

BASE PROSPECTUS SUPPLEMENT FOR THE UP TO EUR5,000,000,000 PROGRAMME FOR THE ISSUANCE OF NOTES

Morgan Stanley

MORGAN STANLEY & CO. INTERNATIONAL plc

as issuer

(incorporated with limited liability in England and Wales)

Morgan Stanley & Co International plc ("**MSI plc**" or the "**Issuer**"), has prepared this base prospectus supplement (the "**Base Prospectus Supplement**"), which constitutes a supplementary prospectus for the purposes of 87G of the Financial Services and Markets Act 2000 ("**FSMA 2000**") and has been approved by the Financial Services Authority in its capacity as United Kingdom competent authority as a prospectus supplement for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"), to supplement and be read in conjunction with the base prospectus dated 22 August 2008 as supplemented by the base prospectus supplements dated 26 September 2008 and 24 October 2008 prepared by the Issuer relating to the up to EUR5,000,000,000 programme for the issuance of notes (the "**Base Prospectus**") (and any documents incorporated by reference therein and any supplements thereto)

Defined terms used in the Base Prospectus shall have the same meaning when used in this Base Prospectus Supplement.

On 17 December 2008, Moody's Investors Services ("**Moody's**") lowered its long-term debt counterparty credit rating for MSI plc to "A2" from "A1" and announced that its outlook for MSI plc is negative.

On 19 December 2008, Standard & Poor's ("**S&P**") lowered its counterparty credit ratings for MSI plc to "A+/A-1" from "AA-/A-1+" and announced that its outlook for MSI plc is negative.

The sub-section headed "Ratings" under the section headed "Summary of Risk Factors" on page 8 of the Base Prospectus is amended by deleting the table set out therein and replacing it with the following:

Rating Agency	Long-term	Short-term
Standard & Poor's (S&P)	A+	A-1
Moody's	A2	P-1

Credit ratings are subject to change from time to time. Updated credit ratings may be viewed on Moody's public website www.moodys.com and on S&P's public website www.standardandpoors.com.

To the extent that there is any inconsistency between any statement in this Base Prospectus Supplement and any other statement in or incorporated by reference in the Base Prospectus or any previous Base Prospectus Supplement thereto, the statements in this Base Prospectus Supplement will prevail.

Save as disclosed in this Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus Supplement dated 24 October 2008.

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

This Base Prospectus Supplement is available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND STATE SECURITIES REGULATORS HAVE NOT APPROVED OR DISAPPROVED THESE SECURITIES, OR DETERMINED IF THIS BASE PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Investors should be aware of their rights under Section 87Q(4) of FSMA 2000.

Neither the Issuer nor Morgan Stanley & Co. International plc, as agent for the Notes, has 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 Base Prospectus Supplement, the Base Prospectus or any accompanying Final Terms.

MORGAN STANLEY & CO. INTERNATIONAL plc

15 January 2009