

Morgan Stanley

as issuer

(incorporated under

the laws of the State of Delaware in the United States of America)

Up to 300,000 Morgan Stanley Flexible Europe Certificates (the "Certificates")

This Prospectus Supplement is supplemental to and must be read in conjunction with the Prospectus dated 1 February 2007 (the "**Prospectus**") prepared by Morgan Stanley (the "**Issuer**") in connection with the application for approval of the Prospectus by the Irish Financial Services Regulatory Authority ("**IFSR**A"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). Application has been made to the Irish Stock Exchange for the Certificates to be admitted to the official list (the "**Official List**") and to be admitted to trading on its regulated market. Admission to the Official List and to trading on the Irish Stock Exchange of the Certificates is expected to be granted by the Irish Stock Exchange on or about 30 March 2007 subject only to issuance of the Certificates.

This Prospectus Supplement constitutes a supplementary prospectus in respect of the Prospectus for the Issuer and the Certificates for the purposes of the Prospectus Directive.

Terms used in the Prospectus have the same meaning in this Prospectus Supplement except where expressly indicated otherwise.

The Offer Period for the Certificates has been extended until 26 March 2007.

Save as disclosed in this document, with respect to the Issuer and the Certificates, there has been no significant change and no significant new matter has arisen since publication of the Prospectus dated 1 February 2007.

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

MORGAN STANLEY