

# Morgan Stanley

*Morgan Stanley & Co. International plc*  
(incorporated as a public limited company in England and Wales)

**Issue of**  
**EUR 10,000,000 Currency Notes due March 2011 linked to the Turkish Lira, Series N14 (the**  
**"Notes")**  
under the  
**Program for the Issuance of Notes**

This document constitutes a securities note (the "**Securities Note**") for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). This Securities Note together with the registration document dated 5 October 2007, as supplemented by the Registration Document Supplement dated 19 November 2007 (the "**Registration Document**") and the summary (the "**Summary**") dated 30 January 2008 and drawn up in connection with the issue of Notes described herein constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of the Prospectus Directive in respect of the Notes described herein.

Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority for the purposes of the Prospectus Directive and under the Luxembourg Act relating to prospectuses for securities, for this Securities Note to be approved. The Notes are not expected to be listed or to be admitted to trading on any regulated market (as defined in the Prospectus Directive). However an application will be made for the Notes to be included in trading on the unofficial market (the "**Freiverkehr**") of the Frankfurt Stock Exchange and EUWAX. The Issuer may in future apply for admission of the Notes to listing, trading and/or quotation on other stock exchanges, listing authorities and/or quotation systems, subject to meeting the relevant listing requirements.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 22 August 2007 as supplemented by the base prospectus supplement dated 5 October 2007 (the "**Base Prospectus**"), in connection with the Program for the Issuance of Notes (the "**Programme**") of Morgan Stanley & Co. International plc (the "**Issuer**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Securities Note, the Registration Document and the Summary. Copies of this Securities Note, the Summary and the Registration Document are available on the website

**Investing in the Notes involves risks. See "Risk Factors" beginning on page 6.**

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OF U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT).**

**Other than in respect of Austria, Germany and Luxembourg, neither the Issuer nor Morgan Stanley & Co. International plc, as Distribution Agent for the Notes, has taken or will take any**

**action in any country or jurisdiction that would permit a public offering of the Notes or possession or distribution of any offering material in relation to a public offering in any country or jurisdiction where action for that purpose is required. Each investor must comply with all applicable laws and regulations in each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Notes or has in the investor's possession or distributes this Securities Note.**

**MORGAN STANLEY INTERNATIONAL PLC**

The Issuer accepts responsibility for information contained in this Securities Note. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in the Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised by the Issuer to give any information or to make any representation not contained or incorporated by reference in this Securities Note, and, if given or made, that information or representation should not be relied upon as having been authorised by the Issuer. Neither the delivery of this Securities Note nor the offering, sale or delivery of any securities will, in any circumstances, create any implication that the information contained in this Securities Note is true subsequent to the date hereof or that there has been no adverse change in the financial situation of the Issuer since the date hereof or the balance sheet date of the most recent financial statements which have been incorporated into this Securities Note, or that any other information supplied from time to time is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Investors should review, *inter alia*, the most recent financial statements of the Issuer when evaluating any Notes or an investment therein. Such financial statements shall not form a part of this Securities Note unless they have been expressly incorporated herein by way of a supplement to this Securities Note.

The distribution of this Securities Note and the offering, sale and delivery of securities in certain jurisdictions may be restricted by law. Persons into whose possession this Securities Note comes are required by the Issuer to inform themselves about and to observe those restrictions.

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

Each recipient of this Securities Note will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and of the particular terms of any offered securities.

This Securities Note does not constitute an offer of or an invitation to subscribe for or purchase any securities and should not be considered as a recommendation by the Issuer that any recipient of this Securities Note should subscribe for or purchase any securities.

Neither this Securities Note nor any document referred to herein may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which that offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

In particular, no action has been taken by the Issuer which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required and has not already been taken. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this document nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document or the Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this document and the offering and sale of the Notes. In particular, there are restrictions on the distribution of this document and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom, the Netherlands and Italy) (see "*Subscription and Sale and Transfer Restrictions*" beginning on page 100 of the Base Prospectus (the "Base Prospectus") dated 22 August 2007 relating to the Program for the Issuance of Notes of

the Issuer incorporated by reference herein. The Base Prospectus was approved by the CSSF on 22 August 2007.)

Neither the Issuer nor any of its affiliates assumes any obligation to purchase any Notes or to make a market in the Notes, and no assurances can be given that a liquid market for the Notes will exist.

All references in this Securities Note to "euro", "€" and "EUR" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended (the "Treaty").

This Securities Note should be read and construed with any documents incorporated by reference herein. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in the Securities Note which is capable of affecting the assessment of the Notes, prepare a supplement to the Prospectus or publish a new Securities Note for use in connection with any subsequent issue of Notes.

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE NOTES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the last twelve months a significant effect on the Issuer and/or its financial position or profitability.

Other than as set out in the documents incorporated by reference herein, there has been no significant change in the financial or trading position of the Issuer since 31 May 2007.

**Table of Contents**

Risk Factors ..... 6

Incorporation By Reference ..... 9

Information About The Notes ..... 10

## Risk Factors

Prospective investors should read the entire Prospectus. Words and expressions defined elsewhere in this Prospectus have the same meanings in this section.

**THE NOTES ARE NOT PRINCIPAL PROTECTED. INVESTORS MAY LOSE PART OR ALL OF THEIR INITIAL INVESTMENT IN THE NOTES.**

Holder and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Payments of interest and principal on the Notes are linked to the performance of the exchange rate between Turkish Lira and Euro. The performance of such exchange rate will therefore affect the nature and value of the investment return on the Notes. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Exchange Rate based upon such investigations.

Given the highly specialised nature of the Notes, the Issuer considers that they are only suitable for sophisticated investors who are able to determine for themselves the risk of an investment linked to the Exchange Rate, are willing to take risks and can absorb a partial or complete loss of their initial investment. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

The Issuer disclaims any responsibility to advise prospective purchasers of any matters arising under the laws of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments on, the Notes. Prospective purchasers should consult their own legal and financial advisors concerning these matters. This section describes generally the most significant risks of investing in the Notes. Each investor should carefully consider whether the Notes, as described herein, are suited to such investor's particular circumstances before deciding to purchase any Notes. Prospective investors should consider, among other things, the following:

### *Risks relating to the Notes*

The risk factors set out under the heading "Risk Factors relating to the Notes" on pages 12 to 22 of the Base Prospectus are incorporated herein by reference.

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Investing in the Notes entails certain risks including, but not limited to, the following:

*Currency Exchange Risk:* Fluctuations in the exchange rates of the Turkish Lira (TRL) against the Euro (EUR) will affect the value of the Notes and may mean that prospective investors receive back less than they invested and/or a return which is less than the return obtainable on an investment which is not linked to such exchange rates. Payments of interest and the Final Redemption Amount are determined by reference to the performance of the TRL/EUR exchange rate determined as at a specific time on the relevant Valuation Date. The TRL/EUR exchange rate can be highly volatile and investors do not have the protection of any averaging or smoothing of the exchange rate over a period of time.

The exchange rate is the result of the supply of, and the demand for, the related currencies. Changes in the exchange rate result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in all relevant countries, including economic and political developments. Of particular importance to potential currency exchange risk are: (i) rates of inflation; (ii) interest rate levels; (iii) balance of payments; and (iv) the extent of governmental surpluses or deficits in a relevant country. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the relevant countries, the governments of the relevant countries, and other countries important to international trade and finance.

Government intervention could materially and adversely affect the value of the relevant currencies and, in turn, the Notes. Foreign exchange rates can be fixed by governmental authority, allowed to float within a range of exchange rates set by governmental authority, or left to float freely. Governments can use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency, fix the exchange rate or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the Notes is that their trading value and amount payable on redemption could be affected by the actions of governments, fluctuations in response to other market forces and the movement of currencies across borders.

Suspension or disruptions may adversely affect the value of the Notes. Currency markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity participation of speculators and government intervention. As a result, the market value of the Notes could be adversely affected.

*Political and Economic Environment:* The Turkish economy has undergone a transformation from a highly protected and regulated system to a free market system. Although the Turkish economy has responded well to this transformation, it has continued to experience severe macro-economic imbalances. The Turkish economy has experienced significant inflationary pressures, and any downturn in Turkey's economy in the future could have a material adverse effect on the value of the Turkish Lira and, in turn, the value of the Notes. Uncertainties relating to Turkey's accession to the European Union could also impact on the value of Turkish Lira relative to the Euro.

*Credit Risk:* Investors are exposed to the credit risk of the Issuer.

*Determination Agent Adjustment Risk:* The Determination Agent might make adjustments or take any other appropriate action if circumstances occur where the Exchange Rate is affected by market disruption or in circumstances affecting normal activities. The Determination Agent will not be under any obligation to consult with the holders of the Notes in such circumstances.

*Liquidity Risk:* There is no guarantee that any secondary market in the Notes will exist at any point in time.

*Exit Risk:* The secondary market price of the Notes will depend on numerous factors including exchange rates, interest rates, interest rate volatility and time remaining to maturity. There is a risk that Noteholders may receive substantially less than the amount they invested whether they redeem prior to maturity or hold to maturity.

Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment linked to the Exchange rate based upon such investigations and not in reliance on any information given in this Securities Note. Noteholders and prospective purchasers of Notes

should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

The Notes will not have the benefit of a specific rating. Any existing rating assigned to the Issuer will not apply to these Notes.

### **Incorporation by Reference**

The following shall be deemed to be incorporated into and form part of this Securities Note:

- the following parts of the Base Prospectus dated 22 August 2007 shall be deemed to be incorporated into and form part of this Securities Note. Page references are to pages in the Base Prospectus:

	<b>Page Reference</b>
The section entitled "Summary"	6 to 9
The section entitled "Risks relating to the Notes"	12 to 23
The section entitled "Key features of the Notes"	23 to 25
The section entitled "Terms and Conditions of the Notes"	26 to 72
The section entitled "Taxation"	89 to 99
The section entitled "Subscription and Sale and Transfer Restrictions"	100 to 103
The section entitled "General Information"	103 to 105

- the Base Prospectus Supplement dated 5 October 2007,

save that any statement contained in this Securities Note or any documents incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Securities Note to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Securities Note is prepared modifies or supersedes such statement.

Those parts of the Base Prospectus which are not incorporated into and do not form part of this Securities Note are either not relevant for the purposes of prospective investors in the Notes or covered elsewhere in this Securities Note.

The Issuer will, at its registered office and at the specified office of the Paying Agent, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Securities Note (or any document incorporated by reference in this Securities Note). Written or oral requests for inspection of such documents should be directed to the specified office of the Paying Agent. Copies of all documents incorporated by reference in this Securities Note are also available at the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).

## Information about the Notes

The terms and conditions of the Notes shall consist of the "Terms and Conditions of the Notes" set out in the Base Prospectus prepared by the Issuer dated 22 August 2007 (as supplemented by the Base Prospectus Supplement dated 5 October 2007) (the "**Base Conditions**") and incorporated herein by reference as amended or supplemented below. Unless the context requires otherwise, references in the Base Conditions shall be deemed to refer to the terms set out below.

The Notes have been authorised by the board of the Issuer on 10 August 2007.

The Notes constitute direct and general obligations of the Issuer which rank equally among themselves.

## Commercial Terms

### MORGAN STANLEY & CO. INTERNATIONAL PLC

Issue of

**EUR10,000,000 Currency Notes due March 2011 linked to the Turkish Lira, Series N14**  
under its Programme for the Issuance of Notes

### PART A – CONTRACTUAL TERMS

THE NOTES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES. THE NOTES DESCRIBED HEREIN MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). SEE "SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS" IN THE BASE PROSPECTUS DATED 22 AUGUST 2007. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE NOTES ARE NOT SPECIFICALLY RATED.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 22 August 2007 and the supplement to the Base Prospectus dated 5 October 2007 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this document and the Base Prospectus. Copies of the Base Prospectus are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London E14 4QA, the offices of the Agent, The Bank of New York at One Canada Square, Canary Wharf London E14 5AL and German Agent, The Bank of New York, Filiale Frankfurt am Main at Niedenau 61 - 63, 60325 Frankfurt am Main, Federal Republic of Germany . A copy of this document will be published on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).

1. Issuer: Morgan Stanley & Co. International plc

- |   |       |   |   |
|---|-------|---|---|
| 2.  | (i)   | Series Number:                                  | N14   |
|   | (ii)  | Tranche Number:                                 | 1   |
| 3.  |       | Specified Currency or Currencies:               | Euro (" <b>EUR</b> ")   |
| 4.  |       | Aggregate Principal Amount of the Notes:        |   |
|   | (i)   | Series:   | EUR10,000,000   |
|   | (ii)  | Tranche:  | EUR10,000,000   |
| 5.  |       | Issue Price                                     | 100 per cent. of Par per Note.  |
|   |       |   | The Notes will be offered at an Offer Price of EUR1,020 per Note. See further Part B below.   |
| 6.  |       | Specified Denominations (Par):                  | EUR1,000  |
| 7.  | (i)   | Issue Date:                                     | 3 March 2008  |
|   | (ii)  | Trade Date:                                     | 29 February 2008  |
|   | (iii) | Interest Commencement Date:                     | Issue Date  |
| 8.  |       | Maturity Date:                                  | 3 March 2011  |
| 9.  |       | Interest Basis:                                 | Interest payable on the Notes will be determined by reference to a fixed annual interest rate and linked to the performance of an exchange rate for the purchase of Turkish Lira (" <b>TRL</b> ") with EUR<br><br>(further particulars specified below) |
| 10.   |       | Redemption/Payment Basis:                       | The Final Redemption Amount will be linked to the performance of an exchange rate for the purchase of TRL with EUR<br><br>(further particulars specified below)   |
| 11.   |       | Change of Interest or Redemption/Payment Basis: | Not Applicable  |
| 12.   |       | Put/Call Options:                               | Not Applicable  |
| 13.   |       | Status of the Notes:                            | Senior  |
| 14.   |       | Method of distribution:                         | Non-syndicated  |
| <b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b> |       |   |   |
| 15.   |       | <b>Fixed Rate Note Provisions</b>               | Not Applicable  |
| 16.   |       | <b>Floating Rate Note Provisions</b>            | Not Applicable  |

17. **Index-Linked Interest Note/other variable-linked interest Note Provisions**

Applicable. Interest payable on the Notes will be linked to the rate of exchange between TRL and EUR defined (in paragraph 22) as the Exchange Rate, as specified below.

(i) Index/Formula/other variable:

Subject as provided in the Conditions, the amount of interest payable in respect of each Note on each Interest Payment Date shall be the amount in EUR determined by the Determination Agent in accordance with the following formula

$$\frac{EUR1,000 * IER * CR * DCF}{ER}$$

where

*IER* means the Exchange Rate determined by the Determination Agent as of the Initial Valuation Date (as defined in paragraph 22 below)

*CR* means the the annual percentage rate determined by the Issuer in its sole discretion subject to a minimum of 13.5% per annum and a maximum of 14.5% per annum. The Coupon Rate so determined will be made available at [www.morganstanleyiq.com](http://www.morganstanleyiq.com), [www.morganstanleyiq.de](http://www.morganstanleyiq.de) and [www.morganstanleyiq.at](http://www.morganstanleyiq.at) following 29 February 2008.

*DCF* means the Day Count Fraction (see (xii) below) and

*ER* means the Exchange Rate determined by the Determination Agent as of the Valuation Date scheduled to fall 5 Business Days prior to the relevant Interest Payment Date

(ii) Calculation Agent responsible for calculating the interest due:

Determination Agent

(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:

See (i) above

(iv) Determination Date(s):

Valuation Dates (as defined in paragraph 22 below)

(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	See paragraph 22 below
(vi)	Interest or calculation period(s):	Each period from and including an Interest Payment Date (or in the case of the first period, the Issue Date) to but excluding the next following Interest Payment Date
(vii)	Specified Interest Payment Dates:	9 March 2009, 8 March 2010, 7 March 2011
(viii)	Business Day Convention:	Modified Following Business Day Convention
(ix)	Business Centre(s):	Istanbul and Frankfurt. For the purposes of the Notes, the definition of "Business Day" on Condition 2.1 shall be deemed to read as follows:  "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in London, Istanbul and Frankfurt.
(x)	Minimum Rate/Amount of Interest:	Not Applicable
(xi)	Maximum Rate/Amount of Interest:	Not Applicable
(xii)	Day Count Fraction:	Act/360
18.	<b>Zero Coupon Note Provisions</b>	Not Applicable
19.	<b>Dual Currency Note Provisions</b>	Not Applicable
20.	<b>Equity Linked Note provisions</b>	Not Applicable
21.	<b>Commodity Notes</b>	Not Applicable
22.	<b>Currency Notes</b>	Applicable. Payments of interest on the Notes and the Final Redemption Amount will each be linked to the performance of the rate of exchange between TRL and EUR as specified herein (including in paragraph 17 above as to interest and paragraph 26 below as to the Final Redemption Amount).
(i)	Settlement Currency:	EUR

- (ii) Reference Currency: TRL
- Specified Amount: Not Applicable
- Reference Currency Jurisdiction: Republic of Turkey
- (iii) Specified Rate: For any date, the rate of exchange on such date between the Reference Currency and the Specified Currency (expressed as the number of units of the Reference Currency or a fraction thereof required to buy one unit of the Specified Currency), as published on Bloomberg page WMCO around 4 pm London Time
- (iv) Settlement Rate Option: Not Applicable
- (v) Valuation Dates: 29 February 2008 (the "**Initial Valuation Date**") and each date which falls five Business Days prior to an Interest Payment Date or the Maturity Date
- (vi) Averaging Dates: Not Applicable
- (vii) Currency Disruption Events: Price Source Disruption Applicable
- Currency Disruption Fallbacks: Determination Agent Determination of Settlement Rate
- (viii) Other special terms and conditions: If the Determination Agent determines that a General Inconvertibility Event has occurred, it will inform the Issuer of such General Inconvertibility Event. The Issuer may at any time from the General Inconvertibility Event Date, in its sole discretion, either (a) elect to continue making payments of interest and principal in respect of the Notes determined by reference to the Fallback Exchange Rate (instead of the Exchange Rate) as of the relevant Valuation Date or (b) give notice to the holders stating that the Issuer's obligations under the Notes will be terminated, all as more fully set out in Condition 24 (*Notices*). If the Issuer elects to terminate its obligations under the Notes the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an

amount which the Determination Agent, in its sole and absolute discretion and acting in a commercially reasonable manner and taking account of the Fallback Exchange Rate, determines is equal to the fair value of a Note, less the cost to the Issuer of unwinding any related hedging arrangements, as determined by the Determination Agent in its sole and absolute discretion. The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

As used herein, "**General Inconvertibility Event**" means the occurrence, in the determination of the Determination Agent, at time during period from the Issue Date to the Maturity Date, of any event or circumstance that makes it impossible (i) to convert the Reference Currency into the Specified Currency through customary legal channels or (ii) for the Determination Agent to determine a rate of exchange for the conversion of the Reference Currency into the Specified Currency, and "**General Inconvertibility Event Date**" means any Business Day from the Issue Date to the day which is two Business Days prior to the Maturity Date on which the Determination Agent, acting in good faith, determines that a General Inconvertibility Event has occurred.

23. **Credit-Linked Note provisions** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

24. **Call Option** Not Applicable

25. **Final Redemption Amount of each Note**

- (i) Underlying asset/index: The Final Redemption Amount will be linked to the Exchange Rate, as specified below.
- (ii) Determination Agent responsible for calculating the Final Redemption Amount: Morgan Stanley & Co. International plc
- (iii) Provisions for determining Final Redemption Amount: See (viii) below

- (iv) Determination Date: The Valuation Date scheduled to fall five Business Days prior to the Maturity Date
- (v) Specified Time: 4:00 pm, London time
- (vi) Observation Dates: Valuation Dates
- (vii) Averaging Dates: Not Applicable
- (viii) Provision for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: Subject as provided in the Conditions, the Final Redemption Amount shall be the amount in EUR determined by the Determination Agent in accordance with the following formula

$$\frac{EUR1,000 * IER}{ER}$$

where

*IER* means the Exchange Rate determined by the Determination Agent as of the Initial Valuation Date and

*ER* means the Exchange Rate determined by the Determination Agent as of the Valuation Date scheduled to fall 5 Business Days prior to the Maturity Date

- (ix) Payment Date: Maturity Date
- (x) Minimum Final Redemption Amount: Not Applicable
- (xi) Maximum Final Redemption Amount: Not Applicable

**26. Early Termination Amount and Redemption Amount upon early redemption**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

In respect of each Note, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost of unwinding any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion.

- 27. Governing Law: English law

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

28.	Form of Notes:	Global Note in bearer form deposited with Clearstream Banking AG
29.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
30.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
31.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
32.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
33.	Consolidation provisions:	Not Applicable
34.	Other final terms:	Not Applicable

## DISTRIBUTION

35.	(i) If syndicated, names and addresses of Managers and underwriting commitments: and names, addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)	Not Applicable
	(ii) Date of Subscription Agreement:	Not Applicable
	(iii) Stabilising Manager(s) (if any):	Not Applicable
36.	If non-syndicated, name and address of Dealer:	Morgan Stanley & Co. International plc 25 Cabot Square Canary Wharf London E14 4QA
37.	Total commission and concession:	Not Applicable
38.	Additional selling restrictions:	Not Applicable



Germany and Luxembourg (the "Public Offer Jurisdictions") during the Offer Period.

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

Description of the application process: Not Applicable

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

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

Manner in and date on which results of the offer are to be made public: Not Applicable

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

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: The Notes are to be offered to the public in the Public Offer Jurisdictions.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placing agents in the various countries where the offer takes place: Not Applicable

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

(i) Reasons for the offer For the purpose of the Issuer's own profit

**7. FIXED RATE NOTES ONLY – YIELD**

Indication of yield: Not Applicable

**8. HISTORIC INTEREST RATES**

Not Applicable.

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

Payments of interest and the Final Redemption Amount on the Notes are linked to the performance of the rate of exchange between Turkish Lira and Euro as determined as of the relevant Valuation Date and by reference to the rate of exchange determined as of the Issue Date.

Information on the past and future performance of the EUR/Turkish Lira exchange rates can be obtained from Bloomberg page EURTRY Curncy GP and volatility exchange rates of the EUR/Turkish Lira exchange rates can be obtained from Bloomberg page EURTRY Curncy HVT.

Please refer to "Information Concerning Investment Risk" above for further disclosures.

10. **OPERATIONAL INFORMATION**

ISIN Code:	DE000MS2U3V5
WKN:	MS2U3V
Relevant Clearing system(s):	Clearstream Banking AG
Delivery:	Delivery free of payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

**THE ISSUER**

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London  
E14 4QA

**AGENT**

**The Bank of New York**  
One Canada Square  
Canary Wharf  
London E14 5AL

**LEGAL ADVISERS**

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ

**CALCULATION AGENT AND DETERMINATION AGENT**

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London  
E14 4QA

**PAYING AGENT IN LUXEMBOURG**

**The Bank of New York (Luxembourg) S.A.**  
Aerogolf Center  
1A Hoehenhof  
L-1736 Senningberg  
Luxembourg

**GERMAN AGENT**

**The Bank of New York, Filiale Frankfurt am Main**  
Niedenau 61-63  
60325 Frankfurt am Main  
Federal Republic of Germany

**AUDITORS**

**Deloitte & Touche LLP**  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR  
United Kingdom