

Final Terms dated 3 July 2015

MORGAN STANLEY

Issue of Series EU242 Tranche 3 EUR 40,000,000 CMS Notes due 2030

to be consolidated and to form a single series with the Series EU242 Tranche 1 EUR 150,000,000 and Tranche 2 EUR 10,000,000 CMS Notes due 2030

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

PART A – CONTRACTUAL TERMS

This document constitutes Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Base Prospectus dated 16 December 2014 and the supplement dated 12 May 2015 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 constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the 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 these Final Terms 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 and copies of the Base Prospectus, any supplements thereto and these Final Terms are available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

1.
 - (i) Series Number: EU242
 - (ii) Series designation: Series A
 - (iii) Tranche Number: 3
Fungible with the Series EU242 Tranche 1 EUR 150,000,000 and Tranche 2 EUR 10,000,000 CMS Notes due 2030 issued by Morgan Stanley, bearing ISIN XS1190287794. To be consolidated to form a single series with Tranches 1 and 2 with effect as of the Issue Date of Tranche 3.
2. Specified Currency or Euro
Currencies:
3. Aggregate Nominal Amount of the Notes: EUR 40,000,000
 - (i) Series: EUR 200,000,000
 - (ii) Tranche: EUR 150,000,000 – Tranche 1
EUR 10,000,000 – Tranche 2
EUR 40,000,000 – Tranche 3
4. Issue Price 100 per cent. of par per Note
5.
 - (i) Specified Denominations (Par): EUR 100,000
 - (ii) Calculation Amount: EUR 100,000

6. (i) Issue Date: 24 February 2015 – Tranche 1
17 June 2015 – Tranche 2
3 July 2015 – Tranche 3
- (ii) Interest Commencement Issue Date
Date:
- In relation to interest payable under General Condition 5 (*Fixed Rate Note Provisions*), Issue Date. See paragraph 15 below for further details
- In relation to interest payable under General Condition 6 (*Floating Rate Note, Equity-Linked, Commodity-Linked, Currency-Linked, Inflation-Linked and Fund-Linked Note Provisions*), 24 February 2018. See paragraph 16 below for further details
7. Maturity Date: 24 February 2030
8. Specified Day(s): Not Applicable
9. Strike Date: Not Applicable
10. Interest Basis: Fixed to Floating Rate Notes
11. Redemption/Payment Basis: Paragraph 1.15 (*Redemption at Maturity*) of Section 2 of the Additional Conditions is applicable.
- Specified Rate: 100 per cent.
12. Put/Call Options:
- (i) Redemption at the option of the Issuer: Not Applicable
- (General Condition 15.5)
- (ii) Redemption at the option of the Noteholders: Not Applicable
- (General Condition 15.7)
13. Automatic Change of Interest Basis: Applicable: Paragraph 1.14 (*Automatic Change of Interest Basis*) of Section 2 of the Additional Conditions is applicable
14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** Applicable
- (General Condition 5 and Section 2 of the Additional Conditions)

(i)	Step-Up Notes:	Not Applicable
(ii)	Step-Down Notes:	Not Applicable
(iii)	Fixed to Floating Rate Notes: (Paragraph 1.3(a) of Section 2 of the Additional Conditions)	Applicable
(iv)	Fixed Interest Rate:	3 per cent. per annum payable annually in arrear
(v)	Interest Period(s) subject only to Fixed Rate Notes Provisions:	From (and including) the Interest Commencement Date falling on 24 February 2015 to (but excluding) the Interest Payment Date falling on 24 February 2018
(vi)	Interest Payment Date(s):	Each of the 24th day of February in each calendar year from (and including) 24 February 2016 to (and including) 24 February 2018, each adjusted in accordance with the Business Day Convention specified below
(vii)	Business Day Convention	Following Business Day Convention, Unadjusted
(viii)	Fixed Coupon Amount(s):	EUR 3,000 per Calculation Amount
(ix)	Broken Amount(s):	Not Applicable
(x)	Day Count Fraction: (General Condition 5.8)	30/360
16.	Floating Rate Note Provisions (General Condition 6)	Applicable. The Notes are Floored/Capped Floating Rate Notes
(i)	Floating to Fixed Rate Notes: (Paragraph 1.3(b) of Section 2 of the Additional Conditions)	Applicable
(ii)	Interest Payment Dates:	Each of the 24th day of February in each calendar year from (and including) 24 February 2019 to (and including) 24 February 2030, each adjusted in accordance with the Business Day Convention specified below
(iii)	Interest Period(s):	From (and including) the Interest Commencement Date falling on 24 February 2018 to (but excluding) the Interest Payment Date falling on the Maturity Date
(iv)	Linear Interpolation:	Not Applicable

(General Condition 6.4)

(v) Business Day Convention: Following Business Day Convention, Unadjusted

(v) Additional Business Centre(s): TARGET

(vi) Manner in which the Floating Interest Rate(s) is/are to be determined: CMS Rate Determination

Interest Period	Floating Interest Rate
From (and including) the Interest Payment Date falling on 24 February 2018 to (but excluding) the Interest Payment Date falling on the Maturity Date	CMS Rate Determination

(vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): Morgan Stanley & Co International Plc

(viii) Screen Rate Determination: Not Applicable

(ix) ISDA Determination: Not Applicable

(x) CMS Rate Determination: Applicable

- CMS Interest Rate: Single CMS Rate
- Specified Swap Rate: Annual swap rate
- Reference Currency: Euro
- Designated Maturity: 10 years
- Relevant Screen Page: EUR-ISDA-EURIBOR Swap Rate
- Relevant Time: 11:00
- Interest Determination Date(s): 2 Business Days prior to the first day of each Interest Period
- Fallback Rate Determination: Agent Fallback: Applicable

(xi) Minimum Rate of Interest: 0 per cent. per annum

- (xii) Maximum Rate of Interest: 5 per cent. per annum
- (xiii) Day Count Fraction: 30/360
17. **Range Accrual Notes:** Not Applicable
- (General Conditions 5 and 6 and Paragraph 1.8 of Section 2 of the Additional Conditions)
18. **Barrier Notes:** Not Applicable
- (Paragraph 1.9 of Section 2 of the Additional Conditions)
19. **Steepener Notes:** Not Applicable
- (Paragraph 1.10 of Section 2 of the Additional Conditions)
20. **Digital Option Notes:** Not Applicable
- (Paragraph 1.11 of Section 2 of the Additional Conditions)
21. **Inverse Floater Notes:** Not Applicable
- (Paragraph 1.12 of the Additional Conditions)
22. **Switchable Notes:** Not Applicable
- (Paragraph 1.13 of Section 2 of the Additional Conditions)
23. **Zero Coupon Note Provisions** Not Applicable
- (General Condition 7)
- PROVISIONS RELATING TO REDEMPTION**
24. **Call Option** Not Applicable
- (General Condition 15.5)
25. **Put Option** Not Applicable
- (General Condition 15.7)
26. **Early Redemption Amount upon Event of Default** (General Condition 20): Fixed Redemption. The Specified Rate is 100 %.
27. **Inconvertibility Event Provisions:** Not Applicable

(General Condition 32)

28. **Automatic Early Redemption Event** Not Applicable

(General Condition 15.11)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29. **Form of Notes:** Registered Notes
(General Condition 3) Global Note Certificate registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
30. **Additional Business Centre(s) or other special provisions relating to Payment Dates:** TARGET
31. **Record Date:** As set out in the General Conditions.
32. **Redenomination, renominatisation and reconventioning provisions:** The provisions in General Condition 31 (*Redenomination, Renominatisation and Reconventioning*) apply
33. **Taxation:**
- (i) General Condition 19.1: "Additional Amounts" is Applicable
 - (ii) General Condition 19.3: Implementation of Financial Transaction Tax Event is Not Applicable

DISTRIBUTION

34. (i) If syndicated, names of Managers: Not Applicable
- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
35. If non-syndicated, name and address of Dealer: Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA
36. Non-exempt Offer and Offer Period: Not Applicable

Signed on behalf of the Issuer:

By

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Duly

authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and admission to Trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market and to be listed on the official list of the Luxembourg Stock Exchange with effect from 20 May 2015. No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted, will be granted by the Issue Date. The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.

Last day of Trading: Maturity Date

2. RATINGS

Ratings: The Notes to be issued have been rated:
S&P: A-

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

"Save as discussed in "*Subscription and Sale*" of the Base Prospectus dated 16 December 2014, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".

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

(i) Reasons for the offer: The net proceeds from the sale of Notes will be used by the Issuer for general corporate purposes, in connection with hedging the Issuer's obligations under the Notes, or both.

(ii) Estimated net proceeds: EUR 40,000,000

(iii) Estimated total expenses: Not Applicable

5. Fixed Rate Notes only – YIELD

Indication of yield: Not Applicable

6. Floating Rate Notes/ Range Accrual Notes / Barrier Notes only - HISTORIC INTEREST RATES

Details of historic EUR-ISDA-EURIBOR Swap Rate rates can be obtained from Reuters

7. OPERATIONAL INFORMATION

ISIN Code:	XS1190287794
Common Code:	119028779
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking <i>société anonyme</i> and the relevant identification number(s):	Not Applicable
Delivery:	Delivery free of payment
Names and addresses of initial Paying Agent(s):	As per the Conditions
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes Note that designation " yes " simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either on issue or subsequently. Such recognition will depend on satisfaction of Eurosystem eligibility criteria

8. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	Not Applicable
Conditions to which the offer is subject:	Not Applicable
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
Details of the method and time limited for paying up and delivering the Notes:	Not Applicable
Manner in and date on which results of the offer are to be made public:	Not Applicable
Procedure for exercise of any right of pre-emption, negotiability of subscription rights	Not Applicable

and treatment of subscription rights not exercised:

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 placers in the various countries where the offer takes place. None

9. **PLACING AND UNDERWRITING**

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place: Not Applicable

Name and address of any paying agents and depository agents in each country: Not Applicable

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" agreements. Where not all of the issue is underwritten, a statement of the portion not covered: Not Applicable

10. **OTHER MARKETS**

All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of securities to be offered or admitted to trading are already admitted to trading: None