comparable coverage is obtained from another employer, Mr. Ingram will be entitled to continue to participate under Aleris hospitalization, medical, disability and similar benefit plans to the extent participation is permitted; if not permitted, Aleris will provide substantially similar benefits at no greater cost to him over what he would pay if participation were permitted. In addition, Mr. Ingram gave Aleris a general release of all claims.

The separation agreement also contains standstill provisions obligating Mr. Ingram, until May 1, 2005, to vote his shares of common stock in the same proportions as the other Aleris stockholders, not to solicit proxies in opposition to Aleris Board of Directors, and not to engage in certain activities that would accumulate his shares with others. These provisions also contain covenants on Mr. Ingram s part not to acquire or sell Aleris shares of common stock, subject to certain permitted exceptions.

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In August 2004, Messrs. Kerr and Dufour decided to retire and on October 1, 2004, they entered into separation agreements with Aleris. These separation agreements were effective upon the completion of the merger of Commonwealth with Aleris on December 9, 2004 and superseded their existing employment agreements.

Under the terms of their separation agreements, Mr. Kerr received $1.7 million and Mr. Dufour received $2.0 million in cash as lump-sum severance payments. In addition, each of them received cash bonuses of $250,000 in recognition of their service to Aleris as senior executives. The aggregate cash payments made to Mr. Kerr and Mr. Dufour upon their termination of employment under their separation agreements totaled approximately $4.2 million.

In addition, Mr. Kerr serves as a consultant to Aleris through December 31, 2005 and is paid $18,000 per month. Mr. Dufour also serves as a consultant to Aleris through June 30, 2005 and is paid $18,000 per month for his services. Vesting of Mr. Kerr s and Mr. Dufour s restricted stock, restricted stock units and stock option awards were accelerated upon their retirement in accordance with the terms of Aleris existing equity compensation plans and agreements. Under these plans and agreements, when Mr. Dufour and Mr. Kerr retired, they were 100% vested in (i) 240,000 and 90,000 shares, respectively, of their restricted stock, (ii) 25,000 and 50,000 shares of common stock, respectively, under their outstanding restricted stock units, and (iii) stock options to purchase up to 217,500 shares and 192,500 shares of common stock of Aleris at a weighted average exercise price per share of $10.12 and $9.88, respectively. Each of them also are entitled to up to three years of welfare benefits continuation and, in accordance with the terms of their existing arrangements, their split-dollar life insurance policies.

Under their separation agreements, Mr. Kerr and Mr. Dufour are restricted from competing with Aleris for a two-year period, and from disclosing or misusing confidential information of Aleris. Also, following their termination of employment, neither Aleris nor Mr. Kerr or Mr. Dufour may disparage the other party, and for a period of two years, neither Mr. Kerr nor Mr. Dufour may solicit for employment any employees of Aleris. Under Mr. Ingram s separation agreement, he is subject to similar restrictions for one year following the termination of his employment. In the event that any payments to either Mr. Kerr or Mr. Dufour in connection with their separation are subject to an excise tax under Section 4999 of the Internal Revenue Code, he will be entitled to additional payments so that he remains in the same after-tax economic position he would have been in had the excise tax not been imposed; this provision is substantially identical to that contained in their existing employment agreements.

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STOCK PRICE PERFORMANCE GRAPH

The following performance graph compares yearly percentage changes over a five-year period in the cumulative total stockholder returns on the Company s common stock. These returns are measured by dividing:

(i) the sum of (A) the cumulative dividends for the measurement period and (B) the difference between the common stock share price at the end and the beginning of the measurement period, by

(ii) the common stock share price at the beginning of the measurement period.

These returns have been compared in the table below with cumulative total returns (assuming reinvestment of dividends) of (1) The Standard and Poor s 500 Index, (2) The Standard and Poor s Small Cap 600 Index (which includes the Company) and (3) an index of peer companies consisting of: Wolverine Tube, Inc., Mueller Industries, Inc., Century Aluminum Company, Brush Engineered Materials Inc., Titanium Metals Corporation, Commercial Metals Company and Lone Star Technologies Inc. Commonwealth in prior years had also been included as a company in this peer companies index; it is not included for purposes of this year s table due to its acquisition by Aleris during 2004. We will discontinue use of this peer companies index after this year, because we no longer believe that this index is indicative of our business, particularly following the Commonwealth merger transaction. We are not aware of any published industry or line-of-business index applicable to our company, and we do not believe we can reasonably identify an indicative peer group. For these reasons, we expect that after this year we will use The Standard and Poor s Small Cap 600 Index as the best indicator of stock market performance that is specifically applicable to the Company, since the Company is included in this index and it reflects stock market performance of companies having similar market capitalizations (median market value of included companies of $691 million at April 1, 2005).

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COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

AMONG ALERIS INTERNATIONAL, INC., THE S & P 500 INDEX,

THE S & P SMALLCAP 600 INDEX AND A PEER GROUP

* Based on $100 invested on December 31, 1999 in stock or index, including reinvestment of dividends; fiscal year ending December 31.

	Cumulative Total Return					
	12/99	12/00	12/01	12/02	12/03	12/04
ALERIS INTERNATIONAL, INC.	100.00	43.69	58.80	66.85	81.33	139.14
S & P 500	100.00	90.89	80.09	62.39	80.29	89.02
S & P SMALLCAP 600	100.00	111.80	119.11	101.69	141.13	173.09
PEER GROUP	100.00	93.66	85.98	64.58	100.08	153.26

The foregoing graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under those Acts.

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AUDIT COMMITTEE REPORT TO STOCKHOLDERS

This Audit Committee Report to Stockholders is not soliciting material and is not considered filed with the SEC. It is not to be incorporated by reference in any filing made by the Company under the Securities Act or the Exchange Act, whether made before or after the date hereof, and irrespective of any general incorporation language in any such filing.

Management is responsible for the Company s financial reporting process, including its internal accounting and financial controls, its disclosure controls and procedures, the internal audit function, and compliance with the Company s legal and ethics programs, as well as the preparation of consolidated financial statements in conformity with generally accepted accounting principles. The Company s independent registered public accounting firm is responsible for performing an independent audit of the Company s consolidated financial statements in accordance with generally accepted auditing standards and for the issuance of a report on those financial statements. The Audit Committee has relied on management s representation that the financial statements have been prepared with objectivity and in conformity with accounting principles generally accepted in the U.S., and on the representations of the independent registered public accounting firm included in its report on the Company s financial statements. It is not the duty or responsibility of the Audit Committee to conduct auditing or accounting reviews or procedures. The Audit Committee s responsibility is to monitor these processes and report our findings to the full Board.

In this context, the Audit Committee has met and held discussions, both separately and jointly, with management, the Company s internal auditors and Ernst & Young LLP, the Company s independent registered public accounting firm. Management represented to the Audit Committee that the Company s audited consolidated financial statements as of and for the year ended December 31, 2004 were prepared in accordance with generally accepted accounting principles. The Committee has reviewed and discussed the audited consolidated financial statements in the Company s annual report on Form 10-K with management and Ernst & Young LLP, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant adjustments, and the clarity of disclosures in the financial statements. Ernst & Young LLP has discussed with the Audit Committee and provided written disclosures to the Committee members on (1) that firm s independence as required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and (2) the matters required to be communicated by Statement on Auditing Standards No. 61, as amended by Statement on Auditing Standards No. 90 (Communication with Audit Committees). The Audit Committee met with the Company s internal auditors to review and discuss plans regarding the scope of work and findings of internal audit reports and activities.

In connection with the Company s 2004 year-end financial statement closing process, management reported to the Committee two material weaknesses (as that term is defined under the Public Company Accounting Oversight Board Auditing Standard No. 2) in the Company s internal control over financial reporting. The material weaknesses that were identified related to (1) insufficient controls relating to accounting for derivative instruments and (2) certain other insufficient controls that individually would not have constituted a material weakness, but combined constituted a material weakness. These material weaknesses resulted in certain adjustments being recorded during the Company s 2004 fourth quarter.

During 2004 and the first quarter of 2005, the Company took steps to strengthen its control processes, and further improvements are underway. Management has recently implemented new business processes that include additional levels of review procedures during each quarter, along with additional educational and training programs, in order to ensure greater accountability across the organization. The Audit Committee is receiving periodic progress reports from the director of internal audit of the Company with regards to these new processes being implemented. The Committee has also reviewed the changes in personnel, procedures and practices that have been implemented through the date of this report to improve the control environment, as well as the planned additions of financial, audit and accounting personnel, and believes that these changes are appropriate to improve the control environment.

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The implementation of the initiatives described above are among the highest priorities of the Audit Committee. The Board of Directors of the Company, in coordination with the Audit Committee, will continually assess the progress and sufficiency of these initiatives and make adjustments as and when necessary. As of the date of this report, we strongly believe that the plans outlined above, when completed, will improve the control environment and eliminate the weaknesses in the internal controls as described above. Nonetheless, a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues have been detected.

The Committee discussed with the Company s internal auditors and the independent registered public accounting firm the overall scope and plans for their respective activities. The Committee meets with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company s internal controls, and the overall quality of the Company s financial reporting.

Based on the Audit Committee s review of the audited consolidated financial statements, discussions with management and the independent registered public accounting firm, and its review of the representations of management and the report of Ernst & Young LLP to the Audit Committee, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited consolidated financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2004 for filing with the SEC.

Respectfully submitted by the members of the Audit Committee of the Board of Directors.

C. Frederick Fetterolf (Chair)

John E. Balkcom

Dale V. Kesler

John E. Merow

April 15, 2005.

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND SERVICES

Ernst & Young LLP has billed us aggregate fees of approximately $4.1 million for professional services rendered for the audit of our financial statements for the year ended December 31, 2004, the audit of our internal control over financial reporting for that year and for the reviews of our quarterly financial statements included in our Form 10-Qs in 2004. Fees for such audit services by Ernst & Young billed in the year ended December 31, 2003 were approximately $0.97 million.

In addition to retaining Ernst &Young to audit our consolidated financial statements for 2004, Aleris retained Ernst & Young to provide certain other auditing and advisory services in 2004. We understand the need for Ernst & Young to maintain objectivity and independence in its audit of our financial statements. To minimize relationships that could appear to impair the objectivity of Ernst & Young, our Audit Committee has restricted the non-audit services that Ernst & Young may provide to us primarily to tax services and merger and acquisition-related due diligence and audit services, and has determined that we would obtain these non-audit services from Ernst & Young only when the services offered by Ernst & Young are more effective or economical than services available from other service providers.

The Audit Committee has adopted policies and procedures for pre-approving all non-audit work performed by Ernst & Young. Specifically, the Audit Committee has pre-approved the use of Ernst & Young for detailed, specific types of services within the following categories of non-audit services: merger and acquisition and financing transactions due diligence and audit services; tax services; employee benefit plan audits; and reviews and procedures that the company requests Ernst & Young to undertake to provide assurances of accuracy on matters not required by laws or regulations. In each case, the Audit Committee has required management to report the specific engagements to the committee on a quarterly basis.

The aggregate fees billed for professional services by Ernst & Young in 2004 and 2003 for these various services were:

Type of Fees	2004	2003
	($ in thousands)	
Audit Fees	$ 4,081	$ 968
Audit-Related Fees	191	111
Tax Fees	268	48
All Other Fees	42	0
Total	$ 4,582	$ 1,127

In the above table, in accordance with the SEC s definitions and rules, audit fees are fees Aleris paid Ernst & Young for professional services for the audit of Aleris s consolidated financial statements included in its Annual Report on Form 10-K, the audit of our internal control over financial reporting and the review of our quarterly financial statements included in our Form 10-Qs, as well as for services that are normally provided by the accounting firm in connection with statutory and regulatory filings or engagements. Audit-related fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of Aleris s financial statements; tax fees are fees for tax compliance, tax advice and tax planning; and all other fees are fees for any services not included in the first three categories.

Our Audit Committee has adopted restrictions on our employing any Ernst & Young partner, director, manager, staff, advising member of the department of professional practice, reviewing actuary, reviewing tax professional and any other persons having responsibility for providing audit assurance on any aspect of their certification of the company s financial statements. The Audit Committee also requires key Ernst & Young partners assigned to our audit to be rotated at least every five years.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our officers, directors and persons who own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the SEC. These persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by them, including Forms 3, 4 and 5. We believe that all filing requirements applicable to our executive officers, directors and 10% stockholders were complied with during 2004, except that Don V. Ingram, in his capacity as a holder of more than 10% of our outstanding shares of common stock, was not timely in (i) his reporting on a Form 4 filed on October 19, 2004 (as amended by a Form 4/A filed on November 16, 2004), seven stock option exercises and 12 sales of his common stock between July 19 and October 17, 2004, and (ii) his reporting on a Form 4 filed on November 16, 2004 one stock option exercise and five sales of his common stock between October 25 and November 12, 2004.

2006 ANNUAL MEETING

The Board intends to hold our next Annual Meeting of Stockholders on or about May 18, 2006. A Proxy Statement and Notice of this meeting will be mailed to all stockholders approximately one month prior to that date. You may submit proposals, including director nominations, for consideration at future stockholder meetings.

For any stockholder proposal, including director nominations, to be eligible for inclusion in our Proxy Statement for the 2006 Annual Meeting of Stockholders, we must receive your proposal at our headquarters at 25825 Science Park Drive, Suite 400, Beachwood, Ohio 44122-7392 by December 16, 2005. All stockholder proposals of this nature must comply with our bylaws and the Securities and Exchange Commission (SEC) Rule 14a-8 under the Exchange Act.

In addition, in order for a stockholder proposal, including director nominations, to be raised from the floor during next year s annual meeting, we must receive written notice about that proposal by no later than December 16, 2005 (120 days in advance of April 15, 2006, which will be the first anniversary of the date the Company s Proxy Statement for the 2005 annual meeting of stockholders was released to stockholders), and the proposal must contain the necessary information required by our bylaws. A copy of our bylaws is available on the Investor Corporate Governance section of our *http://www.aleris.com* website.

EXPENSES OF SOLICITATION

We expect to solicit proxies primarily by mail, but our directors, officers and regular employees may also solicit by personal interview, telephone or similar means. All expenses in connection with the solicitation of proxies will be borne by us. Arrangements will be made by us for the forwarding, at our expense, of soliciting materials by brokers, nominees, fiduciaries and other custodians to their principals.

OTHER MATTERS

The Board does not intend to bring any other business before the meeting and it is not aware that anyone else intends to do so. If any other business comes before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote as proxies in accordance with their best judgment.

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ALERIS INTERNATIONAL, INC.

REVOCABLE PROXY

ANNUAL MEETING OF STOCKHOLDERS, MAY 19, 2005

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

By signing on the other side, I (we) appoint Steven J. Demetriou, and Michael D. Friday, and any of them, each with full power of substitution, acting jointly or by any of them, to vote and act with respect to all shares of common stock of the undersigned in Aleris International, Inc., at the Annual Meeting of Stockholders of Aleris International, Inc. (the Corporation) to be held on May 19, 2005 and any adjournment or postponement thereof, upon all subjects that may properly come before the meeting, including the matters described in the Proxy Statement furnished herewith, subject to the directions indicated on the reverse side of this card or through the telephone or Internet proxy procedures, and at the discretion of the proxies on any other matters that may properly come before the meeting. **If specific voting instructions are not given with respect to matters to be acted upon and the signed card is returned, the proxies will vote in accordance with the Corporation s Board of Directors recommendations provided below and at their discretion on any matters that may properly come before this meeting.** This Proxy hereby revokes all prior proxies given with respect to the shares of the undersigned.

This proxy card also serves as voting instructions to Prudential Retirement as Trustee of Commonwealth Industries, Inc. 401(k) Plan and Commonwealth Aluminum Lewsport, LLC Hourly 401(k) Plan. The Trustee will vote the shares of common stock of Aleris International, Inc. allocated to the undersigned s account at the Annual Meeting of Stockholders as directed by the undersigned on the reverse side. If you do not return voting instructions, the Trustee will vote your shares as the Board of Directors recommends.

The Board of Directors recommends a vote FOR all proposals listed on the reverse side.

Please sign on the reverse side of this card and return promptly to Mellon Investor Services, Proxy Processing, P.O. Box 3510, S. Hackensack, NJ 07606-9210; or if you choose, you can submit your proxy by telephone or through the Internet in accordance with the instructions on the reverse side of this card.

The undersigned acknowledges receipt from Aleris International, Inc. prior to the execution of this proxy card of a Notice of Annual Meeting of Stockholders and a Proxy Statement dated April 15, 2005.

Address Change/Comments **(Mark the corresponding box on the reverse side)**

∆ FOLD AND DETACH HERE ∆

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THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR ALL PROPOSALS.

Please Mark Here for Address Change or Comments ¨
SEE REVERSE SIDE

1. ELECTION OF DIRECTORS:

The election of the following nominees to the Board of Directors as Class III Directors, unless otherwise indicated below.

FOR	AGAINST	
		Nominees: 01 John E. Grimes
¨	¨	02 Larry E. Kittelberger
		03 Hugh G. Robinson

IN THE EVENT THE UNDERSIGNED WISHES TO WITHHOLD AUTHORITY TO VOTE FOR ANY PARTICULAR NOMINEE OR NOMINEES LISTED ABOVE, PLEASE SO INDICATE BY CLEARLY AND NEATLY LINING THROUGH OR STRIKING OUT THE NAME OF ANY SUCH NOMINEE OR NOMINEES.

	FOR	AGAINST	ABSTAIN
2. Proposal to ratify the appointment of Ernst & Young LLP as the independent auditors of the Corporation for 2005.	¨	¨	¨

3. In their discretion upon such other matters as may properly come before the meeting and any adjournment thereof.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED POSTAGE-PAID ENVELOPE.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

IF YOU ARE SUBMITTING YOUR PROXY BY TELEPHONE OR THROUGH THE INTERNET, PLEASE DO NOT MAIL THIS PROXY CARD

Signature: ________________ Date: ________ , 2005 / Signature (if held jointly): __________________ Date: ________ , 2005
Please sign exactly as your name(s) appears on this card. Joint owners should each sign personally. When signing as attorney, executor, administrator, trustee or guardian, or in other representative capacity, please give full title. If a corporation, please sign in full corporate name by authorized officer. If a partnership, please sign in partnership name by authorized person.

∆ FOLD AND DETACH HERE ∆

Vote by Internet or Telephone or Mail

24 Hours a Day, 7 Days a Week

Internet and telephone voting is available through 11:59 PM Eastern Daylight Time, May 18, 2005,

to be counted in the final tabulation.

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner

as if you marked, signed and returned your proxy card.

Internet		**Telephone**		**Mail**
http://www.proxyvoting.com/ars Use the Internet to vote your proxy. Have your proxy card in hand when you access the web site.	**OR**	**1-866-540-5760** Use any touch-tone telephone to vote your proxy. Have your proxy card in hand when you call.	**OR**	Mark, sign and date your proxy card and return it in the enclosed postage-paid envelope.

IF YOU ARE SUBMITTING YOUR PROXY THROUGH THE INTERNET OR BY TELEPHONE,

PLEASE DO NOT MAIL THIS PROXY CARD

To Change Your Vote:

Any subsequent submissions of a proxy by any means will change your prior proxy instructions. For example, if you submitted your proxy by telephone, a subsequent Internet submission will change how your shares will be voted. The last proxy received by 11:59 PM Eastern Daylight Time on May 18, 2005 will be the one counted. You may also revoke your proxy by voting in person at the Annual Meeting.