

THIRD SUPPLEMENTAL OFFERING CIRCULAR

Morgan Stanley

as issuer and guarantor
(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY & CO. INTERNATIONAL PLC

as issuer
(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.

as issuer
(incorporated with limited liability in The Netherlands)

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

Morgan Stanley (“**Morgan Stanley**”), Morgan Stanley & Co. International plc (“**MSI plc**”) and Morgan Stanley B.V. (“**MSBV**”, together with Morgan Stanley and MSI plc, the “**Issuers**”) and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this third supplemental offering circular (the “**Third Supplemental Offering Circular**”) to supplement and be read in conjunction with the offering circular dated 17 August 2015 the “**Offering Circular**”), as supplemented by the first supplemental offering circular dated 30 November 2015 (the “**First Supplemental Offering Circular**”) and the second supplemental offering circular dated 23 December 2015 (the “**Second Supplemental Offering Circular**”) in relation to the Issuer’s Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

This Third Supplemental Offering Circular has been approved by:

- (i) the Irish Stock Exchange as supplementary listing particulars, pursuant to the listing and admission to trading rules of the Irish Stock Exchange, for the purpose of providing information with regard to the Issuers and the Guarantor for the purposes of admitting Program Securities to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market. The Global Exchange Market is the exchange regulated market of the Irish Stock Exchange and is not a regulated market for the purposes of Directive 2004/39/EC;
- (ii) the SIX Swiss Exchange pursuant to points 12 et seq. of the directive of the SIX Swiss Exchange on the listing of notes for the purpose of giving certain information with regard to the Issuers and the Guarantor; and
- (iii) the Luxembourg Stock Exchange pursuant the rules and regulations of the Luxembourg Stock Exchange for the purpose of providing information with regard to the Issuers and the Guarantor for the purpose of listing Program Securities on the Official List and to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market is the exchange regulated market of the Luxembourg Stock Exchange and is not a regulated market for the purposes of Directive 2004/39/EC.

Warning: This Third Supplemental Offering Circular does not constitute a “supplement” for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the “**Prospectus Directive**”), and this Third Supplemental Offering Circular and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive for any Program Securities to be offered and sold under the Offering Circular. Neither the Offering Circular nor this Third Supplemental Offering have been approved or reviewed by any regulator which is a competent authority under the Prospectus Directive in the European Economic Area (the “**EEA**”).

Terms defined in the Offering Circular shall have the same meaning when used in this Third Supplemental Offering Circular. To the extent that there is any inconsistency between any statement in this Third Supplemental Offering Circular and any other statement in, or incorporated by reference in to, the Offering Circular, the statements in this Third Supplemental Offering Circular will prevail.

The purpose of this Third Supplemental Offering Circular is to disclose the publication by Morgan Stanley of its annual report on Form 10-K for the year ending 31 December 2015 (the “**Morgan Stanley 2015 10-K**”) and to

incorporate by reference the Morgan Stanley 2015 10-K and the Second Registration Document Supplement of Morgan Stanley, MSI plc and MSBV dated 31 March 2016 (the “**Second Registration Document Supplement**”) into the Offering Circular as set out in the section of this Third Supplemental Offering Circular entitled “Part A - Incorporation by Reference”.

In addition, this Third Supplemental Offering Circular makes certain consequential amendments to the Offering Circular as set out in “Part B” of this Supplemental Offering Circular.

Each of the Issuers and the Guarantor (the “**Responsible Persons**”) accepts responsibility for the information contained in this Third Supplemental Offering Circular and to the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Third Supplemental Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Responsible Persons confirms that save as disclosed in this Third Supplemental Offering Circular, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular (as supplemented by the First Supplemental Offering Circular and the Second Supplemental Offering Circular) has arisen since the publication of the Offering Circular (as supplemented by the First Supplemental Offering Circular and the Second Supplemental Offering Circular).

This Third Supplemental Offering Circular and the Second Registration Document Supplement are available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents and are also available at (i) www.morganstanleyiq.eu; and (ii) www.bourse.lu.

The Morgan Stanley 2015 10-K is available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents and is also available at (i) www.morganstanley.com/about-us-ir; and (ii) www.bourse.lu.

14 April 2016

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

PART A - INCORPORATION BY REFERENCE

This Third Supplemental Offering Circular incorporates by reference the Second Registration Document Supplement and the Morgan Stanley 2015 10-K and supplements the section entitled “*Incorporation by Reference*” contained on pages 30-38 of the Offering Circular. The Morgan Stanley 2015 10-K is available for viewing at www.morganstanley.com/about-us-ir.

The information incorporated by reference must be read in conjunction with the cross-reference table below which supplements the table of information incorporated by reference in the section entitled “*Incorporation by Reference*” contained on pages contained on pages 30-38 of the Offering Circular.

The following documents and/or information shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular:

Document filed	Information incorporated by reference	Page
Second Registration Document Supplement dated 31 March 2016	Part B	Pages 5-6
Morgan Stanley Annual Report on Form 10-K for the year ended 31 December 2015	Business	Pages 1-12
	Risk Factors	Pages 13-23
	Unresolved Staff Comments	Page 23
	Properties	Page 23
	Legal Proceedings	Pages 24-32
	Mine Safety Disclosures	Page 32
	Market for Registrant's Common Equity, Related Stockholder Matters, Issuer Purchases of Equity Securities and Stock Performance Graph	Pages 33-35
	Selected Financial Data	Pages 36-37
	Management's Discussion and Analysis of Financial Condition and Results of Operations	Pages 38-97
	Quantitative and Qualitative Disclosures about Market Risk	Pages 98-120
	Financial Statements and Supplementary Data	Pages 121-258
	Report of Independent Registered Public Accounting Firm	Page 121

Consolidated Statements of Income	Page 122
Consolidated Statements of Comprehensive Income	Page 123
Consolidated Statements of Financial Condition	Page 124
Consolidated Statements of Changes in Total Equity	Page 125
Consolidated Statements of Cash Flows	Page 126
Notes to Consolidated Financial Statements	Pages 127-250
Financial Data Supplement (Unaudited)	Pages 251-258
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Page 259
Controls and Procedures	Pages 259-261
Other Information	Page 261
Directors, Executive Officers and Corporate Governance	Page 262
Executive Compensation	Page 262
Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	Page 262
Certain Relationships and Related Transactions, and Director Independence	Page 262
Principal Accounting Fees and Services	Page 262
Exhibits, Financial Statement Schedules	Page 263
Signatures	S-1-S-2

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular (as supplemented).

The non-incorporated parts of the document listed above are as follows:

Document incorporated by reference

Information not incorporated by reference

Morgan Stanley

Second Registration Document Supplement dated 31 March 2016

Part A

Morgan Stanley

Annual Report on Form 10-K for the year ended 31 December 2015

Exhibits

PART B – OTHER CONSEQUENTIAL AMENDMENTS TO THE OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

1. All references in the Base Prospectus to the “Registration Document” shall be deemed to be references to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc and MSBV dated 12 June 2015, as supplemented by the First Registration Document Supplement and the Second Registration Document Supplement, save that item 1 under “*Documents incorporated by reference*” on page 30 of the Base Prospectus shall continue to refer to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc and MSBV dated 12 June 2015.
2. The section entitled “Selected key financial information relating to Morgan Stanley” on page 2 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected key financial information relating to Morgan Stanley:		
Balance Sheet (\$ in millions)	At 31 December 2014	At 31 December 2015
<i>Total assets</i>	801,510	787,465
<i>Total liabilities and equity</i>	801,510	787,465
Consolidated Income Statement (\$ in millions)	2014	2015
<i>Net revenues</i>	34,275	35,155
<i>Income from continuing operations before tax</i>	3,591	8,495
<i>Net income</i>	3,667	6,279

3. In the section entitled “Risks” on page 3 of the Offering Circular under “*Summary*”, the list of risk factors commencing “Market risk” shall be deemed to be deleted in its entirety and replaced by the following:

Market Risk: Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors. Holding large and concentrated positions may expose Morgan Stanley to losses. These factors may result in losses for a position or portfolio owned by Morgan Stanley.

Credit Risk: Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations, as well as that a default by a large financial institution could adversely affect financial markets. Such factors give rise to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley.

Operational Risk: Morgan Stanley is subject to the risk of loss, or of damage to its reputation, resulting from inadequate or failed processes, people and systems or from external events (e.g. fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g. sales and trading) and support and control groups (e.g. information technology and trade processing).

Liquidity and Funding Risk: Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend significantly on its credit ratings. Morgan Stanley is a holding company and depends on payments from its subsidiaries. Further, Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions. As a result of the foregoing, there is a risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets; or be unable to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern.

Legal, Regulatory and Compliance Risk: Morgan Stanley is subject to the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation it may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. Morgan Stanley is also subject to contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. Additionally, Morgan Stanley is subject to anti-money laundering and terrorist financing rules and regulations. Further, in today's environment of rapid and possibly transformational regulatory change, Morgan Stanley also views regulatory change as a component of legal, regulatory and compliance risk.

Risk Management: Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk.

Competitive Environment: Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability. Further, automated trading markets may adversely affect Morgan Stanley's business and may increase competition (for example, by putting increased pressure on bid-offer spreads, commissions, markups or comparable fees). Finally, Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.

International Risk: Morgan Stanley is subject to numerous political, economic, legal, operational, franchise and other risks as a result of its international operations (including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability) which could adversely impact its businesses in many ways.

Acquisition, Divestiture and Joint Venture Risk: Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes and strategic alliances.

Risk relating to the exercise of potential resolution measures powers: The application of regulatory requirements and strategies in the United States to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the holders of securities issued or guaranteed by Morgan Stanley.

All material assets of MSBV are obligations of one or more companies in the Morgan Stanley group and MSBV's ability to perform its obligations is dependent upon such companies fulfilling their obligations to MSBV. Should such companies' prospects be impaired, holders of securities issued by MSBV may also be exposed to a risk of loss.

The existence of substantial inter-relationships (including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees) between MSI plc and other Morgan Stanley group companies exposes MSI plc to the risk that, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Further, Notes issued by MSI plc will not be guaranteed by Morgan Stanley. The application of regulatory requirements and strategies in the United Kingdom to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the holders of securities issued by MSI plc.

4. On page 411 of the Offering Circular, paragraph 1(a) under the heading "No material adverse change in prospects" shall be deemed to be deleted in its entirety and replaced by the following:

“(a) Morgan Stanley since 31 December 2015, the date of the latest published annual audited accounts of Morgan Stanley;”

5. On page 411 of the Offering Circular, paragraph 2(a) under the heading “No significant change in the financial or trading position” shall be deemed to be deleted in its entirety and replaced by the following:

“(a) *Morgan Stanley since 31 December 2015, the date of the latest published annual audited accounts of Morgan Stanley;*”

6. On page 411 of the Offering Circular, paragraph 3(a) under the heading “Legal and arbitration proceedings” shall be deemed to be deleted in its entirety and replaced by the following:

“(a) *Save as disclosed in:*

(i) *the section entitled “Legal Proceedings” in Part I - Item 3 at pages 24-32 and in the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements” in Part II - Item 8 at pages 202-205 of the Morgan Stanley 2015 10-K;*

(ii) *the section entitled “Legal Settlement” under the heading “24. Subsequent Events” in “Notes to the Consolidated Financial Statements” in Part I – Item 8 at page 250 of the Morgan Stanley 2015 10-K; and*

(iii) *the Registration Document, First Registration Document Supplement and Second Registration Document Supplement,*

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley) during the 12-month period before the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley.