

FIRST 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)

MORGAN STANLEY FINANCE LLC

as issuer
(formed under the laws of the State of Delaware in the United States of America)

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**”), Morgan Stanley B.V. (“**MSBV**”) and Morgan Stanley Finance LLC, a wholly-owned finance subsidiary of Morgan Stanley (“**MSFL**”, together with Morgan Stanley, MSI plc and MSBV, the “**Issuers**”), and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this first supplemental offering circular (the “**First Supplemental Offering Circular**”) to supplement and be read in conjunction with the offering circular dated 16 August 2016 the “**Offering Circular**”) in relation to the Issuer’s Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

This First 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 not a regulated market for the purposes of Directive 2004/39/EC.

Warning: This First 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 First 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 First 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 First Supplemental Offering Circular. To the extent that there is any inconsistency between any statement in this First Supplemental Offering Circular and any other statement in, or incorporated by reference in to, the Offering Circular, the statements in this First Supplemental Offering Circular will prevail.

The purpose of this First Supplemental Offering Circular is to:

- (a) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016 (the “**Morgan Stanley September 2016 10-Q**”) and incorporate by reference, as set out in “Part A” of this First Supplemental Offering Circular;
- (b) disclose the publication by MSI plc of its Interim Financial Report for the six months ended 30 June 2016 (the “**MSI plc June 2016 Interim Report**”) and incorporate by reference, as set out in “Part A” of this First Supplemental Offering Circular;
- (c) disclose the publication by MSBV of its Interim Financial Report for the six months ended 30 June 2016 (the “**MSBV June 2016 Interim Report**”) and incorporate by reference, as set out in “Part A” of this First Supplemental Offering Circular;
- (d) disclose the publication by MSFL of its Financial Statements as of and for the six months ended 30 June 2016 (unaudited) (the “**MSFL June 2016 Interim Report**”) and incorporate by reference, as set out in “Part A” of this First Supplemental Offering Circular; and
- (e) disclose the publication of the first supplement to the Registration Document of Morgan Stanley, MSI plc, MSBV and MSFL dated 19 October 2016 and approved by the CSSF (the “**First Registration Document Supplement**”) and incorporate by reference, as set out in Part A” of this First Supplemental Offering Circular.

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

Each of the Issuers and the Guarantor (the “**Responsible Persons**”) accepts responsibility for the information contained in this First 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 First 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 First Supplemental Offering Circular, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen since the publication of the Offering Circular.

This First Supplemental Offering Circular, the MSI plc June 2016 Interim Report, the MSBV June 2016 Interim Report, the MSFL June 2016 Interim Report and the First 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 on Morgan Stanley’s website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Morgan Stanley September 2016 10-Q is available on Morgan Stanley's website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

11 November 2016

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

MORGAN STANLEY FINANCE LLC

PART A - INCORPORATION BY REFERENCE

This First Supplemental Offering Circular incorporates by reference the Morgan Stanley September 2016 10-Q, the MSI plc June 2016 Interim Report, the MSBV June 2016 Interim Report, the MSFL June 2016 Interim Report and the First Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 32-39 of the Offering Circular.

The MSI plc June 2016 Interim Report, the MSBV June 2016 Interim Report, the MSFL June 2016 Interim Report and the First Registration Document Supplement are available on Morgan Stanley's website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Morgan Stanley September 2016 10-Q is available on Morgan Stanley's website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

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 32-39 of the Offering Circular.

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

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley		
Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016	(1) Consolidated Statements of Income (Unaudited)	1
	(2) Consolidated Statements of Comprehensive Income (Unaudited)	2
	(3) Consolidated Balance Sheets (Unaudited)	3
	(4) Consolidated Statements of Changes in Total Equity (Unaudited)	4
	(5) Consolidated Statements of Cash Flows (Unaudited)	5
	(6) Notes to Consolidated Financial Statements (Unaudited)	6-54
	(7) Report of Independent Registered Public Accounting Firm	55
	(8) Management’s Discussion and Analysis of Financial Condition and Results of Operations	56-86
	(9) Quantitative and Qualitative Disclosures about Market Risk	87-96
	(10) Controls and Procedures	97
	(11) Financial Data Supplement (Unaudited)	98-100
	(12) Legal Proceedings	101
	(13) Unregistered Sales of Equity Securities and Use of Proceeds	102
	(14) Signatures	103
Morgan Stanley & Co. International plc		
Interim Financial Report for the six months ended 30 June 2016	(1) Directors’ Responsibility Statement	12
	(2) Independent Review Report to Morgan Stanley & Co. International plc	13
	(3) Condensed Consolidated Income Statement	14
	(4) Condensed Consolidated Statement of Comprehensive Income	15

(5) Condensed Consolidated Statement of Changes in Equity	16
(6) Condensed Consolidated Statement of Financial Position	17
(7) Condensed Consolidated Statement of Cash Flows	18
(8) Notes to the Condensed Consolidated Financial Statements	19-51

**Morgan Stanley
B.V.**

Interim Financial Report for the six months ended 30 June 2016	(1) Interim Management Report	1-5
	(2) Directors' Responsibility Statement	6
	(3) Condensed Statement of Comprehensive Income	7
	(4) Condensed Statement of Changes in Equity	8
	(5) Condensed Statement of Financial Position	9
	(6) Condensed Statement of Cash Flows	10
	(7) Notes to the Condensed Financial Statements	11-34

**Morgan Stanley
Finance LLC**

Financial statements as of and for the six months ended 30 June 2016 (unaudited)	(1) Statement of Financial Condition	3
	(2) Statement of Comprehensive Income	4
	(3) Statement of Cash Flows	5
	(4) Statement of Changes in Member's Equity	6
	(5) Notes to the Financial Statements	7-18

**Morgan Stanley,
MSI plc, MSBV
and MSFL**

First Registration Document Supplement	(1) Part B – Consequential Amendments to the Registration Document	4-7
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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.

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

Document incorporated by reference

Morgan Stanley September 2016 10-Q
MSIP June 2016 Interim Report
First Registration Document Supplement

Information not incorporated by reference

Exhibits
Exhibits Index
Pages 1-11
Part A

PART B – OTHER CONSEQUENTIAL AMENDMENTS TO THE OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

- 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:

Consolidated Balance Sheets (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	At 30 September 2015 (unaudited)	At 30 September 2016 (unaudited)
<i>Total assets</i>	801,510	787,465	834,113	813,891
<i>Total liabilities and equity</i>	801,510	787,465	834,113	813,891

Consolidated Statements of Income (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	Nine months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2016 (unaudited)
<i>Net revenues</i>	34,275	35,155	27,417	25,610
<i>Income from continuing operations before income taxes</i>	3,591	8,495	7,056	6,602
<i>Net income</i>	3,667	6,279	5,343	4,443

- The section entitled “Selected key financial information relating to MSI plc” 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 MSI plc:

Consolidated Balance Sheet (in U.S.\$ millions)	31 Dec 2014	31 Dec 2015	Six months ended 30 June	
			2015	2016
<i>Total assets</i>	448,526	394,084	431,277	470,491
<i>Total liabilities and equity</i>	448,526	394,084	431,277	470,491

Consolidated Income Statement (in U.S.\$ millions)	31 Dec 2014 (Restated)	31 Dec 2015	Six months ended 30 June	
			2015	2016
<i>Net gains on financial instruments classified as held for</i>	2,775	3,508	2,258	1,911

<i>trading</i>				
<i>Profit (loss) before tax</i>	(677)	710	831	465
<i>Profit (loss) for the year/period</i>	(713)	401	548	293

3. The section entitled “Selected key financial information relating to MSBV” on page 3 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 MSBV:

Statement of financial position (in EUR '000)	31 Dec 2014	31 Dec 2015	Six months ended 30 June	
			2015	2016
<i>Total assets</i>	8,081,802	8,770,208	9,480,695	9,300,670
<i>Total liabilities and equity</i>	8,081,802	8,770,208	9,480,695	9,300,670

Statement of comprehensive income (in EUR '000)	31 Dec 2014	31 Dec 2015	Six months ended 30 June	
			2015	2016
<i>Net gains/ (losses) on financial instruments classified as held for trading</i>	185,570	(478,444)	309,733	(310,651)
<i>Net gains/ (losses) on financial instruments designated at fair value through profit or loss</i>	(185,570)	482,884	(309,733)	307,692
<i>Profit before income tax</i>	6,658	10,151	2,603	169
<i>Profit and total comprehensive income for the year/period</i>	4,993	7,620	1,952	133

4. The section entitled “Selected key financial information relating to MSFL” on page 3 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 MSFL:

Statement of Financial Position (in U.S.\$)	31 December 2014	31 December 2015	30 June 2015	30 June 2016
Net Income	114,986,489	110,072,000	55,905,222	10,920,801
Total Assets	6,797,385,100	6,942,318,599	6,871,618,064	355,668,713

Total Liabilities	1,678,238,33 3	1,713,099,83 2	1,696,566,0 75	357,207,73 6
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5. On page 426 of the Offering Circular, paragraphs 2(a), 2(b), 2(c) and 2(d) under the heading “No significant change in the financial or trading position” shall be deemed to be deleted in their entirety and replaced by the following:

- “(a) *Morgan Stanley since 30 September 2016, the date of the latest published interim unaudited financial statements of Morgan Stanley;*
- “(b) *MSI plc since 30 June 2016, the date of the latest published interim unaudited financial statements of MSI plc;*
- “(c) *MSBV since 30 June 2016, the date of the latest published interim unaudited financial statements of MSBV;*
- “(d) *MSFL since 30 June 2016, the date of the latest published interim unaudited financial statements of MSFL.”*

6. On pages 426-427 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:

“Save as disclosed in:

- a) *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 Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2015 (the "Form 10-K");*
- b) *the section entitled "Legal Settlement" under the heading "24. Subsequent Events" in "Notes to the Consolidated Financial Statements" in Part II – Item 8 at page 250 of the Form 10-K;*
- c) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 47-50 and the section entitled “Legal Proceedings” in Part II – Item 1 at page 126 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended 31 March 2016; and*
- d) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 50-53 and the section entitled “Legal Proceedings” in Part II – Item 1 at page 128 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016;*
- e) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 39-43 and the section entitled “Legal Proceedings” in Part II – Item 1 at page 101 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016; and*
- f) *the Registration Document (as supplemented by the First Registration Document Supplement dated 19 October 2016).*

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 is aware) 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 or the Morgan Stanley Group.”