

Final Terms dated 3 January 2011

Morgan Stanley

Issue of up to EUR 236,000,000 "Morgan Stanley Euribor with Barrier March 2017" Notes due 2017

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

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in the Public Offer Jurisdiction mentioned in Paragraph 46 of Part A below, provided such person is one of the persons mentioned in Paragraph 46 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Distributor has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED OR GUARANTEED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

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, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. 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 EITHER REGULATIONS UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE BASE PROSPECTUS DATED 15 JUNE 2010. 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 RATED.

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 English Law Notes set forth in the Base Prospectus dated 15 June 2010 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 such Base Prospectus as so supplemented. Full information on the Issuer, the Guarantor 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.

Information Concerning Investment Risk

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. The relative performance of interest rates will 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 linked to the 3 Month Euribor rate based upon such investigations and not in reliance on any information given in these Final Terms.

Given the highly specialised nature of these Notes, the Issuer and Morgan Stanley & Co. International plc ("MSIP plc") consider that they are only suitable for sophisticated investors who are able to determine for themselves the risk of an investment linked to the 3 Month Euribor rate. 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.

Adjustments: The terms and conditions of the Notes will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Reference Rate is not available due to any disruption event.

Credit Risk: The holder of the Notes will be exposed to the credit risk of the Issuer.

Exit Risk: The secondary market price of the Notes will depend on many factors, including interest rates, time remaining to maturity and the creditworthiness of the Issuer. Therefore the holder may receive an amount which may be less than the then intrinsic market value of the Notes and which may also be less than the amount the holder would have received had the holder held the Notes through to maturity.

Liquidity Risk: None of the Issuer and the Distributors intend to provide a secondary market for the Notes. The only way in which the Noteholders can realise the value from the Notes prior to the Maturity Date is to sell the Notes at their market price in the market as described below, which may be less than the amount initially invested.

MPSCS will apply for the Notes to be admitted to trading on De@IDone Trading, a systematic internaliser managed and organised by MPS Capital Services Banca per le Imprese S.p.A. in accordance with Article 1, Paragraph 5-ter, of the Italian Legislative Decree 58/98 and the laws and regulations applicable from time to time. The responsibility in acting as *internalizzatore sistematico* is attributable solely to MPS Capital Services Banca per le Imprese S.p.A. Both the repurchase price (*prezzo denaro*) and the transfer price (*prezzo lettera*) of the Notes will be determined by MPS Capital Services Banca per le Imprese S.p.A. See Part B below, the paragraph "*Other Information – Listing and Admission to Trading*".

MPSCS will enter into a liquidity agreement with the Distributors, as specified in more details under Part B – Section 1 – Listing of these Final Terms, under the terms of which it will make bid/ask prices which, for an amount equal to the 10 per cent of total notional amount of the Notes, will reflect the Issuer's funding level for the Notes.

Once MPSCS has completed the repurchase of such 10 per cent of the Notes, the price shall reflect the prevailing market conditions as of the date when such purchase or sale takes place. Accordingly, the prices so determined could be lower than the prices that were formulated before such time and which reflected the Issuer's funding level.

Potential Conflict of Interest: The Determination Agent (MSIP plc) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the

Notes. Determinations made by the Determination Agent, may affect the amount payable to holders pursuant to the terms of the Notes. The Lead Manager and the Distributors are, with respect to the offer of the Notes, in a position of conflict of interest with the investors as they are part of the same banking group (the Montepaschi Banking Group) and also in relation to their interests related to the distribution of the Notes.

The Lead Manager also acts as hedging and structuring counterparty to Morgan Stanley Capital Services, an affiliate of the Issuer, in connection with the issuance of the Notes. The Lead Manager will receive a structuring fee equal to 0.65% per cent. of the Aggregate Nominal Amount of the Notes effectively placed and, the Distributors will effectively receive from MSIP plc, through the Lead Manager, a distribution fee equal to 2.60% per cent. of the Aggregate Nominal Amount of the Notes effectively placed, all of which are embedded in the Offer Price of the Notes (and will therefore be borne by investors).

It should be noted that De@IDone Trading (DDT) is a systematic internaliser managed and organised solely by MPS Capital Services Banca per le Imprese S.p.A. It should also be noted that in relation to the DDT MPS Capital Services Banca per le Imprese S.p.A. acts as exclusive dealer (*negoziatore unico*).

Reference Rate Risk: The interest payments depend on the level of the 3 Month Euribor rate. There is a risk that this payment could be zero. The principal amount is protected only at maturity. If investors sell the Notes prior to maturity, there is a risk that the secondary market price could be substantially less than 100%. The price of the Notes prior to maturity will depend on numerous factors including interest rates.

1.	(i)	Issuer:	Morgan Stanley
	(ii)	Guarantor:	Not Applicable
2.	(i)	Series Number:	4405
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	Euro (“EUR”)
4.		Aggregate Nominal Amount of the Notes:	
	(i)	Series:	Up to EUR 236,000,000
	(ii)	Tranche:	Up to EUR 236,000,000
5.		Issue Price	100 per cent. of par per Note
6.	(i)	Specified Denominations (Par):	EUR 1,000
	(ii)	Calculation Amount:	Par
7.	(i)	Issue Date:	1 March 2011
	(ii)	Trade Date:	24 February 2011
	(iii)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	1 March 2017
9.		Interest Basis:	Floating Rate
10.		Redemption/Payment Basis:	Redemption at Par
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable
12.		Put/Call Options:	
	(i)	Redemption at the option of the Issuer:	Not Applicable
		(Condition 15.7)	
	(ii)	Redemption at the option of the Noteholders:	Not Applicable
		(Condition 15.9)	
	(iii)	Other Put/Call Options:	Not Applicable
13.	(i)	Status of the Notes:	Unsecured and unsubordinated, which rank <i>pari passu</i> among themselves and all other outstanding unsecured and unsubordinated obligations
		(Condition 4)	
	(ii)	Status of the Guarantee:	Not Applicable
14.		Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions (Condition 5)	Not Applicable
16.	Floating Rate Note Provisions (Condition 6)	Applicable
	(i) Interest Payment Dates:	The 1 st of March, June, September and December from and including 1 June 2011 to and including the Maturity Date.
	(ii) First Interest Payment Date:	1 June 2011
	(iii) Interest Period:	Each quarterly period from and including one Interest Payment Date to but excluding the following Interest Payment Date. The first Interest Period will start on and including the Interest Commencement Date to but excluding the First Interest Payment Date, Unadjusted
	(iv) Business Day Convention:	Following Business Day Convention Unadjusted
	(v) Manner in which the Rate of Interest (per annum) is determined:	In respect of each Interest Period (i), if the Reference Rate (i) is less than or equal to 5.00 per cent then: Reference Rate (i) + Margin, subject to a minimum of 0%; Otherwise, + 5.00 per cent
	(vi) Party responsible for calculating the Rate of Interest:	Morgan Stanley & Co. International plc
	(vii) Screen Rate Determination:	
	• Reference Rate:	3 Month Euribor
	• Interest Determination Date:	2 TARGET Business Days prior to the start of each Interest Period
	• Relevant Screen Page:	At 11:00 Brussels time as published on Reuters page EURIBOR01 on the relevant Interest Determination Date
	(viii) Margin:	+ 1.10 per cent. per annum
	(ix) Minimum Rate of Interest:	Zero per cent.
	(x) Maximum Rate of Interest:	Not Applicable
	(xi) Day Count Fraction:	Act/Act ICMA, as defined as Actual/Actual under the Condition 2
	(xii) Fallback provisions:	If, on an Interest Determination Date, the Reference Rate does not appear on the Relevant Screen Page

(or on such other page or service as may be equivalent to it or replace it), the Determination Agent will request the Reference Banks at approximately 11.00 a.m. , Brussels time, to provide a quotation of its rate. If at least two quotations are provided, the rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Determination Agent, at approximately 11.00 a.m. , Brussels time.

17.	Zero Coupon Note Provisions (Condition 7)	Not Applicable
18.	Dual Currency-Linked Note Interest Provisions (Condition 8)	Not Applicable
19.	Equity Linked Note Interest Provisions	Not Applicable
20.	Commodity Linked Note Interest Provisions	Not Applicable
21.	Currency Linked Interest Note Provisions	Not Applicable
22.	Inflation-Linked Note Interest Provisions	Not Applicable
23.	Credit-Linked Interest Note Provisions	Not Applicable
24.	Property-Linked Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

25.	Call Option (Condition 15.7)	Not Applicable
26.	Put Option (Condition 15.9)	Not Applicable
27.	Final Redemption Amount of each Note (Condition 16.1)	Redemption at Par
28.	Dual Currency Redemption Provisions (Condition 8)	Not Applicable
29.	Equity-Linked Redemption Provisions (Condition 10)	Not Applicable
30.	Commodity-Linked Redemption Provisions	Not Applicable

	(Condition 11)		
31.	Currency-Linked Provisions	Redemption	Not Applicable
	(Condition 12)		
32.	Inflation-Linked Provisions	Redemption	Not Applicable
	(Condition 13)		
33.	Credit Linked Redemption Provisions		Not Applicable
	(Condition 19)		
34.	Property-Linked Provisions	Redemption	Not Applicable
	(Condition 14)		
35.	Early Redemption Amount upon early redemption		
	Early Redemption Amount(s) payable upon redemption following an Event of Default:		As defined in Condition 2
	(Condition 21)		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons:		An amount which the Determination Agent, in its sole and absolute discretion, acting in good faith and in commercially reasonable manner, determines, and it is equal to the fair value of a Note, on such day as is selected by the Determination Agent, less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realized by the Issuer and/or any Affiliate on, unwinding any related underlying hedging arrangements, the amount of such cost or loss being as determined by the Determination Agent in its sole and absolute discretion.
	(Conditions 15.2, 15.3, 15.4 and 15.5)		
36.	Governing Law:		English law
GENERAL PROVISIONS APPLICABLE TO THE NOTES			
37.	Form of Notes:		Bearer Notes:
	(Condition 3)		
			Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 30 days' notice in the limited circumstances specified in the Permanent Global Note
38.	Additional Business Centre(s) or other special provisions relating to Payment Dates:		All Payment Dates in respect of the Notes are subject to TARGET and London Business Day Convention
39.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates)		No

on which such Talons mature):

- | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 40. | 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 |
| 41. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 42. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 43. | Restrictions on free transferability of the Notes: | None |
| 44. | Other final terms: | None |

DISTRIBUTION

- | | | |
|-----|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 45. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Date of Subscription Agreement: | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 46. | If non-syndicated, name and address of Dealer: | <p>The Notes will be publicly offered in the Republic of Italy through the following institutions (each a “Distributor” and together the “Distributors”):</p> <p>Banca Monte dei Paschi di Siena S.p.A.
Piazza Salimbeni, 3
53100 Siena - Italy
(website: www.mps.it)</p> <p>Banca Antonveneta S.p.A.
Piazzetta Turati 2
35131 Padova – Italy
(website: www.antonveneta.it)</p> <p>Biverbanca Cassa di Risparmio di Biella e Vercelli S.p.A.
Via Carso, 15
13900 Biella – Italy
(website: www.biverbanca.it)</p> <p>MPS Capital Services Banca per le Imprese S.p.A. (“MPSCS”), having its registered office at Via L. Pancaldo 4, Firenze, (Offices: viale Mazzini 23, Siena) Italy, will be acting as Lead Manager (<i>Responsabile del Collocamento</i>) pursuant to article 93-bis of the Italian Legislative Decree no. 58 of</p> |

1998.

- | | | |
|-----|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 47. | U.S. Selling Restrictions: | Reg. S Compliant / TEFRA D |
| 48. | Non-exempt offer: | <p>An offer of the Notes may be made by the Distributors other than pursuant to Article 3(2) of the Prospective Directive in Italy (the “Public Offer Jurisdiction”), during the period from 3 January 2011 to 23 February 2011 (the “Offer Period”).</p> <p>The Offer of the Notes can be made by the Distributors to potential investors in the premises of the Distributors or by means of financial promoters pursuant to Article 30 of the Italian Legislative Decree no. 58/98, as subsequently amended, and pursuant to the other laws and the other regulations applicable in Italy.</p> <p>The Notes offered pursuant to Article 30 of the Italian Legislative Decree no. 58/98, as subsequently amended, will be available for subscription from (and including) 3 January 2011 to (and including) 16 February 2011 .</p> |
| 49. | Total commission and concession: | As set out in Part B |
| 50. | Additional selling restrictions: | Not Applicable |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B of Morgan Stanley.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading: MPS Capital Services Banca per le Imprese S.p.A. undertakes to apply for the Notes to be admitted to trading on the Sistema di Negoziazione named “De@IDone Trading” (“DDT”), managed solely by MPS Capital Services Banca per le Imprese S.p.A. acting as “exclusive dealer” (negoziatore unico).

In relation to the Notes, MPS Capital Services Banca per le Imprese S.p.A. shall enter into a liquidity agreement with the Distributors. Under this agreement it shall be bound to make bid/ask prices which, referring to the Issuer’s creditworthiness, will be determined as follows:

- (a) until the total notional amount repurchased by MPSCS is less than or equal to the 10 per cent. of the nominal amount of Notes effectively placed, the price shall reflect the Issuer’s funding level for the Notes themselves;
- (b) after that threshold has been reached, for the total remaining part of 90 per cent. of the nominal amount effectively placed the price shall reflect the prevailing market conditions as of the relevant purchase/selling date.

To the price so determined, in case of purchase by the investor, a margin up to a maximum of 0.30 per cent. of the amount that will be purchased will be added, or, in case of sale by the investor, a margin up to a maximum of 1.50 per cent. of the amount to be sold will be deducted.

MPS Capital Services Banca per le Imprese S.p.A. shall publish on its website www.mpscapitalservices.it a notice informing the investors about the reaching of 70 per cent. of the threshold sub (a) above, within 5 Business Days from the occurrence of this event.

Furthermore, MPS Capital Services Banca per le Imprese S.p.A. shall publish on its website www.mpscapitalservices.it a notice informing the investors about the reaching of 100 per cent. of the threshold sub (a) above, within 5 Business Days from the occurrence of this event .

The Issuer will not apply to list the Notes on any regulated market.

2. RATINGS

Ratings: The Notes to be issued have not been rated.

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

“Save as discussed in “*Subscription and Sale*”, 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: Up to EUR 236,000,000
- (iii) Estimated total expenses: Morgan Stanley & Co. International plc ("MSIP plc") shall pay to the Lead Manager a structuring fee of 0.65% and to the Distributors (through the Lead Manager) a distribution fee of 2.60% of the net proceeds, or the Aggregate Nominal Amount of the Notes effectively placed.

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

Past and future performance including the volatility of the 3 month Euribor rate can be obtained from Reuters page EURIBOR01

SCENARIOS

The following tables illustrate the hypothetical total return at Maturity Date for the Notes. The hypothetical returns set forth below are for illustrative purposes only and may not be the actual returns applicable to a purchaser of the Notes. At the date of 13 December 2010, when the following scenarios have been calculated, the Reference Rate was 1.026%

The figures in the table below have been rounded for ease of analysis.

NEGATIVE SCENARIO				
Interest Payment Date	Reference Rate level on Interest Determination Date	Gross Rate of Interest (in %)	Net Rate of Interest (in %)	Final Redemption Amount (in EUR)
				Per Note
01 June 2011	1.190	2.290	2.004	
01 September 2011	1.190	2.290	2.004	
01 December 2011	1.190	2.290	2.004	
01 March 2012	1.190	2.290	2.004	
01 June 2012	1.058	2.158	1.888	
01 September 2012	1.058	2.158	1.888	
01 December 2012	1.058	2.158	1.888	
01 March 2013	1.058	2.158	1.888	
01 June 2013	0.925	2.025	1.772	
01 September 2013	0.925	2.025	1.772	
01 December 2013	0.925	2.025	1.772	
01 March 2014	0.925	2.025	1.772	
01 June 2014	0.793	1.893	1.657	

01 September 2014	0.793	1.893	1.657	
01 December 2014	0.793	1.893	1.657	
01 March 2015	0.793	1.893	1.657	
01 June 2015	0.661	1.761	1.541	
01 September 2015	0.661	1.761	1.541	
01 December 2015	0.661	1.761	1.541	
01 March 2016	0.661	1.761	1.541	
01 June 2016	0.529	1.629	1.425	
01 September 2016	0.529	1.629	1.425	
01 December 2016	0.529	1.629	1.425	
01 March 2017	0.529	1.629	1.425	1.000
Gross Annual Yield				
	1.98%			
Net Annual Yield*				
	1.73%			

* Calculated based on the application of a substitute tax of 12.5% applicable at the date of these Final Terms

MODERATE SCENARIO				
Interest Payment Date	Reference Rate level on Interest Determination Date	Gross Rate of Interest (in %)	Net Rate of Interest (in %)	Final Redemption Amount (in EUR) Per Note
01 June 2011	1.300	2.400	2.100	
01 September 2011	1.265	2.365	2.069	
01 December 2011	1.466	2.566	2.245	
01 March 2012	1.594	2.694	2.357	
01 June 2012	1.760	2.860	2.503	
01 September 2012	1.917	3.017	2.640	
01 December 2012	2.082	3.182	2.784	
01 March 2013	2.214	3.314	2.900	
01 June 2013	2.714	3.814	3.337	
01 September 2013	3.274	4.374	3.827	
01 December 2013	3.516	4.616	4.039	
01 March 2014	3.383	4.483	3.923	
01 June 2014	3.176	4.276	3.742	
01 September 2014	3.066	4.166	3.645	
01 December 2014	3.099	4.199	3.674	
01 March 2015	3.297	4.397	3.847	

01 June 2015	3.517	4.617	4.040	
01 September 2015	3.686	4.786	4.188	
01 December 2015	3.789	4.889	4.278	
01 March 2016	3.829	4.929	4.313	
01 June 2016	3.849	4.949	4.331	
01 September 2016	3.877	4.977	4.355	
01 December 2016	3.918	5.018	4.390	
01 March 2017	3.966	5.066	4.432	1.000
<u>Gross Annual Yield</u>				
	3.99%			
<u>Net Annual Yield*</u>				
	3.49%			
* Calculated based on the application of a substitute tax of 12.5% applicable at the date of these Final Terms				
POSITIVE SCENARIO				
Interest Payment Date	Reference Rate level on Interest Determination Date	Gross Rate of Interest (in %)	Net Rate of Interest (in %)	Final Redemption Amount (in EUR) Per Note
01-Jun-11	1.755	2.855	2.498	
01-Sep-11	1.708	2.808	2.457	
01-Dec-11	1.979	3.079	2.694	
01-Mar-12	2.152	3.252	2.846	
01-Jun-12	2.377	3.477	3.042	
01-Sep-12	2.588	3.688	3.227	
01-Dec-12	2.810	3.910	3.421	
01-Mar-13	2.989	4.089	3.578	
01-Jun-13	3.664	4.764	4.168	
01-Sep-13	4.419	5.519	4.830	
01-Dec-13	4.747	5.847	5.116	
01-Mar-14	4.567	5.667	4.959	
01-Jun-14	4.288	5.388	4.715	
01-Sep-14	4.139	5.239	4.584	
01-Dec-14	4.184	5.284	4.623	
01-Mar-15	4.451	5.551	4.857	
01-Jun-15	4.748	5.848	5.117	
01-Sep-15	4.977	6.077	5.317	

01-Dec-15	5.116	5.000	4.375	
01-Mar-16	5.169	5.000	4.375	
01-Jun-16	5.197	5.000	4.375	
01-Sep-16	5.233	5.000	4.375	
01-Dec-16	5.289	5.000	4.375	
01-Mar-17	5.353	5.000	4.375	1.000
Gross Annual Yield				
	4.70%			
Net Annual Yield*				
	4.11%			

* Calculated based on the application of a substitute tax of 12.5% applicable at the date of these Final Terms

6. OPERATIONAL INFORMATION

ISIN Code: XS0569933715

Common code: 056993371

New Global Note: Yes

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s): No

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): The Bank of New York Mellon

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

7. TERMS AND CONDITIONS OF THE OFFER

Offer Price: EUR1,000. The Offer price is equal to the Issue Price.

A. Value of the bond component:

The bond component of each Note is represented by a bond that redeems at 100% upon Maturity Date and pays a quarterly coupon equal to 3 month EURIBOR + 1.10% on a Act/Act ICMA basis on every Interest Payment Date.

The value of the bond component, at the date of 10 December 2010, is equal to 98.22 %.

B. Value of the derivative component:

The derivative component consists of two components.

The first component is represented by a cap option with underlying the 3-month EURIBOR, implicitly sold by the investor. The cap has 6-year maturity, a notional equal to 100% of the bond notional and a strike equal to 5%. The cap is composed of 24 caplet options, with start date March 1st 2011.

The second component is represented by a digital call option with underlying the 3-month EURIBOR, implicitly sold by the investor. The option has 6-year maturity, and a digital payout equal to 1.10% of the bond notional and a strike equal to 5%.

The value of the derivative component on 10 December 2010 is equal to 1.47 %

In connection with the offer, MSIP plc shall pay to the Lead Manager a structuring fee and to the Distributors, through the Lead Manager, a distribution fee, to be calculated in respect of the Aggregate Nominal Amount effectively placed on a percentage basis of the Issue Price. See paragraph 4, iii) above.

On the basis of (i) the value of the bond component, (ii) the value of the derivative component, (iii) the structuring fee and (iv) the distribution fee, the Offer Price for the Notes may be determined as follows:

Value of the bond component: 98.22 %

Value of the derivative component: -1.47 %

Structuring fee: 0.65%

Distribution fee: 2.60%

Offer price: 100%

The above values are calculated on 10 December 2010.

Conditions to which the offer is subject: Offer of the Notes is conditional upon their issuance

Description of the application process: As per Distributor instruction

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: The Issuer, in accordance with the Lead Manager, has the right to terminate or extend the subscription at any time during the Offer Period and not to pursue with the issuance of the Notes prior to the Issue Date. Notice of the early termination or extension of the Offer Period will be published on the website of the Lead Manager and the Distributors.

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:	The Notes will be issued on the Issue Date against payment to MSIP the net subscription moneys.
Manner in and date on which results of the offer are to be made public:	The results of the offer will be communicated to the applicants by the Lead Manager by means of a notice to be published on the website of the Lead Manager pursuant to art. 13 co. 2 of Consob Regulation no. 11971/1999.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	Not Applicable
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.	Not Applicable