

## FINAL TERMS

# Morgan Stanley

## *PROGRAM FOR THE ISSUANCE OF NOTES, SERIES A AND B*

Issue of

**Up to EUR 70,000,000 Notes due 2012  
linked to the Dow Jones Euro STOXX 50® Index  
and a Basket of Shares, Series 1183**

### **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 REGULATION S 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 12 JULY 2006. 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 Conditions (being the "Terms and Conditions of the English Law Notes issued by Morgan Stanley") set forth in the Base Prospectus dated 12 July 2006 and the Supplemental Base Prospectus dated 15 March 2007, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document must be read in conjunction with such Base Prospectus, and the Supplemental Base Prospectus dated 15 March 2007.

#### **Information Concerning Investment Risk**

The indicative Principal Amount of the Notes is up to EUR 70,000,000 although the actual Principal Amount of the Notes to be issued will depend on the level of orders received during the Subscription Period that is scheduled to be the period from (and including) 11 May 2007 to (and including) 25 June 2007. The Final Principal Amount of Notes to be issued will be notified in Italy on behalf of the Issuer not later than 28 June 2007.

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 annual return on the Notes for the periods starting from 28 June 2008 until the Maturity Date will vary by reference to the performance of the Index and the Underlying Shares which comprise the Basket (as defined in paragraph 20). The performance of the Index and the Underlying Shares will therefore 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 Index and the Underlying Shares 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 ("MSI 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 Index and to the Underlying Shares. 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.

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Notes and to review the Base Prospectus.

Please see the Base Prospectus together with these Final Terms for a full detailed description of the Notes and in particular, please review the Risk Factors associated with these Notes. Investing in the Notes entails certain risks including, but not limited to, the following:

*Adjustments by the Determination Agent:* 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 Notes or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities.

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

*Event Risk:* If an event occurs which in the opinion of the Determination Agent may have a diluting or concentrative effect on the value of an Underlying Share, the Determination Agent will have discretion to make changes to the terms of the Notes to account for any such effect; and such changes may affect the value of the Notes. If the Determination Agent determines that the event will not have a diluting or concentrative effect on the value of an Underlying Share, the Determination Agent will not adjust the terms of the Notes.

*Exit Risk:* The secondary market price of the Notes will depend on many factors, including the value and volatility of the Index and the Underlying Shares, interest rates, the dividend rate on the Underlying Shares and the stocks comprising the Index, the 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.

*Hedging Risk:* On or after the Trade Date, the Issuer, through its affiliates or others, will likely hedge or have hedged its anticipated exposure under the Notes by taking positions in the Underlying Shares and the stocks comprising the Index, in option contracts on the Underlying Shares and the stocks comprising the Index, or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying Shares and the stocks comprising the Index as part of their general businesses. Any of these activities could potentially affect the value of the Underlying Shares and the stocks comprising the Index, and accordingly, could affect the payout to holders of the Notes.

*Liquidity Risk:* The Notes will not be traded on an organised exchange. Any secondary market in the Notes made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. The liquidity of the Notes reflects the liquidity of the Underlying Shares and even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holder.

*No Shareholder Rights:* A holder of Notes will have no beneficial interest in the Underlying Shares or the stocks comprising the Index nor any voting rights and will not have the right to receive dividends or other distributions with respect to the Underlying Shares or the stocks comprising the Index.

*Potential Conflict of Interest:* The Determination Agent (MSI 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, including in the event of a Market Disruption Event or corporate event affecting the Underlying Shares or the Index or trading on the relevant exchange, may affect the amount payable to holders pursuant to the terms of the Notes.

*The Distribution Manager and the Distributors.* Banca Monte dei Paschi di Siena S.p.A. and Banca Toscana S.p.A. (together, the “Distributors”) and MPS Finance Banca Mobiliare S.p.A. (the “Distribution Manager”) are affiliates of the MPS Banking Group. Furthermore, the Distribution Manager and the Distributors are in a conflicted situation as each will receive fees from the Issuer calculated as a percentage of the principal amount of Notes placed by each of them.

The Notes could be dealt on the “Sistema di Scambi Organizzati (SSO)” managed solely by MPS Finance, named “De@IDone Trading” (“DDT”), in accordance with the provision of art. 78 of the Legislative Decree 24 febbraio 1998, n. 58, as amended from time to time. MPS Finance has the role of “Negoziatore Unico”.

*Underlying Issuer Risk:* None of the issuers of the Underlying Shares is an affiliate of the Issuer. The Issuer and the Determination Agent have no ability to control the actions of such issuers, including any rebalancing that could trigger an adjustment to the terms of the Notes by the Determination Agent.

*Underlying Sponsor Risk:* The Index Sponsor is not an affiliate of the Issuer. The Issuer and the Determination Agent have no ability to control the actions of the Index Sponsor, including any rebalancing that could trigger an adjustment to the terms of the Notes by the Determination Agent.

*Other Considerations:* The original issue price of the Notes includes the agent's commissions paid with respect to the Notes and the cost of hedging the Issuer's obligations under the Notes. The cost of hedging includes the projected profit that the Issuer's subsidiaries may realise in consideration for assuming the risks inherent in managing the hedging transactions. The subsidiaries through which the Issuer hedges its obligations under the Notes expect to make a profit. Since hedging the Issuer's obligations entails risk and may be influenced by market forces beyond the control of the Issuer or its subsidiaries, such hedging may result in a profit that is more or less than initially projected, or could result in a loss.

Assuming no change in market conditions or any other relevant factors, the price, if any, at which MSI plc is willing to purchase Notes in secondary market transactions will likely be lower than the original issue price, since the original issue price includes, and secondary market prices are likely to exclude, commissions paid with respect to the Notes as well as the projected profit included in the cost of hedging the Issuer's obligations under the Notes. In addition, any such prices may differ from values determined by pricing models used by MSI plc, as a result of dealer discounts, mark-ups or other transaction costs.

In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates (i) that such purchaser understands the risks and potential consequences associated with the purchase of the Notes and (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to the extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Notes.

1. Issuer: Morgan Stanley
2. (i) Series Number: 1183  
(ii) Tranche Number: 1
3. Specified Currency or Currencies: Euro ("**EUR**")
4. Aggregate Principal Amount:  
(i) Series: Up to EUR 70,000,000  
(ii) Tranche: Up to EUR 70,000,000
5. Issue Price: In the case of each Note, 100 per cent of Par
6. Specified Denominations (Par): EUR 1,000  
(Condition 3)
7. (i) Issue Date: 28 June 2007  
(ii) Trade Date: 26 June 2007
8. Maturity Date: 28 June 2012 or, if later, the date two Business Days after the Determination Date
9. Interest Basis: The Notes bear interest at a rate equal to the Fixed Rate (set out in paragraph 15) in respect of the first Interest Period and at the Interest Rate (calculated in accordance with paragraph 17) in respect of each subsequent Interest Period.
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: Not applicable
12. Put/Call Options: Not applicable
13. Status of the Notes: Condition 4 is applicable to the Notes  
(Condition 4)
14. Method of distribution: Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions: Applicable  
(Condition 5)  
(i) Rate of Interest: 4.50 per cent. per annum payable annually in arrear  
(the "**Fixed Rate**")  
(ii) Interest Payment Date: 28 June 2008, adjusted in accordance with the Following Business Day Convention

(iii)	Fixed Coupon Amounts	Not Applicable
(iv)	Day Count Fraction	Actual/Actual (ICMA)
(v)	Other terms relating to the method of calculating interest for Fixed Rate Notes	The Rate of Interest shall equal the Fixed Rate in the Interest Period from (and including) the Issue Date to (but excluding) 28 June 2008.
16.	Floating Rate Note Provisions (Condition 6)	Not applicable
17.	Index-Linked Interest Note/other variable-linked interest Note Provisions (Condition 6)	Applicable
(i)	Index/Formula/other variable	The Interest Rate in respect of the Interest Periods commencing on 28 June 2008 (" <b>Interest Period<sub>(t=1)</sub></b> "), 28 June 2009 (" <b>Interest Period<sub>(t=2)</sub></b> "), 28 June 2010 (" <b>Interest Period<sub>(t=3)</sub></b> ") and 28 June 2011 (" <b>Interest Period<sub>(t=4)</sub></b> ") shall be calculated by the Determination Agent as follows.

(1) If on Observation Date<sub>(t)</sub> the Determination Agent determines that

$$100\% * Index Perf_t \leq Min \left( \frac{Stock_t^1}{Stock_0^1}, \dots, \frac{Stock_t^5}{Stock_0^5} \right)$$

then the Interest Rate in respect of Interest Period<sub>(t)</sub> shall equal 10%;

(2) if on Observation Date<sub>(t)</sub> the Determination Agent determines that

$$90\% * Index Perf_t \leq Min \left( \frac{Stock_t^1}{Stock_0^1}, \dots, \frac{Stock_t^5}{Stock_0^5} \right) < 100\% * Index Perf_t$$

then the Interest Rate in respect of Interest Period<sub>(t)</sub> shall equal 5%; and

(3) If on Observation Date<sub>(t)</sub> the Determination Agent determines that neither of the conditions set out in (1) or (2) above is satisfied, then the Interest Rate in respect of Interest Period<sub>(t)</sub> shall equal 2%.

Where:

$Index^{(0)}$  means the official closing level of the Index on the Strike Date;

$Index^{(t)}$  means the official closing level of the Index on Observation Date<sub>(t)</sub>;

$Index\ Perf_{(t)}$  means the percentage calculated as equal to  $\frac{Index^t}{Index^0}$  ;

$Stock_0^i$  means the closing price of Underlying Share<sub>(i)</sub> on the Exchange on the Strike Date, (or in the case of any Underlying Share for which the Exchange is the Italian Stock Exchange, the *Prezzo di Riferimento* of such Underlying Share on the Strike Date); and

$Stock_t^i$  means the closing price of Underlying Share<sub>(i)</sub> on Observation Date<sub>(t)</sub> (or in the case of any Underlying Share for which the Exchange is the Italian Stock Exchange, the *Prezzo di Riferimento* of such Underlying Share on Observation Date<sub>(t)</sub>);

Strike Date means 28 June 2007, subject to adjustment if such date is not a Scheduled Trading Day or is a Disrupted Day; and

Observation Date<sub>(t)</sub> means each of 11 June 2009 ("**Observation Date<sub>(1)</sub>**"), 11 June 2010 ("**Observation Date<sub>(2)</sub>**"), 11 June 2011 ("**Observation Date<sub>(3)</sub>**"), and 11 June 2012 ("**Observation Date<sub>(4)</sub>**") subject to adjustment if any such date is not a Scheduled Trading Day or is a Disrupted Day.

- |       |  |  |
|-------|--|--|
| (ii)  | Calculation Agent responsible for calculating the interest due   | Morgan Stanley & Co. International Plc   |
| (iii) | Determination Dates  | Each Observation Date as specified above.  |
| (iv)  | Provisions for determining the Variable Rate where calculation by reference to the Formula is impossible or impracticable or otherwise disrupted | The Determination Date for each Underlying Share not affected by the occurrence of a Disrupted Day shall be the Observation Date specified above, and the Determination Date for each Underlying Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Underlying Share, unless this date falls less than two Business Days prior to the relevant Specified Interest Payment Date. In that case, the first available Scheduled Trading Day that is not a Disrupted Day which falls prior to the original Observation Date shall be deemed to be the replacement Determination Date. |

(v)	Interest Periods	From (and including) each Specified Interest Payment Date to (but excluding) the next following Specified Interest Payment Date.
(vi)	Specified Interest Payment Dates	28 June 2009 in respect of Interest Period <sub>(1)</sub> , 28 June 2010 in respect of Interest Period <sub>(2)</sub> , 28 June 2011 in respect of Interest Period <sub>(3)</sub> and 28 June 2012 in respect of Interest Period <sub>(4)</sub> .
(vii)	Business Day Convention	Following Business Day Convention
(viii)	Minimum Rate	2 per cent
(ix)	Maximum Rate	10 per cent
(x)	Day Count Fraction	Actual/Actual (ICMA)
18.	Zero Coupon Note Provisions (Condition 7)	Not applicable
19.	Dual Currency Note Provisions (Condition 8)	Not applicable
20.	Equity Linked Note provisions (Condition 10)	The Conditions relating to Share Basket Notes and to Index Notes shall be applicable.
(A) Share Basket Notes		
(i)	Types of Notes:	Share Basket Notes.
(ii)	Whether the Notes relate to a single share or a basket of shares (each an " <b>Underlying Share</b> ") and the identity of the relevant issuer(s) (each an " <b>Underlying Issuer</b> "):	<p>The Basket comprises each of the following Underlying Shares (the Exchange in respect of each of which is specified below):</p> <p><b>"n": Underlying Share: Exchange</b></p> <ol style="list-style-type: none"> <li>1. Siemens AG (Bloomberg code: SIE GY); Deutsche Börse / Xetra;</li> <li>2. Compagnie de Saint-Gobain (Bloomberg code: SGO FP); Paris Stock Exchange;</li> <li>3. BNP Paribas (Bloomberg code: BNP FP); Paris Stock Exchange;</li> <li>4. Unicredito Italiano S.p.A (Bloomberg Code: UC IM); Italian Stock Exchange; and</li> <li>5. LVMH-Louis Vuitton SA (Bloomberg code: MC FP); Paris Stock Exchange.</li> </ol>

(iii) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the Underlying Shares, Cash Settlement or Physical Delivery at the option of the Issuer:	Cash Settlement
(iv) Exchange:	For each Underlying Share, the principal stock exchange(s) on which that Underlying Share is traded, as determined by the Determination Agent; the Exchange in respect of each Underlying Share on the Issue Date is specified in paragraph 20(ii);
(v) Related Exchange:	For each Underlying Share, such exchange or quotation system which the Determination Agent from time to time determines to be the most relevant exchange or quotation system on which options or futures on that Underlying Share is traded.
(vi) Weighting for each Underlying Share comprising the basket:	Not applicable
(vii) Delivery provisions for Underlying Shares (including details of who is to make such delivery):	Not applicable
(viii) Physical Settlement	Not applicable
(B) Index/Index Basket Notes:	
(i) Types of Notes:	Index Notes The Notes are linked to Dow Jones Euro STOXX 50® Index (the " <b>Index</b> ")
(ii) Exchanges:	The Index is a Multi-exchange Index
(iii) Related Exchange:	None specified
(iv) Index Sponsor:	STOXX Limited



- |  |                |
|--|----------------|
| (v) Other terms or special conditions: | Not applicable |
| 21. Commodity Notes:                   | Not applicable |
| 22. Currency Notes:                    | Not applicable |
| 23. Credit-linked Notes:               | Not applicable |

#### **PROVISIONS RELATING TO REDEMPTION**

- |  |   |
|--|---|
| 24. Call Option:<br>(Condition 13.7)   | Not applicable  |
| 25. Put Option:<br>(Condition 13.9)  | Not applicable  |
| 26. Final Redemption Amount of each Note:<br>(Condition 13.1)  | Each Note shall be redeemed at par on the Maturity Date   |
| 27. Early Termination Amount and Redemption Amount upon early redemption:<br>(Condition 13.2, 13.5 and 18) | <p>Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):</p> <p>In respect of each Note, an amount equal to the fair value of such Note on such day as is selected by the Determination Agent in its sole and absolute discretion less the proportion attributable to that Note of the cost to the Issuer of, or loss realised by the Issuer on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion.</p> |
| 28. Governing Law:   | English law   |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |   |  |
|---|--|
| 29. Form of Notes:<br>(Condition 3)   | <p>Bearer Notes</p> <p>Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on the expiry of 30 days' written notice pursuant to the provisions of the Permanent Global Note or in the limited circumstances described in the Permanent Global Note</p> |
| 30. Additional Financial Centre(s) or other special provisions relating to Payment Dates:<br>(Condition 11.7) | Not applicable   |
| 31. Talons for future Coupons or  | Not applicable   |

Receipts to be attached to  
Definitive Notes (and dates on  
which such Talons mature):

- |     |   |                |
|-----|---|----------------|
| 32. | 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 |
| 33. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:  | Not applicable |
| 34. | Redenomination, renominatisation and reconventioning provisions: (Condition 22)   | Not applicable |

35. Consolidation provisions: Not applicable

36. Other final terms: If the Determination Agent determines that a Nationalisation, an Insolvency or a Delisting has occurred in respect of any Underlying Share (the "**Affected Share**"), the Issuer shall as soon as practicable after the announcement of such Nationalisation, Insolvency or Delisting give not less than 5 Business Days' notice to the Noteholders to replace the Affected Share with a substitute Share (the "**Replacement Share**") so that the Basket consists of five Shares.

The Replacement Share shall be selected by the Determination Agent on the basis of the following criteria:

- (1) the Replacement Share shall not be a Share already included in the Basket;
- (2) no Nationalisation, Insolvency or Delisting shall exist in respect of the Replacement Share at the time of the substitution;
- (3) the Replacement Share shall be listed and traded on an exchange, quotation system or market whose size and liquidity relative to the Replacement Share is comparable to the size and liquidity of the original Exchange relative to the Affected Share;
- (4) the Replacement Share shall be issued by a company incorporated in the same jurisdiction or geographical area as the issuer of the Affected Share;
- (5) the Replacement Share shall be in the same industry sector as the Affected Share (as allocated to the Replacement Share and the Affected Share by Morgan Stanley & Co. International Plc); and

If application of the criteria set out in (1) to (5) above results in the identification of more than one potential Replacement Share, the Determination Agent shall on the relevant

date (the "**Selection Date**") select as the Replacement Share the share which has the highest Performance in the 12 months immediately prior to the Selection Date. "Performance" in relation to any share shall be calculated using the following formula:

$$\text{Performance} = (\text{Share}_i / \text{Share}_{i-12}) - 1$$

where:

Share<sub>i</sub> is the Share Price of a share on the Selection Date; and

Share<sub>i-12</sub> is the Share Price of a share on the date 1 year prior to the Selection Date.

If the Determination Agent is prevented by internal policies or restrictions applicable from time to time from selecting the share which has the highest Performance, the share with the next highest Performance not subject to applicable internal policies or restrictions preventing it from being selected shall be selected as the Replacement Share.

In the event that no potential Replacement Shares are eligible to be selected due to applicable internal policies or restrictions of the Determination Agent, the Share Price of the Affected Share shall be deemed for all purposes thereafter to be the last available price of the Affected Share that appeared on the relevant Bloomberg page prior to the Nationalisation, Insolvency or Delisting, as the case may be.

The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer and the Fiscal Agent of the occurrence of a Nationalisation, Insolvency or Delisting.

## **DISTRIBUTION**

- |     |      |                                   |                |
|-----|------|-----------------------------------|----------------|
| 37. | (i)  | If syndicated, names of Managers: | Not applicable |
|     | (ii) | Date of Subscription Agreement:   | Not applicable |

- The Notes must not be offered or sold in any jurisdiction except to persons whose investment activities involve them in acquiring, holding, managing or disposing (as principal or agent) of investments of a nature similar to the Notes and who are particularly knowledgeable in investment matters.

The Base Prospectus was approved on 12 July 2006 by the competent authority in the United Kingdom, as the Home Member State, and it has been published in Italy, as Host Member State, by means of notification to CONSOB on 6 February 2007 pursuant to Article 10-bis of CONSOB Regulation No. 11971 and the Prospectus Directive. The Notes can therefore be offered to the public in Italy. In any case, the publication in Italy of the Base Prospectus does not imply any prior approval by CONSOB nor any assessment by the same on the appropriateness of the investment or the merit of the relevant data and information.

By: .....

.....  
Duly authorised

## **PART B – OTHER INFORMATION**

### **1. LISTING**

- (i) Listing: It is intended that application will be made for admission of the Notes to listing on the Official List of the United Kingdom Financial Services Authority, the United Kingdom competent authority for the purposes of Directive 2003/71/EC and relevant implementing measures in the United Kingdom. No assurance can be given as to whether or not, or when, such application will be granted.

The proposed European Union Transparency Directive (the "**Directive**") may be implemented in a manner which could be burdensome for companies such as the Issuer. In particular, the Issuer may be required to prepare financial statements in accordance with accounting standards other than U.S. GAAP.

The Issuer is under no obligation to maintain the listing of the Notes, and prospective purchasers of Notes should be aware that, in circumstances where a listing of the Notes by the UK Listing Authority would require preparation of financial statements in accordance with standards other than U.S. GAAP, or in any other circumstances where the Directive is implemented in a manner that, in the opinion of the Issuer, is burdensome, the Notes may be de-listed. In such a case of de-listing, the Issuer may, but is not obliged to, seek an alternative listing for the Notes on a stock exchange outside the European Union.

However, if such an alternative listing is not available or is, in the opinion of the Issuer, burdensome, an alternative listing for the Notes may not be considered. Although no assurance is made as to the liquidity of the Notes as a result of listing by the UK Listing Authority, de-listing the Notes may have a material effect on a Noteholder's ability to resell the Notes in the secondary market.

- (ii) Admission to trading: Application will be made for the admission of the Notes to trading on the Gilt Edged and Fixed Interest Market of the London Stock Exchange Plc.

### **2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as stated in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

### **3. ESTIMATED TOTAL EXPENSES**

The Issuer will pay a management fee in an amount equal to 0,824% of the principal amount of the Notes to the Distribution Manager on the Issue Date. The Issuer will pay a selling fee in an amount equal to 3,296% of the principal amount of the Notes to the Distributors on the

Issue Date.

4. **OPERATIONAL  
INFORMATION**

ISIN Code: XS0298901298

Common Code: 029890129

New Global Note No

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): Euroclear and Clearstream, Luxembourg. The address of Euroclear is 1 Boulevard du Roi Albert II, 1120 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

Delivery: Delivery free of payment

Names and addresses of additional Paying Agent(s) (if any): None

## **ANNEX**

### **STATEMENTS REGARDING THE INDEX**

The Dow Jones Euro STOXX 50 Index® is the intellectual property (including registered trademarks) of Stoxx Limited, Zurich, Switzerland and/or Dow Jones & Company, Inc., a Delaware corporation, New York, USA, (the "Licensors"), which is used under license. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by the Licensors and neither of the Licensors shall have any liability with respect thereto.

Dow Jones EURO STOXX50<sup>SM</sup> Market Sector Indexes are owned by STOXX LIMITED. The name of the Index is a service mark of DOW JONES & COMPANY, INC. and has been licensed for certain purposes by Morgan Stanley & Co. Incorporated.

© 1998 by STOXX LIMITED. All rights reserved