

MORGAN STANLEY
Form 424B2
April 16, 2019

CALCULATION OF REGISTRATION FEE

<i>Title of Each Class of Securities Offered</i>	<i>Maximum Aggregate Offering Price</i>	<i>Amount of Registration Fee</i>
Dual Directional Trigger Participation Securities due 2020	\$2,263,150	\$274.29

April 2019

Pricing Supplement No. 1,804

Registration Statement Nos. 333-221595; 333-221595-01

Dated April 12, 2019

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Dual Directional Trigger Participation Securities Based on the Performance of the S&P 500[®] Index due June 3, 2020

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The Dual Directional Trigger Participation Securities (the “securities”) are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The securities will pay no interest, do not guarantee any return of principal at maturity and have the terms described in the accompanying product supplement for Participation Securities, index supplement and prospectus, as supplemented or modified by this document. At maturity, if the S&P 500[®] Index, which we refer to as the underlying index, has **appreciated** in value, investors will receive the stated principal amount of their investment plus unleveraged upside performance of the underlying index, subject to the maximum upside payment at maturity. If the underlying index has **depreciated** in value but by no more than 10%, investors will receive the stated principal amount of their investment plus an unleveraged positive return equal to the absolute value of the percentage decline, which will effectively be limited to a positive 10% return. However, if the underlying index has **depreciated** in value by more than 10%, investors will be negatively exposed to the full amount of the percentage decline in the underlying index and will lose 1% of the stated principal amount for every 1% of decline, without any buffer. The securities are for investors who seek an equity index-based return and who are willing to risk their principal and forgo current income and upside above the maximum upside payment at maturity in exchange for the absolute return feature that applies to a limited range of performance of the underlying index. **Investors may lose their entire initial investment in the securities.** The securities are notes issued as part of MSFL’s Series A Global Medium-Term Notes program.

The securities differ from the Participation Securities described in the accompanying product supplement for Participation Securities in that the securities offer the potential for a positive return at maturity if the underlying index depreciates by up to 10%. The securities are not the Buffered Participation Securities described in the accompanying product supplement for Participation Securities. Unlike the Buffered Participation Securities, the securities do not provide any protection if the underlying index depreciates by more than 10%.

All payments are subject to our credit risk. If we default on our obligations, you could lose some or all of your investment. These securities are not secured obligations and you will not have any security interest in, or otherwise have any access to, any underlying reference asset or assets.

FINAL TERMS

Issuer: Morgan Stanley Finance LLC
 Guarantor: Morgan Stanley
 Maturity date: June 3, 2020
 Valuation date: May 29, 2020, subject to postponement for non-index business days and certain market disruption events
 Underlying index: S&P 500® Index
 Aggregate principal amount: \$2,263,150

If the final index value is *greater than* the initial index value:

$\$10 + (\$10 \times \text{index percent change})$, subject to the maximum upside payment at maturity

If the final index value is *less than or equal to* the initial index value but is *greater than or equal to* the trigger level:

$\$10 + (\$10 \times \text{absolute index return})$

Payment at maturity:

In this scenario, you will receive a 1% positive return on the securities for each 1% negative return on the underlying index. In no event will this amount exceed the stated principal amount plus \$1.00.

If the final index value is *less than* the trigger level:

$\$10 \times \text{index performance factor}$

Under these circumstances, the payment at maturity will be less than the stated principal amount of \$10, and will represent a loss of more than 10%, and possibly all, of your investment.

Maximum upside payment at maturity: \$11.025 per security (110.25% of the stated principal amount)
 Index percent change: $(\text{final index value} - \text{initial index value}) / \text{initial index value}$
 The absolute value of the index percent change. For example, a -5% index percent change will result in a +5% absolute index return.
 Absolute index return:
 Index performance factor: $\text{final index value} / \text{initial index value}$
 Initial index value: 2,907.41, which is the index closing value on the pricing date
 Final index value: The index closing value on the valuation date
 Trigger level: 2,616.669, which is 90% of the initial index value
 Stated principal amount / Issue price: \$10 per security (see “Commissions and issue price” below)
 Pricing date: April 12, 2019

Original issue date:	April 17, 2019 (3 business days after the pricing date)		
CUSIP / ISIN:	61768X762 / US61768X7628		
Listing:	The securities will not be listed on any securities exchange. Morgan Stanley & Co. LLC (“MS & Co.”), a wholly owned subsidiary of Morgan Stanley and an affiliate of MSFL. See “Supplemental information regarding plan of distribution; conflicts of interest.”		
Agent:	“Supplemental information regarding plan of distribution; conflicts of interest.”		
Estimated value on the pricing date:	\$9.746 per security. See “Investment Summary” on page 2.		
Commissions and issue price:	Price to public Agent’s commissions and fees Proceeds to us⁽³⁾		
Per security	\$10	\$0.175 ⁽¹⁾	
		\$0.05 ⁽²⁾	\$9.775
Total	\$2,263,150	\$50,920.88	\$2,212,229.12

Selected dealers, including Morgan Stanley Wealth Management (an affiliate of the agent), and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$0.175 for each security (1) they sell. See “Supplemental information regarding plan of distribution; conflicts of interest.” For additional information, see “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement for Participation Securities.

(2) Reflects a structuring fee payable to Morgan Stanley Wealth Management by the agent or its affiliates of \$0.05 for each security.

(3) See “Use of proceeds and hedging” on page 14.

The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 6.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this document or the accompanying product supplement, index supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality, nor are they obligations of, or guaranteed by, a bank.

You should read this document together with the related product supplement, index supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see “Additional Terms of the Securities” and “Additional Information About the Securities” at the end of this document.

References to “we,” “us” and “our” refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

Product Supplement for Participation Securities dated November 16, 2017 Index Supplement dated November 16, 2017

Prospectus dated November 16, 2017

Morgan Stanley Finance LLC

Dual Directional Trigger Participation Securities Based on the Performance of the S&P 500® Index due June 3, 2020

Principal at Risk Securities

Investment Summary

Dual Directional Trigger Participation Securities

Principal at Risk Securities

The Dual Directional Trigger Participation Securities Based on the Performance of the S&P 500® Index due June 3, 2020 (the “securities”) can be used:

§ To achieve similar levels of upside exposure to the underlying index as a direct investment, subject to the maximum upside payment at maturity

§ To obtain an unleveraged positive return for a limited range of negative performance of the underlying index

§ To provide limited protection against a loss of principal in the event of a decline of the underlying index as of the valuation date but only if the final index value **is greater than or equal to** the trigger level

Maturity:	Approximately 13 months
Maximum upside payment at maturity:	\$11.025 per security (110.25% of the stated principal amount)
Minimum payment at maturity:	None. Investors may lose their entire initial investment in the securities.
Trigger level:	90% of the initial index value
Coupon:	None
Listing:	The securities will not be listed on any securities exchange

The original issue price of each security is \$10. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than \$10. We estimate that the value of each security on the pricing date is \$9.746.

What goes into the estimated value on the pricing date?

In valuing the securities on the pricing date, we take into account that the securities comprise both a debt component and a performance-based component linked to the underlying index. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying index, instruments based on the underlying index, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the trigger level and the maximum upside payment at maturity, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the securities would be more favorable to you.

What is the relationship between the estimated value on the pricing date and the secondary market price of the securities?

The price at which MS & Co. purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying index, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying index, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

MS & Co. may, but is not obligated to, make a market in the securities, and, if it once chooses to make a market, may cease doing so at any time.

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Principal at Risk Securities

Key Investment Rationale

The securities offer the potential for a positive return at maturity based on the absolute value of a limited range of percentage changes of the underlying index. At maturity, if the underlying index has **appreciated** in value, investors will receive the stated principal amount of their investment plus unleveraged upside performance of the underlying index, subject to the maximum upside payment at maturity. If the underlying index has **depreciated** in value but by no more than 10%, investors will receive the stated principal amount of their investment plus an unleveraged positive return equal to the absolute value of the percentage decline, which will effectively be limited to a positive 10% return. However, if the underlying index has **depreciated** in value by more than 10%, investors will be negatively exposed to the full amount of the percentage decline in the underlying index and will lose 1% of the stated principal amount for every 1% of decline, without any buffer. **Investors may lose their entire initial investment in the securities.** All payments on the securities are subject to our credit risk.

Absolute Return Feature	The securities enable investors to obtain an unleveraged positive return if the final index value is less than the initial index value but is greater than or equal to the trigger level.
Upside Scenario if the Underlying Index Appreciates	The final index value is greater than the initial index value, and, at maturity, you receive a full return of principal as well as 100% of the increase in the value of the underlying index, subject to the maximum upside payment at maturity. For example, if the final index value is 5% greater than the initial index value, the securities will provide a total return of 5% at maturity. If the final index value is 40% greater than the initial index value, the securities will provide a total return of only 10.25% at maturity, due to the maximum upside payment at maturity.
Absolute Return Scenario	The final index value is less than or equal to the initial index value but is greater than or equal to the trigger level, which is 90% of the initial index value. In this case, you receive a 1% positive return on the securities for each 1% negative return on the underlying index. For example, if the final index value is 8% less than the initial index value, the securities will provide a total positive return of 8% at maturity. The maximum return you may receive in this scenario is a positive 10% return at maturity.
Downside Scenario	The final index value is less than the trigger level. In this case, the securities redeem for at least 10% less than the stated principal amount, and this decrease will be by an amount proportionate to the full decline in the value of the underlying index over the term of the securities. Under these circumstances, the payment at maturity will be less than 90% of the stated principal amount per security. For example, if the final index value is 70% less than the initial index value, the securities will be redeemed at maturity for a loss of 70% of principal at \$3.00, or 30% of the stated principal amount. There is no minimum payment at maturity on the securities, and you could lose your entire investment.

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Principal at Risk Securities

How the Securities Work

Payoff Diagram

The payoff diagram below illustrates the payment at maturity on the securities based on the following terms:

Stated principal amount:	\$10 per security
Maximum upside payment at maturity:	\$11.025 per security (110.25% of the stated principal amount)
Trigger level:	90% of the initial index value
Minimum payment at maturity:	None

Dual Directional Trigger Participation Securities Payoff Diagram

See the next page for a description of how the securities work.

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Principal at Risk Securities

How it works

Upside Scenario if the Underlying Index Appreciates. If the final index value is greater than the initial index value, the investor would receive the \$10 stated principal amount plus 100% of the appreciation of the underlying § index over the term of the securities, subject to the maximum upside payment at maturity. Under the terms of the securities, an investor will realize the maximum upside payment at maturity of \$11.025 per security (110.25% of the stated principal amount) at a final index value of 110.25% of the initial index value.

§ If the underlying index appreciates 5%, investors will receive a 5% return, or \$10.50 per security.

§ If the underlying index appreciates 70%, the investor would receive only the maximum upside payment at maturity of \$11.025 per security, or 110.25% of the stated principal amount.

Absolute Return Scenario. If the final index value is less than or equal to the initial index value and is greater than § or equal to the trigger level of 90% of the initial index value, the investor would receive a 1% positive return on the securities for each 1% negative return on the underlying index.

§ If the underlying index depreciates 8%, the investor would receive an 8% return, or \$10.80 per security.

§ The maximum return you may receive in this scenario is a positive 10% return at maturity.

Downside Scenario. If the final index value is less than the trigger level of 90% of the initial index value, the § investor would receive an amount less than the \$10 stated principal amount, based on a 1% loss of principal for each 1% decline in the underlying index. Under these circumstances, the payment at maturity will be less than 90% of the stated principal amount per security. There is no minimum payment at maturity on the securities.

§ If the underlying index depreciates 70%, the investor would lose 70% of the investor's principal and receive only § \$3.00 per security at maturity, or 30% of the stated principal amount.

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Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled “Risk Factors” in the accompanying product supplement for Participation Securities, index supplement and prospectus. We also urge you to consult your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

The securities do not pay interest or guarantee return of any principal. The terms of the securities differ from those of ordinary debt securities in that the securities do not pay interest or guarantee the payment of any principal amount at maturity. If the final index value is less than the trigger level (which is 90% of the initial index value), the absolute return feature will no longer be available and the payout at maturity will be an amount in cash that is at least § 10% less than the \$10 stated principal amount of each security, and this decrease will be by an amount proportionate to the full amount of the decline in the value of the underlying index over the term of the securities, without any buffer. There is no minimum payment at maturity on the securities, and, accordingly, you could lose your entire initial investment in the securities.

The appreciation potential of the securities is limited by the maximum upside payment at maturity. The appreciation potential of the securities is limited by the maximum upside payment at maturity of \$11.025 per security, or 110.25% of the stated principal amount. Because, if the underlying index appreciates, the payment at § maturity will be limited to 110.25% of the stated principal amount for the securities, any increase in the final index value over the initial index value by more than 10.25% of the initial index value will not further increase the return on the securities. The maximum positive return you can receive if the underlying index depreciates is also limited by the trigger level.

The market price of the securities will be influenced by many unpredictable factors. Several factors, many of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may be willing to purchase or sell the securities in the secondary market, including the value (including whether the value is below the trigger level), volatility (frequency and magnitude of changes in value) and dividend yield of the underlying index, interest and yield rates in the market, time remaining until the securities § mature, geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying index or equities markets generally and which may affect the final index value of the underlying index, and any actual or anticipated changes in our credit ratings or credit spreads. The level of the underlying index may be, and has recently been, volatile, and we can give you no assurance that the volatility will lessen. See “S&P 500® Index Overview” below. You may receive less, and possibly significantly less, than the stated principal amount per security if you try to sell your securities prior to maturity.

§ The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities. You are dependent on our ability to pay

all amounts due on the securities at maturity and therefore you are subject to our credit risk. If we default on its obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the securities.

As a finance subsidiary, MSFL has no independent operations and will have no independent assets. As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank § *pari passu* with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

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The amount payable on the securities is not linked to the value of the underlying index at any time other than the valuation date. The final index value will be based on the index closing value on the valuation date, subject to postponement for non-index business days and certain market disruption events. Even if the value of the underlying index appreciates prior to the valuation date but then drops by the valuation date, the payment at maturity may be less, and may be significantly less, than it would have been had the payment at maturity been linked to the value of the underlying index prior to such drop. Although the actual value of the underlying index on the stated maturity date or at other times during the term of the securities may be higher than the final index value, the payment at maturity will be based solely on the index closing value on the valuation date.

Investing in the securities is not equivalent to investing in the underlying index. Investing in the securities is not equivalent to investing in the underlying index or its component stocks. Investors in the securities will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the stocks that constitute the underlying index.

Adjustments to the underlying index could adversely affect the value of the securities. The underlying index publisher may add, delete or substitute the stocks constituting the underlying index or make other methodological changes that could change the value of the underlying index. The underlying index publisher may discontinue or suspend calculation or publication of the underlying index at any time. In these circumstances, the calculation agent will have the sole discretion to substitute a successor index that is comparable to the discontinued underlying index and will be permitted to consider indices that are calculated and published by the calculation agent or any of its affiliates.

The rate we are willing to pay for securities of this type, maturity and issuance size is likely to be lower than the rate implied by our secondary market credit spreads and advantageous to us. Both the lower rate and the inclusion of costs associated with issuing, selling, structuring and hedging the securities in the original issue price reduce the economic terms of the securities, cause the estimated value of the securities to be less than the original issue price and will adversely affect secondary market prices. Assuming no change in market conditions or any other relevant factors, the prices, if any, at which dealers, including MS & Co., may be willing to purchase the securities in secondary market transactions will likely be significantly lower than the original issue price, because secondary market prices will exclude the issuing, selling, structuring and hedging-related costs that are included in the original issue price and borne by you and because the secondary market prices will reflect our secondary market credit spreads and the bid-offer spread that any dealer would charge in a secondary market transaction of this type as well as other factors.

The inclusion of the costs of issuing, selling, structuring and hedging the securities in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the securities less favorable to you than they otherwise would be.

However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying index, and to our secondary market credit spreads, it would do so based on values higher than the estimated value, and we expect that those higher values will also be reflected in your brokerage account statements.

The estimated value of the securities is determined by reference to our pricing and valuation models, which may differ from those of other dealers and is not a maximum or minimum secondary market price. These pricing and valuation models are proprietary and rely in part on subjective views of certain market inputs and certain assumptions about future events, which may prove to be incorrect. As a result, because there is no market-standard way to value these types of securities, our models may yield a higher estimated value of the securities than those § generated by others, including other dealers in the market, if they attempted to value the securities. In addition, the estimated value on the pricing date does not represent a minimum or maximum price at which dealers, including MS & Co., would be willing to purchase your securities in the secondary market (if any exists) at any time. The value of your securities at any time after the date of this document will vary based on many factors that cannot be predicted with accuracy, including our creditworthiness and changes in market conditions. See also “The market price of the securities will be influenced by many unpredictable factors” above.

The securities will not be listed on any securities exchange and secondary trading may be limited. The § securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. MS & Co. may, but is not obligated to, make a market in the securities and, if it once chooses to

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make a market, may cease doing so at any time. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Since other broker-dealers may not participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the securities. As calculation agent, MS & Co. has determined the initial index value and the trigger level, will determine the final index value, including whether the value of the underlying index has decreased to below the trigger level, and will calculate the amount of cash you receive at maturity, if any. Moreover, certain determinations made by MS & Co., in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market § disruption events and the selection of a successor index or calculation of the final index value in the event of a market disruption event or discontinuance of the underlying index. These potentially subjective determinations may adversely affect the payout to you at maturity, if any. For further information regarding these types of determinations, see “Description of Participation Securities—Postponement of Valuation Date(s),” “—Alternate Exchange Calculation in case of an Event of Default” and “—Calculation Agent and Calculations” in the accompanying product supplement. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

Hedging and trading activity by our affiliates could potentially adversely affect the value of the securities. One or more of our affiliates and/or third-party dealers have carried out, and will continue to carry out, hedging activities related to the securities (and to other instruments linked to the underlying index or its component stocks), including trading in the stocks that constitute the underlying index as well as in other instruments related to the underlying index. As a result, these entities may be unwinding or adjusting hedge positions during the term of the securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the valuation date § approaches. Some of our affiliates also trade the stocks that constitute the underlying index and other financial instruments related to the underlying index on a regular basis as part of their general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could have increased the initial index value, and, therefore, could have increased the trigger level, which is the value at or above which the underlying index must close on the valuation date so that investors do not suffer a significant loss on their initial investment in the securities. Additionally, such hedging or trading activities during the term of the securities, including on the valuation date, could adversely affect the value of the underlying index on the valuation date, and, accordingly, the amount of cash an investor will receive at maturity, if any.

§ **The U.S. federal income tax consequences of an investment in the securities are uncertain.** Please read the discussion under “Additional Information—Tax considerations” in this document and the discussion

under “United States Federal Taxation” in the accompanying product supplement for participation securities (together, the “Tax Disclosure Sections”) concerning the U.S. federal income tax consequences of an investment in the securities. If the Internal Revenue Service (the “IRS”) were successful in asserting an alternative treatment, the timing and character of income on the securities might differ significantly from the tax treatment described in the Tax Disclosure Sections. For example, under one possible treatment, the IRS could seek to recharacterize the securities as debt instruments. In that event, U.S. Holders would be required to accrue into income original issue discount on the securities every year at a “comparable yield” determined at the time of issuance and recognize all income and gain in respect of the securities as ordinary income. Additionally, as discussed under “United States Federal Taxation—FATCA” in the accompanying product supplement for participation securities, the withholding rules commonly referred to as “FATCA” would apply to the securities if they were recharacterized as debt instruments. However, recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization) eliminate the withholding requirement on payments of gross proceeds of a

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taxable disposition. The risk that financial instruments providing for buffers, triggers or similar downside protection features, such as the securities, would be recharacterized as debt is greater than the risk of recharacterization for comparable financial instruments that do not have such features. We do not plan to request a ruling from the IRS regarding the tax treatment of the securities, and the IRS or a court may not agree with the tax treatment described in the Tax Disclosure Sections.

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” rule, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the securities, including possible alternative treatments, the issues presented by this notice and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

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S&P 500[®] Index Overview

The S&P 500[®] Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC (“S&P”), consists of stocks of 500 component companies selected to provide a performance benchmark for the U.S. equity markets. The calculation of the S&P 500[®] Index is based on the relative value of the float adjusted aggregate market capitalization of the 500 component companies as of a particular time as compared to the aggregate average market capitalization of 500 similar companies during the base period of the years 1941 through 1943. For additional information about the S&P 500[®] Index, see the information set forth under “S&P 500[®] Index” in the accompanying index supplement.

Information as of market close on April 12, 2019:

Bloomberg Ticker Symbol:	SPX
Current Index Value:	2,907.41
52 Weeks Ago:	2,663.99
52 Week High (on 9/20/2018):	2,930.75
52 Week Low (on 12/24/2018):	2,351.10

The following graph sets forth the daily index closing values of the underlying index for each quarter in the period from January 1, 2014 through April 12, 2019. The related table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the underlying index for each quarter in the same period. The index closing value of the underlying index on April 12, 2019 was 2,907.41. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The underlying index has at times experienced periods of high volatility. You should not take the historical values of the underlying index as an indication of its future performance, and no assurance can be given as to the index closing value of the underlying index on the valuation date.

S&P 500[®] Index

Daily Index Closing Values

January 1, 2014 to April 12, 2019

April 2019 Page 10

Morgan Stanley Finance LLC

Dual Directional Trigger Participation Securities Based on the Performance of the S&P 500® Index due June 3, 2020

Principal at Risk Securities

S&P 500® Index	High	Low	Period End
2014			
First Quarter	1,878.04	1,741.89	1,872.34
Second Quarter	1,962.87	1,815.69	1,960.23
Third Quarter	2,011.36	1,909.57	1,972.29
Fourth Quarter	2,090.57	1,862.49	2,058.90
2015			
First Quarter	2,117.39	1,992.67	2,067.89
Second Quarter	2,130.82	2,057.64	2,063.11
Third Quarter	2,128.28	1,867.61	1,920.03
Fourth Quarter	2,109.79	1,923.82	2,043.94
2016			
First Quarter	2,063.95	1,829.08	2,059.74
Second Quarter	2,119.12	2,000.54	2,098.86
Third Quarter	2,190.15	2,088.55	2,168.27
Fourth Quarter	2,271.72	2,085.18	2,238.83
2017			
First Quarter	2,395.96	2,257.83	2,362.72
Second Quarter	2,453.46	2,328.95	2,423.41
Third Quarter	2,519.36	2,409.75	2,519.36
Fourth Quarter	2,690.16	2,529.12	2,673.61
2018			
First Quarter	2,872.87	2,581.00	2,640.87
Second Quarter	2,786.85	2,581.88	2,718.37
Third Quarter	2,930.75	2,713.22	2,913.98
Fourth Quarter	2,925.51	2,351.10	2,506.85
2019			
First Quarter	2,854.88	2,447.89	2,834.4
Second Quarter (through April 12, 2019)	2,907.41	2,867.19	2,907.41

“Standard & Poor®,” “S&P,” “S&P 500” “Standard & Poor’s 500” and “500” are trademarks of Standard and Poor’s Financial Services LLC. See “S&P 500® Index” in the accompanying index supplement.

April 2019 Page 11

Morgan Stanley Finance LLC

Dual Directional Trigger Participation Securities Based on the Performance of the S&P 500® Index due June 3, 2020

Principal at Risk Securities

Additional Terms of the Securities

Please read this information in conjunction with the summary terms on the front cover of this document.

Additional Terms:

If the terms described herein are inconsistent with those described in the accompanying product supplement, index supplement or prospectus, the terms described herein shall control.

Underlying index publisher:

S&P Dow Jones Indices LLC or any successor thereof

Postponement of maturity date:

If, due to a market disruption event or otherwise, the valuation date is postponed so that it falls less than two business days prior to the scheduled maturity date, the maturity date will be postponed to the second business day following the valuation date as postponed.

Denominations:

\$10 per security and integral multiples thereof

Trustee:

The Bank of New York Mellon

Calculation agent:

MS & Co.

Issuer notice to registered security holders, the trustee and the depository:

In the event that the maturity date is postponed due to postponement of the valuation date, the issuer shall give notice of such postponement and, once it has been determined, of the date to which the maturity date has been rescheduled (i) to each registered holder of the securities by mailing notice of such postponement by first class mail, postage prepaid, to such registered holder's last address as it shall appear upon the registry books, (ii) to the trustee by facsimile confirmed by mailing such notice to the trustee by first class mail, postage prepaid, at its New York office and (iii) to The Depository Trust Company (the "depository") by telephone or facsimile, confirmed by mailing such notice to the depository by first class mail, postage prepaid. Any notice that is mailed to a registered holder of the securities in the manner herein provided shall be conclusively presumed to have been duly given to such registered holder, whether or not such registered holder receives the notice. The issuer shall give such notice as promptly as possible, and in no case later than (i) with respect to notice of postponement of the maturity date, the business day immediately preceding the scheduled maturity date and (ii) with respect to notice of the date to which the maturity date has been rescheduled, the business day immediately following the actual valuation date.

The issuer shall, or shall cause the calculation agent to, (i) provide written notice to the trustee and to the depository of the amount of cash, if any, to be delivered with respect to the

securities, on or prior to 10:30 a.m. (New York City time) on the business day preceding the maturity date, and (ii) deliver the aggregate cash amount, if any, due with respect to the securities to the trustee for delivery to the depositary, as holder of the securities, on the maturity date.

Morgan Stanley Finance LLC

Dual Directional Trigger Participation Securities Based on the Performance of the S&P 500® Index due June 3, 2020

Principal at Risk Securities

Additional Information About the Securities

**Additional
Information:**

**Minimum
ticketing size:** \$1,000 / 100 securities

**Tax
considerations:**

Although there is uncertainty regarding the U.S. federal income tax consequences of an investment in the securities due to the lack of governing authority, in the opinion of our counsel, Davis Polk & Wardwell LLP, under current law, and based on current market conditions, a security should be treated as a single financial contract that is an “open transaction” for U.S. federal income tax purposes.

Assuming this treatment of the securities is respected and subject to the discussion in “United States Federal Taxation” in the accompanying product supplement for participation securities, the following U.S. federal income tax consequences should result based on current law:

§ A U.S. Holder should not be required to recognize taxable income over the term of the securities prior to settlement, other than pursuant to a sale or exchange.

§ Upon sale, exchange or settlement of the securities, a U.S. Holder should recognize gain or loss equal to the difference between the amount realized and the U.S. Holder’s tax basis in the securities. Such gain or loss should be long-term capital gain or loss if the investor has held the securities for more than one year, and short-term capital gain or loss otherwise.

In 2007, the U.S. Treasury Department and the Internal Revenue Service (the “IRS”) released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” rule, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect.

As discussed in the accompanying product supplement for participation securities, Section 871(m) of the Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder (“Section 871(m)”) generally impose a 30% (or a lower applicable treaty rate) withholding tax on dividend equivalents paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities (each, an “Underlying Security”). Subject to certain exceptions, Section 871(m) generally applies to securities that substantially replicate the economic performance of one or more Underlying Securities, as determined based on tests set forth in the applicable Treasury regulations (a “Specified Security”). However, pursuant to an IRS notice, Section 871(m) will not apply to securities issued before January 1, 2021 that do not have a delta of one with respect to any Underlying Security. Based on our determination that the securities do not have a delta of one with respect to any Underlying Security, our counsel is of the opinion that the securities should not be Specified Securities and, therefore, should not be subject to Section 871(m).

Our determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. If withholding is required, we will not be required to pay any additional amounts with respect to the amounts so withheld. You should consult your tax adviser regarding the potential application of Section 871(m) to the securities.

Both U.S. and non-U.S. investors considering an investment in the securities should read the discussion under “Risk Factors” in this document and the discussion under “United States Federal Taxation” in the accompanying product supplement for participation securities and consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the securities, including possible alternative treatments, the issues presented by the aforementioned notice and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

The discussion in the preceding paragraphs under “Tax considerations” and the discussion contained in the section entitled “United States Federal Taxation” in the accompanying product supplement for participation securities, insofar as they purport to describe provisions of U.S. federal income tax laws or legal conclusions with respect thereto, constitute the full opinion of Davis Polk & Wardwell LLP regarding the material U.S. federal tax consequences of an investment in the securities.

Morgan Stanley Finance LLC

Dual Directional Trigger Participation Securities Based on the Performance of the S&P 500® Index due June 3, 2020

Principal at Risk Securities

The proceeds from the sale of the securities will be used by us for general corporate purposes. We will receive, in aggregate, \$10 per security issued, because, when we enter into hedging transactions in order to meet our obligations under the securities, our hedging counterparty will reimburse the cost of the agent's commissions. The costs of the securities borne by you and described on page 2 above comprise the agent's commissions and the cost of issuing, structuring and hedging the securities.

Use of proceeds and hedging:

On or prior to the pricing date, we hedged our anticipated exposure in connection with the securities by entering into hedging transactions with our affiliates and/or third-party dealers. We expect our hedging counterparties to have taken positions in stocks of the underlying index and in futures and/or options contracts on the underlying index or any component stocks of the underlying index listed on major securities markets. Such purchase activity could have increased the value of the underlying index on the pricing date, and, therefore, could have increased the trigger level, which is the value at or above which the underlying index must close on the valuation date so that investors do not suffer a significant loss on their initial investment in the securities. In addition, through our affiliates, we are likely to modify our hedge position throughout the term of the securities, including on the valuation date, by purchasing and selling the stocks constituting the underlying index, futures or options contracts on the underlying index or its component stocks listed on major securities markets or positions in any other available securities or instruments that we may wish to use in connection with such hedging activities. As a result, these entities may be unwinding or adjusting hedge positions during the term of the securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the valuation date approaches. We cannot give any assurance that our hedging activities will not affect the value of the underlying index, and, therefore, adversely affect the value of the securities or the payment you will receive at maturity, if any. For further information on our use of proceeds and hedging, see "Use of Proceeds and Hedging" in the accompanying product supplement for Participation Securities.

Benefit plan investor considerations:

Each fiduciary of a pension, profit-sharing or other employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (a "Plan"), should consider the fiduciary standards of ERISA in the context of the Plan's particular circumstances before authorizing an investment in the securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

In addition, we and certain of our affiliates, including MS & Co., may each be considered a "party in interest" within the meaning of ERISA, or a "disqualified person" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to many Plans, as well as many individual retirement accounts and Keogh plans (such accounts and plans, together with

other plans, accounts and arrangements subject to Section 4975 of the Code, also “Plans”). ERISA Section 406 and Section 4975 of the Code generally prohibit transactions between Plans and parties in interest or disqualified persons. Prohibited transactions within the meaning of ERISA or the Code would likely arise, for example, if the securities are acquired by or with the assets of a Plan with respect to which MS & Co. or any of its affiliates is a service provider or other party in interest, unless the securities are acquired pursuant to an exemption from the “prohibited transaction” rules. A violation of these “prohibited transaction” rules could result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

The U.S. Department of Labor has issued five prohibited transaction class exemptions (“PTCEs”) that may provide exemptive relief for direct or indirect prohibited transactions before income taxes, income applicable to minority interests and equity in net income (loss) of unconsolidated affiliates, plus fixed charges. Fixed charges are the sum of interest on indebtedness, amortization of debt discount and expense and that portion of net rental expense deemed representative of the interest component.

* For the nine months ended September 30, 2003 and the year ended December 31, 2001, we had a deficiency of earnings to fixed charges. Results as reported would have required additional earnings of \$392.5 million for the nine months ended September 30, 2003 and \$586.4 million for the year ended December 31, 2001, respectively, to provide a one-to-one coverage ratio for those periods. The decline in the ratio of earnings to fixed charges subsequent to 2000 is due to lower income from operations, including restructuring- and merger-related charges (in 2001 and 2003), impairment charges (in 2001, 2002 and 2003) and litigation charges (in 2003), as compared to prior periods.

Table of Contents**CAPITALIZATION**

The following table sets forth our short-term debt, long-term debt and stockholders' equity as of September 30, 2003. The data are derived from our unaudited financial statements. You should read this table in conjunction with our unaudited consolidated financial statements and related notes and the discussion of our liquidity and capital resources as of September 30, 2003 incorporated by reference in this prospectus.

	September 30, 2003
	(unaudited)
	(in millions)
Short-term debt:	
Loans payable	\$ 83.9
Zero-Coupon Convertible Senior Notes, due 2021	1.0
Convertible Subordinated Notes 1.80%, due 2004	242.0
Long-term debt:	
Payable to financial institutions	30.6
Notes 7.25%, due 2011	500.0
Notes 7.875%, due 2005	525.1
Convertible Subordinated Notes 1.87%, due 2006	335.3
4.50% Convertible Senior Notes, due 2023	800.0
Stockholders' equity:	
Total stockholders' equity	1,941.1
Total capitalization	\$ 4,459.0

Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY**

Our common stock is listed and traded on the New York Stock Exchange (NYSE) under the symbol IPG. The following table provides, for the calendar quarters indicated, the high and low closing sales prices per share on the NYSE for the periods shown below as reported on the NYSE and dividends per share paid during those periods. The last reported sale price for our common stock on the NYSE on December 19, 2003 was \$15.45 per share.

Period	NYSE Sale Price		Dividends on Common Stock
	High	Low	
2000:			
First Quarter	\$ 55.56	\$ 37.00	\$.085
Second Quarter	48.25	38.00	.095
Third Quarter	44.62	33.50	.095
Fourth Quarter	43.75	33.06	.095
2001:			
First Quarter	47.19	32.50	.095
Second Quarter	38.85	27.79	.095
Third Quarter	30.46	19.30	.095
Fourth Quarter	31.00	19.50	.095
2002:			
First Quarter	34.56	27.20	.095
Second Quarter	34.89	23.51	.095
Third Quarter	24.67	13.40	.095
Fourth Quarter	17.05	11.25	.095(1)
2003:			
First Quarter	15.38	8.01	(1)
Second Quarter	14.55	9.30	(1)
Third Quarter	15.44	12.94	(1)
Fourth Quarter (through December 19, 2003)	16.41	13.55	(1)

- (1) Dividend declared on November 1, 2002 in respect of third quarter 2002 results. No dividend in respect of fourth quarter 2002 results was declared. No dividend has subsequently been declared.

As of December 19, 2003, there were approximately 21,616 registered holders of our common stock.

Dividend Policy

No dividend was paid in the first nine months of 2003. Our future dividend policy will be determined on a quarter-by-quarter basis and will depend on earnings, financial condition, capital requirements and other factors. It will also be subject to the restrictions under the amended revolving credit facilities with syndicates of banks, which limit our ability to declare or pay dividends. Under these facilities, our future earnings performance will determine the permitted levels of dividend payments (currently the permitted level of dividend payments and share buybacks is \$25

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million annually) and all limitations on dividend payments expire when earnings before interest, taxes, depreciation and amortization (EBITDA), as defined in the credit facilities, exceed \$1.3 billion for four consecutive quarters.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale by any selling securityholder of the notes or the shares of common stock issuable upon conversion of the notes.

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INTERPUBLIC

Interpublic is a group of advertising and specialized marketing and communication services companies that together represent one of the largest resources of advertising and marketing expertise in the world. With offices and other affiliations in more than 130 countries, we had revenues of approximately \$5.7 billion and net income of approximately \$99.5 million in 2002. For the nine months ended September 30, 2003, we had revenues of approximately \$4.2 billion and a net loss of approximately \$349.2 million, compared to revenues of approximately \$4.2 billion and net income of approximately \$79.2 million for the nine months ended September 30, 2002.

Advertising and Specialized Marketing and Communications Services Businesses

In the last five years, we have grown to become one of the world's largest groups of global marketing services companies, providing our clients with communications and marketing expertise in three broad areas:

Advertising, which includes advertising and media management;

Marketing Communications, which includes direct marketing, database management and customer relationship management, public relations, sales promotion, event marketing, on-line marketing, corporate and brand identity, brand consultancy and healthcare marketing; and

Marketing Services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing and other marketing and business services.

We seek to be the best in quality and a leading competitor in all of these areas.

We are currently organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup (McCann), The FCB Group and The Partnership, provide a comprehensive array of global communications and marketing services. Each offers a distinctive range of solutions for our clients. The fourth global operating group, The Interpublic Sports & Entertainment Group, focuses on sports marketing and event planning activities. In addition to these groups, Interpublic also includes a group of leading stand-alone companies that provide their clients with a full range of advertising and/or marketing communications services.

We believe this organizational structure allows us to provide comprehensive solutions for clients, enables stronger organic growth among all our operating companies and allows us to bring improved operating efficiencies to our organization.

A brief description of our current four global operating groups follows:

McCann-Erickson WorldGroup was founded on the global strength and quality of McCann, one of the world's leading advertising agencies. It includes companies spanning advertising, media, customer relationship management, events, sales promotion, public relations, on-line marketing communications and healthcare communications. Launched in late 1997, McCann-Erickson WorldGroup has expanded rapidly to become one of the world's leading networked marketing communications groups, now working with more than 25 key worldwide clients in three or more disciplines and with more than 40 U.S. clients in two or more disciplines. McCann-Erickson WorldGroup includes the following companies:

McCann-Erickson Worldwide (advertising),

Universal McCann Worldwide (media planning and buying),

MRM Partners Worldwide (direct marketing and customer relationship management),

Momentum Worldwide (entertainment, event and promotional marketing), and

Torre Lazur McCann Healthcare Worldwide (healthcare advertising and marketing).

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The FCB Group is a single global integrated network centered on Foote, Cone & Belding Worldwide and its advertising, direct marketing and sales promotion capabilities. This group also includes the following specialized services:

FCBi (direct and digital marketing),

Marketing Drive Worldwide (integrated promotional marketing),

R/GA (web design and development),

FCB HealthCare (healthcare marketing), and

The Hacker Group (customer acquisition direct marketing).

The Partnership, a global, client-driven creative leader, is anchored on the quality advertising reputation of Lowe & Partners Worldwide. The Partnership provides collaboration across a global group of independently managed networks with creative and executional capabilities across all disciplines. The partners seek to preserve their uniqueness while creating the ability to interconnect seamlessly to better service clients. Partner companies include:

Lowe & Partners Worldwide (advertising),

Lowe Healthcare Worldwide (healthcare marketing),

Draft (direct and promotional marketing),

Zipatoni (promotional marketing),

Mullen (advertising), and

Dailey & Associates (advertising).

The Interpublic Sports & Entertainment Group focuses on sports marketing and event planning activities. IPG Sports & Entertainment was formed during the second quarter of 2002 through a carve-out from our other operating groups of related operations. It includes:

Octagon (sports marketing),

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Motorsports,

Jack Morton Worldwide, and

Entertainment PR (Bragman Nyman Cafarelli and PMK/HBH).

We are currently evaluating the manner in which IPG Sports & Entertainment and its component parts are managed and reported.

Independent Agencies. Interpublic also includes a group of leading stand-alone companies that provide their clients with a full range of advertising and/or marketing communications services and partner with our global operating groups as needed. These include:

Campbell Ewald,

Deutsch,

Hill Holliday,

The Martin Agency,

Carmichael-Lynch,

Gotham,

MAGNA Global (advertising media negotiations and television program development),

Weber Shandwick Worldwide, Golin/Harris International and DeVries Public Relations (public relations), and

Initiative Media (media planning and buying).

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In addition to domestic operations, we provide services for clients whose business is international in scope as well as for clients whose business is restricted to a single country or a small number of countries. Revenue for 2002 and 2001 is presented below by major geographic area:

	<u>Year Ended December 31,</u>	
	<u>2002</u>	<u>2001</u>
	(in millions)	
United States	\$ 3,313.6	\$ 3,708.0
International		
United Kingdom	584.5	615.8
All other Europe	986.8	1,024.6
Asia Pacific	384.7	439.0
Latin America	266.4	345.6
Other	201.5	219.7
	<u>2,423.9</u>	<u>2,644.7</u>
Total International	2,423.9	2,644.7
Total Consolidated	<u>\$ 5,737.5</u>	<u>\$ 6,352.7</u>

Sources of Revenue

We generate revenue from planning, creating and placing advertising in various media and from planning and executing other communications or marketing programs. Historically, the commission customary in the industry was 15% of the gross charge (billings) for advertising space or time; more recently, lower commissions have been negotiated, but often with additional incentives paid for better performance. For example, an incentive component is frequently included in arrangements with clients based on improvements in an advertised brand's awareness or image, or increases in a client's sales or market share of the products or services being advertised. Under commission arrangements, media bill us at their gross rates. We bill these amounts to our clients, remit the net charges to the media and retain the balance as our commission. Many clients, however, prefer to compensate us on a fee basis, under which we bill our client for the net charges billed by the media plus an agreed-upon fee. These fees usually are calculated to reflect our hourly rates and out-of-pocket expenses incurred on behalf of clients, plus proportional overhead and a profit mark-up.

Like other agencies, we are primarily responsible for paying the media with respect to firm contracts for advertising time or space placed on behalf of our clients. Our practice generally is to pay media charges only once we have received funds from our clients, and in some instances we agree with the media that we will be solely liable to pay the media only after the client has paid us for the media charges. We make serious efforts to reduce the risk from a client's nonpayment including by generally carrying out credit clearances and requiring in some cases payment of media in advance.

We also receive commissions from clients for planning and supervising work done by outside contractors in connection with the physical preparation of finished print advertisements and the production of television and radio

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commercials and other forms of advertising. This commission is customarily 17.65% of the outside contractor's net charge, which is the same as 15.0% of the outside contractor's total charges including commission. With the increasing use of negotiated fees, the terms on which outstanding contractor's charges are billed are subject to wide variations and even include, in some instances, the replacement of commissions with negotiated flat fees.

We also derive revenue from other activities, including the planning and placement in media of advertising produced by unrelated advertising agencies; the maintenance of specialized media placement facilities; the creation and publication of brochures, billboards, point of sale materials and direct marketing pieces for clients; the planning and carrying out of specialized marketing research; the management of public relations campaigns; the creation and management of special events, meetings and shows at which clients' products are featured; and the design and implementation of interactive programs for special marketing needs.

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Clients

The five clients that made the largest revenue contribution in 2002 accounted individually for approximately 1.8% to 8.1% of our revenue and in the aggregate accounted for approximately 16.4% of our revenue. Twenty of our clients accounted for approximately 29% of our revenue. Based on revenue, as of December 31, 2002, our largest clients included Coca-Cola, General Motors Corporation, Johnson & Johnson, Nestle and Unilever. While the loss of the entire business of one of our largest clients might have a material adverse effect upon our business, we believe that it is very unlikely that the entire business of any of these clients would be lost at the same time, because we represent several different brands or divisions of each of these clients in a number of geographical markets in each case through more than one of our agency systems.

Representation of a client rarely means that we handle advertising for all brands or product lines of the client in all geographical locations. Any client may transfer its business from an agency within our company to a competing agency, and a client may reduce its marketing budget at any time.

Our agencies have written contracts with many of their clients. As is customary in the industry, these contracts provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer. In 2002, however, 21% of revenue was derived from clients that had been associated with one or more of our agencies or their predecessors for 20 or more years.

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DESCRIPTION OF THE NOTES

We issued the notes under an indenture dated as of October 20, 2000, between us and The Bank of New York, as trustee, as supplemented by a supplemental indenture thereto, dated as of March 13, 2003. In this description, we refer to the indenture as so supplemented as the indenture.

The following description summarizes the material provisions of the indenture and the notes. For further information you should read the indenture and the notes. The indenture and form of notes are available as set forth under [Where You Can Find More Information](#).

As used in this Description of the Notes, unless otherwise indicated, the words we, our and us refer to The Interpublic Group of Companies, Inc. and not any of its subsidiaries.

General

The notes are our unsecured obligations, are limited to an aggregate principal amount of \$800,000,000 and were initially offered at a price to investors of \$1,000 per note. The notes will mature on March 15, 2023.

You have the option, subject to fulfillment of the conditions described below, to convert your notes into shares of our common stock initially at a conversion rate of 80.5153 shares of common stock per note. This is equivalent to an initial conversion price of \$12.42 per share of common stock. The conversion rate is subject to anti-dilution and other adjustments as further described in [Conversion Rights Conversion Rate Adjustments](#). Upon conversion, you will receive only shares of our common stock. You will not receive any cash payment for interest accrued to the conversion date.

If any interest payment date, contingent interest payment date, maturity date, redemption date or purchase date (including upon the occurrence of a Fundamental Change, as described under [Fundamental Change Permits Holders to Require Us to Purchase Notes](#)) of a note falls on a day that is not a business day, the required payment will be made on the next succeeding business day as if made on the date that the payment was due and no interest will accrue on that payment for the period from and after the interest payment date, contingent interest payment date, maturity date, redemption date or purchase date (including upon the occurrence of a Fundamental Change), as the case may be, to the date of that payment on the next succeeding business day. The term business day means, with respect to any note, any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

Interest

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The notes accrue interest at a rate of 4.50% per year from March 13, 2003 or from the most recent interest payment date to which interest has been paid or duly provided, payable semiannually in arrears on March 15 and September 15 of each year, beginning September 15, 2003. The notes were issued only in denominations of \$1,000 principal amount and integral multiples of \$1,000 principal amount.

Interest will be paid to the person in whose name a note is registered at the close of business on March 1 or September 1, as the case may be, immediately preceding the relevant interest payment date. Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30-day months. In addition, we will pay contingent interest under the circumstances described in **Contingent Interest** below.

Contingent Interest

If we pay cash dividends on our common stock, we will pay contingent interest per outstanding note in an amount equal to 100% of the per share cash dividend paid on our common stock multiplied by the number of shares of common stock issuable upon conversion of a note. We will pay contingent interest only in cash.

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Contingent interest in respect of a cash dividend on our common stock will be paid to the person in whose name a note is registered at the close of business on the record date for the related common stock dividend. The contingent interest will be paid on the payment date for the related common stock dividend.

For financial accounting purposes, our obligation to pay contingent interest on the notes will constitute an embedded derivative, the initial value of which is not material to our consolidated financial position. Any material changes in its value will be reflected in our future income statements, in accordance with Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities. We do not believe that these future changes in value will have a significant effect on our future reported results of operations.

Cash dividends are regular, fixed, annual, quarterly or other periodic cash dividends as declared by our board of directors as part of our dividend payment practice or stated cash dividend policy, whether publicly announced or not, and do not include any other dividends or distributions (for example, any dividends designated by our board of directors as extraordinary, special or otherwise nonrecurring).

In the event we are required to pay contingent interest, we will publish a notice containing this information in a newspaper of general circulation in The City of New York or publish the information on our Web site or through another public medium we may use at that time.

Ranking

The notes are our general unsecured obligations and rank senior in right of payment to all our existing and future indebtedness that is, by its terms, expressly subordinated in right of payment to the notes. The notes rank equally in right of payment with all our existing and future unsecured indebtedness that is not so subordinated. Because we are a holding company, our rights and the rights of our creditors, including the holders of the notes offered in this prospectus, to participate in the assets of any subsidiary during its liquidation or reorganization, will be subject to the prior claims of the subsidiary's creditors, except to the extent that we are ourselves a creditor with recognized claims against the subsidiary. Furthermore, on August 15, 2003 a number of our U.S. subsidiaries guaranteed our two revolving credit facilities with syndicates of banks. The claims of the beneficiaries of this guaranty will have priority, with respect to the assets and earnings of these subsidiaries, over claims of our direct creditors, including holders of the notes.

On a consolidated basis, we had \$2,517.9 million of debt outstanding as of September 30, 2003, none of which was secured debt and \$577.3 million of which was subordinated debt. Of the \$2,517.9 million, our subsidiaries had \$114.6 million of indebtedness outstanding as of September 30, 2003. Our revolving credit facilities with syndicates of banks contain financial covenants and restrict our domestic subsidiaries' ability to incur additional debt.

Optional Redemption

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No sinking fund is provided for the notes. Prior to March 15, 2008, the notes will not be redeemable. On or after March 15, 2008, we may redeem for cash all or part of the notes at any time, upon not less than 30 nor more than 60 days' notice before the redemption date by mail to the trustee, the paying agent and each holder of notes, for a price equal to 100% of the principal amount of the notes to be redeemed plus any accrued and unpaid interest, including contingent interest, to the redemption date.

If we decide to redeem fewer than all of the outstanding notes, the trustee will select the notes to be redeemed (in principal amounts of \$1,000 or integral multiples of \$1,000) by lot, or on a pro rata basis or by another method the trustee considers fair and appropriate.

If the trustee selects a portion of your note for partial redemption and you convert a portion of the same note, the converted portion will be deemed to be from the portion selected for redemption.

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In the event of any redemption in part, we will not be required to:

issue, register the transfer of or exchange any note during a period of 15 days before the mailing of the redemption notice; or

register the transfer of or exchange any note so selected for redemption, in whole or in part, except the unredeemed portion of any note being redeemed in part.

Conversion Rights

Subject to the conditions described below, you may convert your notes into shares of our common stock initially at a conversion rate of 80.5153 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of \$12.42 per share of common stock based on the issue price of the notes) at any time prior to the close of business on March 15, 2023. The conversion rate and the equivalent conversion price in effect at any given time are referred to as the applicable conversion rate and the applicable conversion price, respectively, and will be subject to adjustment as described under Conversion Rate Adjustments. You may convert fewer than all of your notes so long as the notes converted are an integral multiple of \$1,000 principal amount.

You will not receive any cash payment representing accrued and unpaid interest (including contingent interest) upon conversion of a note. Instead, upon conversion we will deliver to you a fixed number of shares of our common stock and any cash payment to account for fractional shares. The cash payment for fractional shares will be based on the last reported sale price of our common stock on the trading day immediately prior to the conversion date. Delivery of shares of common stock will be deemed to satisfy our obligation to pay the principal amount of the notes, including accrued and unpaid interest (including contingent interest). Accrued and unpaid interest (including contingent interest) will be deemed paid in full rather than canceled, extinguished or forfeited. We will not adjust the conversion rate to account for the accrued and unpaid interest (including contingent interest). The trustee will initially act as the conversion agent.

If you convert notes, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of our common stock upon the conversion, unless the tax is due because you request the shares to be issued in a name other than your name, in which case you will pay that tax.

If you wish to exercise your conversion right, you must deliver an irrevocable conversion notice, together, if the notes are in certificated form, with the certificated security, to the conversion agent along with appropriate endorsements and transfer documents, if required, and pay any transfer or similar tax, if required. The conversion agent will, on your behalf, convert the notes into shares of our common stock. You may obtain copies of the required form of the conversion notice from the conversion agent. A certificate for the number of full shares of our common stock into which any notes are converted, together with any cash payment for fractional shares, will be delivered through the conversion agent as soon as practicable, but no later than the fifth business day, following the conversion date.

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If you have already delivered a purchase notice as described under either **Purchase of Notes by Us at the Option of the Holder** or **Fundamental Change Permits Holders to Require Us to Purchase Notes** with respect to a note, however, you may not surrender that note for conversion until you have withdrawn the notice in accordance with the indenture.

Holders of notes at the close of business on a regular record date will receive payment of interest payable on the corresponding interest payment date notwithstanding the conversion of those notes at any time after the close of business on the regular record date. Notes surrendered for conversion by a holder during the period from the close of business on any regular record date to the opening of business on the next interest payment date, except for notes to be redeemed within this period or on the next interest payment date, must be accompanied by payment of an amount equal to the interest that the holder is to receive on the notes.

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Holders of notes at the close of business on a contingent interest record date will receive payment of contingent interest payable on the corresponding contingent interest payment date notwithstanding the conversion of those notes at any time after the close of business on the contingent interest record date. If we are required to pay contingent interest, notes surrendered for conversion by a holder during the period from the close of business on any contingent interest record date to the opening of business on the next contingent interest payment date, except for notes to be redeemed on a date within this period or on the next contingent interest payment date, must be accompanied by payment of an amount equal to the contingent interest that the holder is to receive on the notes.

You may surrender your notes for conversion into shares of our common stock prior to March 15, 2023 under the following circumstances.

Conversion Upon Satisfaction of Sale Price Condition

You may surrender any of your notes for conversion into shares of our common stock if the average of the last reported sale prices of our common stock for the 20 trading days immediately prior to the conversion date is greater than or equal to a specified percentage, beginning at 120% and declining ½% each year until it reaches 110% at maturity, of the conversion price per share of common stock on that conversion date.

The last reported sale price of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average asked prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which our common stock is traded or, if our common stock is not listed on a U.S. national or regional securities exchange, as reported by the Nasdaq National Market.

If our common stock is not listed for trading on a United States national or regional securities exchange and not reported by the Nasdaq National Market on the relevant date, the last reported sale price will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization.

If our common stock is not so quoted, the last reported sale price will be the average of the mid-point of the last bid and ask prices for our common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

Conversion Upon Redemption

If we redeem the notes, you may convert notes into our common stock at any time prior to the close of business on the business day prior to the redemption date, even if the notes are not otherwise convertible at that time.

Conversion Upon Specified Corporate Transactions

If we elect to:

distribute to all holders of our common stock rights entitling them to purchase, for a period expiring within 60 days after the date of the distribution, shares of our common stock at less than the last reported sale price of a share of our common stock at the time of the distribution or

distribute to all holders of our common stock our assets, debt securities or rights to purchase our securities, which distribution has a per share value as determined by our board of directors exceeding 15% of the last reported sale price of our common stock on the day preceding the declaration date for the distribution,

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we must notify you at least 20 business days prior to the ex-dividend date for the distribution. Once we have given notice, you may surrender your notes for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or our announcement that the distribution will not take place, even if the notes are not otherwise convertible at that time. The ex-dividend date is the first date upon which a sale of the common stock does not automatically transfer the right to receive the relevant dividend from the seller of the common stock to its buyer.

In addition, if we are party to a consolidation, merger or binding share exchange pursuant to which our common stock would be converted into cash or property other than securities, you may surrender notes for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual effective date of the transaction. If we engage in reclassifications or effect changes of our common stock or are a party to a consolidation, merger, binding share exchange or transfer of all or substantially all of our assets pursuant to which our common stock is converted into cash, securities or other property, then at the effective time of the transaction, the right to convert a note into common stock will be changed into a right to convert it into the kind and amount of cash, securities or other property which you would have received if you had converted your notes immediately prior to the transaction. If we engage in any transaction described in the preceding sentence, the conversion rate will not be adjusted. If the transaction also constitutes a Fundamental Change, as defined below, you can require us to purchase all or a portion of your notes as described under Fundamental Change Permits Holders to Require Us to Purchase Notes.

Conversion Upon Credit Ratings Event

You may convert notes into our common stock at any time after the credit ratings assigned to the notes by any two of Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Fitch Ratings are lower than Ba2, BB and BB, respectively, or the notes are no longer rated by at least two of these ratings services.

Conversion Rate Adjustments

The conversion rate will be subject to adjustment upon the following events:

- (1) the payment of dividends and other distributions on our common stock payable exclusively in shares of our common stock or our other capital stock;
- (2) the issuance to all holders of our common stock of rights or warrants that allow the holders to purchase shares of our common stock for a period expiring within 60 days from the date of issuance of the rights or warrants at less than the market price on the record date for the determination of stockholders entitled to receive the rights or warrants;
- (3) subdivisions, combinations, or reclassifications of our common stock; and

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- (4) distributions to all holders of our common stock of our assets, debt securities or rights or warrants to purchase our securities, if these distributions, aggregated on a rolling twelve-month basis, have a per share value exceeding 15% of the market price of our common stock on the trading day immediately preceding the declaration of the distribution. In cases where (a) the fair market value per share of common stock of the assets, debt securities or rights or warrants to purchase our securities distributed to stockholders equals or exceeds the market price of our common stock on the record date for the determination of stockholders entitled to receive the distribution, or (b) the market price exceeds the fair market value per share of common stock of the assets, debt securities or rights or warrants so distributed by less than \$1.00, rather than being entitled to an adjustment in the conversion rate, you will be entitled to receive upon conversion, in addition to the shares of our common stock, the kind and amount of assets, debt securities or rights or warrants comprising the distribution that you would have received if you had converted your notes immediately prior to the record date for determining the stockholders entitled to receive the distribution.

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In addition to these adjustments, we may increase the conversion rate as our board of directors considers advisable to avoid or diminish any income tax to holders of our common stock or rights to purchase our common stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes. We may also, from time to time, to the extent permitted by applicable law, increase the conversion rate by any amount for any period of at least 20 days if our board of directors has determined that the increase would be in our best interests. If our board of directors makes this determination, it will be conclusive. We will give you at least 15 days notice of these increases in the conversion rate.

As used in this prospectus, the market price means the average of the last reported sale prices of our common stock for the 20 trading day period ending on the third business day prior to the applicable purchase date (including upon the occurrence of a Fundamental Change) or the date of determination (if the third business day prior to the applicable purchase date or the date of determination is a trading day, or if not, then on the last trading day prior to the third business day), appropriately adjusted to take into account the occurrence, during the period commencing on the first of the trading days during the 20 trading day period and ending on the applicable purchase date or the date of determination, of any event that would result in an adjustment of the conversion rate under the indenture.

If at any time we were to make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the notes, the conversion rate of the notes is increased, the increase might be deemed to be the payment of a taxable dividend to holders of the notes.

No adjustment to the conversion rate need be made if holders may participate in the transaction that would otherwise give rise to an adjustment, so long as the distributed assets or securities the holders would receive upon conversion of the notes, if convertible, exchangeable, or exercisable, are convertible, exchangeable or exercisable, as applicable, without any loss of rights or privileges for a period of at least 60 days following conversion of the notes.

The applicable conversion price will not be adjusted:

upon the issuance of any shares of our common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our common stock under any plan;

upon the issuance of any shares of our common stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by us or any of our subsidiaries;

upon the issuance of any shares of our common stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the date the notes were first issued;

for a change in the par value or no par value of the common stock; or

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for accrued and unpaid interest, including contingent interest.

No adjustment in the applicable conversion price will be required unless the adjustment would require an increase or decrease of at least 1% of the applicable conversion price. If the adjustment is not made because the adjustment does not change the applicable conversion price by more than 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustment.

Purchase of Notes by Us at the Option of the Holder

You have the right to require us to purchase your notes on March 15, 2008, March 15, 2013 and March 15, 2018 (each, a purchase date). We will be required to purchase any outstanding notes for which you deliver a

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written purchase notice to the paying agent. This notice must be delivered during the period beginning at any time from the opening of business on the date that is 20 business days prior to the relevant purchase date until the close of business on the fifth business day prior to the purchase date. If the purchase notice is given and withdrawn during that period, we will not be obligated to purchase the related notes. Also, our ability to satisfy our purchase obligations may be affected by the factors described in Risk Factors under the caption We may not have the ability to raise the funds necessary to purchase the notes upon a fundamental change or other purchase date, as required by the indenture governing the notes.

The purchase price payable will be equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest, including contingent interest, to the relevant purchase date.

Any notes purchased by us on March 15, 2008 will be paid for in cash. For the March 15, 2013 and March 15, 2018 purchase dates, we may choose to pay the purchase price in cash or shares of our common stock or a combination of cash and shares of our common stock, provided that we will pay any accrued and unpaid interest, including contingent interest, in cash. For a discussion of the United States federal income tax treatment of a holder receiving cash, shares of common stock or any combination of cash and shares, see United States Federal Income Tax Considerations.

On or before the 20th business day prior to each purchase date, we will provide to the trustee, the paying agent and to all holders of the notes at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law, a notice stating, among other things:

whether we will pay the purchase price of the notes in cash, in shares of our common stock, or any combination of cash and shares, specifying the percentages of each;

if we elect to pay with shares of our common stock for either the March 15, 2013 or March 15, 2018 purchase date, the method of calculating the market price of our common stock; and

the procedures that holders must follow to require us to purchase their notes.

Simultaneously with providing the notice, we will publish a notice containing this information in a newspaper of general circulation in the City of New York or publish the information on our Web site or through another public medium we may use at that time.

A notice electing to require us to purchase your notes must state:

if certificated notes have been issued, the certificate numbers of the notes, or if not certificated, your notice must comply with appropriate DTC procedures;

the portion of the principal amount of notes to be purchased, in integral multiples of \$1,000;

that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture;
and

for the March 15, 2013 and March 15, 2018 purchase dates, in the event we elect, pursuant to the notice that we are required to give, to pay the purchase price in shares of our common stock, in whole or in part, but the purchase price is ultimately to be paid to you entirely in cash because any of the conditions to payment of the purchase price or portion of the purchase price in shares of our common stock is not satisfied prior to the close of business on the last business day prior to the purchase date, whether you elect:

- (1) to withdraw the purchase notice as to some or all of the notes to which it relates; or
- (2) to receive cash in respect of the entire purchase price for all notes or portions of notes subject to the purchase notice.

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If you fail to indicate your choice with respect to the election described in the final bullet point above, you will be deemed to have elected to receive cash in respect of the entire purchase price for all notes subject to the purchase notice in these circumstances.

No notes may be purchased at your option if there has occurred and is continuing an event of default other than an event of default that is cured by the payment of the purchase price of the notes.

You may withdraw any purchase notice in whole or in part by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day prior to the purchase date. The notice of withdrawal must state:

the principal amount of the withdrawn notes;

if certificated notes have been issued, the certificate numbers of the withdrawn notes, or if not certificated, your notice must comply with appropriate DTC procedures; and

any principal amount that remains subject to the purchase notice.

If we elect, for either the March 15, 2013 or March 15, 2018 purchase date, to pay the purchase price, in whole or in part, in shares of our common stock, we will pay cash based on the market price of our common stock for all fractional shares.

If we elect to pay the purchase price, in whole or in part, in shares of common stock, the number of shares of common stock to be delivered by us will be equal to the portion of the purchase price to be paid in common stock divided by the market price of a share of our common stock.

Because the market price of our common stock is determined prior to the applicable purchase date, you will bear the market risk with respect to the value of our common stock to be received from the date the market price is determined to the purchase date.

Our right to purchase notes, in whole or in part, with common stock is subject to various conditions, including:

our providing timely written notice, as described above, of our election to purchase all or part of the notes with our common stock;

our common stock then being listed on a national securities exchange or quoted on the Nasdaq National Market;

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information necessary to calculate the market price of our common stock being published in a daily newspaper of national circulation;

registration of the common stock under the Securities Act and the Exchange Act, if required; and

our obtaining any necessary qualification or registration under applicable state securities law or the availability of an exemption from qualification and registration.

If those conditions are not satisfied with respect to you prior to the close of business on the purchase date, we will pay the purchase price of your notes entirely in cash. We may not change the form or components or percentages of components of consideration to be paid for the notes once we have given the notice that we are required to give to holders of notes, except as described in the first sentence of this paragraph.

Upon determination of the actual number of shares of our common stock to be paid upon redemption of the notes, we will publish a notice containing this information in a newspaper of general circulation in the City of New York or publish the information on our Web site or through another public medium we may use at that time.

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You must either effect book-entry transfer or deliver the notes, together with necessary endorsements, to the office of the paying agent after delivery of the purchase notice to receive payment of the purchase price. You will receive payment promptly following the later of the purchase date or the time of book-entry transfer or the delivery of the notes. If the paying agent holds money or securities sufficient to pay the purchase price of the notes on the business day following the purchase date, then:

the notes will cease to be outstanding and interest, including contingent interest, will cease to accrue (whether or not book-entry transfer of the notes is made or whether or not the note is delivered to the paying agent); and

all other rights of the holders will terminate (other than the right to receive the purchase price upon delivery or transfer of the notes).

Fundamental Change Permits Holders to Require Us to Purchase Notes

If a Fundamental Change (as defined below in this section) occurs at any time prior to March 15, 2008, you will have the right, at your option, to require us to purchase any or all of your notes, or any portion of the principal amount of those notes, that is equal to \$1,000 or an integral multiple of \$1,000. The price we are required to pay is equal to 100% of the principal amount of the notes to be purchased plus accrued and unpaid interest, including contingent interest, to the Fundamental Change purchase date. If a Fundamental Change occurs on or after March 15, 2008, you will not have a right to require us to purchase any notes, except as described under Purchase of Notes by Us at the Option of the Holder.

We may, at our option, instead of paying the Fundamental Change purchase price in cash, pay all or a portion of the Fundamental Change purchase price in shares of our common stock, as long as the conditions described in this sub-section are met, provided that we will pay any accrued and unpaid interest, including contingent interest, in cash. If we elect to pay the Fundamental Change purchase price, in whole or in part, in shares of common stock, the number of shares of common stock to be delivered by us will be equal to the portion of the Fundamental Change purchase price to be paid in common stock divided by the market price of a share of our common stock. For a discussion of the United States federal income tax treatment of a holder receiving cash, shares of common stock or any combination of cash and shares, see United States Federal Income Tax Considerations.

A Fundamental Change will be deemed to have occurred at the time after the notes are originally issued that any of the following occurs:

- (1) a person or group within the meaning of Section 13(d) of the Exchange Act other than us, our subsidiaries or our or their employee benefit plans, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that the person or group has become the direct or indirect ultimate beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of our common equity representing more than 50% of the voting power of our common equity;
- (2) consummation of any share exchange, consolidation or merger of us pursuant to which our common stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of us and our subsidiaries, taken

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as a whole, to any person other than one of our subsidiaries; *provided, however*, that a transaction where the holders of more than 50% of all classes of our common equity immediately prior to the transaction own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving corporation or transferee immediately after the event shall not be a Fundamental Change; or

- (3) Continuing directors cease to constitute at least a majority of our board of directors.

A Fundamental Change will not be deemed to have occurred, however, if either:

- (I) the last reported sale price of our common stock for any five trading days within the 10 consecutive trading days ending immediately before the later of the Fundamental Change or the announcement of

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the Fundamental Change, equals or exceeds 105% of the conversion price per share of common stock in effect on each of those trading days, or

- (II) at least 90% of the consideration, excluding cash payments for fractional shares, in the transaction or transactions constituting the Fundamental Change consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market or which will be so traded or quoted when issued or exchanged in connection with a Fundamental Change (these securities being referred to as publicly traded securities) and as a result of this transaction or transactions the notes become convertible into any of these publicly traded securities, excluding cash payments for fractional shares.

Continuing director means a director who either was a member of our board of directors on March 10, 2003 or who becomes a director of ours subsequent to that date and whose election, appointment or nomination for election by our stockholders, is duly approved by a majority of the continuing directors on our board of directors at the time of that approval, either by a specific vote or by approval of the proxy statement issued by us on behalf of our entire board of directors in which that individual is named as nominee for director.

On or before the 20th day after the occurrence of a Fundamental Change, we will provide to all holders of the notes and the trustee and paying agent a notice of the occurrence of the Fundamental Change and of the resulting purchase right. That notice shall state, among other things:

whether we will pay the Fundamental Change purchase price of notes in cash, common stock or a combination of cash and stock, specifying the percentages of each;

if we elect to pay in common stock, the method of calculating the market price of the common stock; and

the procedures that holders must follow to require us to purchase their notes.

Simultaneously with providing the notice, we will publish a notice containing this information in a newspaper of general circulation in the City of New York or publish the information on our Web site or through another public medium we may use at that time.

To exercise the purchase right, you must deliver, on or before the 35th day after the date of our notice of a Fundamental Change, subject to extension to comply with applicable law, the notes to be purchased, duly endorsed for transfer, together with a written purchase notice and the form entitled Form of Fundamental Change Purchase Notice on the reverse side of the notes duly completed, to the paying agent. Your purchase notice must state:

if certificated, the certificate numbers of your notes to be delivered for purchase;

the portion of the principal amount of notes to be purchased, which must be \$1,000 or an integral multiple of \$1,000;

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in the event we elect, pursuant to the notice that we are required to give, to pay the Fundamental Change purchase price in common stock, in whole or in part, but the Fundamental Change purchase price is ultimately to be paid to you entirely in cash because any condition to payment of the Fundamental Change purchase price or portion of the Fundamental Change purchase price in common stock is not satisfied prior to the close of business on the Fundamental Change purchase date, whether you elect:

- (1) to withdraw the purchase notice as to some or all of the notes to which it relates, or
- (2) to receive cash in respect of the entire Fundamental Change purchase price for all notes or portions of notes subject to the purchase notice; and

that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture.

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If you fail to indicate your choice with respect to the election described in the third bullet point above, you will be deemed to have elected to receive cash in respect of the entire Fundamental Change purchase price for all notes subject to the purchase notice in these circumstances.

You may withdraw any purchase notice (in whole or in part) by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day prior to the Fundamental Change purchase date. The notice of withdrawal shall state:

the principal amount of the withdrawn notes;

if certificated notes have been issued, the certificate numbers of the withdrawn notes, or if not certificated, your notice must comply with appropriate DTC procedures; and

any principal amount, which remains subject to the purchase notice.

We will be required to purchase the notes no later than 35 business days after the date of our notice of the occurrence of the relevant Fundamental Change subject to extension to comply with applicable law. You will receive payment of the Fundamental Change purchase price promptly following the later of the Fundamental Change purchase date or the time of book-entry transfer or the delivery of the notes. If the paying agent holds money or securities sufficient to pay the Fundamental Change purchase price of the notes on the business day following the Fundamental Change purchase date, then:

the notes will cease to be outstanding and interest, including contingent interest, will cease to accrue (whether or not book-entry transfer of the notes is made or whether or not the note is delivered to the paying agent); and

all other rights of the holders will terminate (other than the right to receive the Fundamental Change purchase price upon delivery or transfer of the notes).

The purchase rights of the holders could discourage a potential acquirer of us. The Fundamental Change purchase feature, however, is not the result of management's knowledge of any specific effort to obtain control of us by any means or part of a plan by management to adopt a series of anti-takeover provisions.

The term Fundamental Change is limited to the transactions described at the beginning of this sub-section and may not include other events that might adversely affect our financial condition. In addition, the requirement that we offer to purchase the notes upon a Fundamental Change may not protect holders in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

No notes may be purchased at your option upon a Fundamental Change if there has occurred and is continuing an event of default other than an event of default that is cured by the payment of the Fundamental Change purchase price of the notes.

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If we elect to pay the Fundamental Change purchase price, in whole or in part, in shares of our common stock, we will pay cash based on the market price of our common stock for all fractional shares.

Because the market price of the common stock is determined prior to the applicable Fundamental Change purchase date, you will bear the market risk with respect to the value of the common stock to be received from the date the market price is determined to the Fundamental Change purchase date.

Our right to purchase notes, in whole or in part, with common stock is subject to various conditions, including:

our providing timely written notice, as described above, of our election to purchase all or part of the notes with our common stock;

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our common stock then being listed on a national securities exchange or quoted on the Nasdaq National Market;

information necessary to calculate the market price of our common stock is published in a daily newspaper of national circulation;

our registration of the common stock under the Securities Act and the Exchange Act, if required; and

our obtaining any necessary qualification or registration under applicable state securities law or the availability of an exemption from qualification and registration.

If those conditions are not satisfied with respect to you prior to the close of business on the Fundamental Change purchase date, we will pay the Fundamental Change purchase price of your notes entirely in cash. We may not change the form or components or percentages of components of consideration to be paid for the notes once we have given the notice that we are required to give to holders of notes, except as described in the first sentence of this paragraph.

Upon determination of the actual number of shares of our common stock to be paid upon redemption of the notes, we will publish a notice containing this information in a newspaper of general circulation in the City of New York or publish the information on our Web site or through another public medium we may use at that time.

The definition of Fundamental Change includes a phrase relating to the sale, lease or other transfer of all or substantially all of our consolidated assets. There is no precise, established definition of the phrase substantially all under applicable law. Accordingly, your ability to require us to purchase your notes as a result of the sale, lease or other transfer of less than all of our assets may be uncertain.

If a Fundamental Change were to occur, we may not have enough funds to pay the Fundamental Change purchase price. See Risk Factors under the caption We may not have the ability to raise the funds necessary to purchase the notes upon a fundamental change or other purchase date, as required by the indenture governing the notes. If we fail to purchase the notes when required following a Fundamental Change, we will be in default under the indenture. In addition, we have, and may in the future incur, other indebtedness with similar change in control provisions permitting our holders to accelerate or to require us to purchase our indebtedness upon the occurrence of similar events or on some specific dates.

Consolidation, Merger and Sale of Assets

We may not consolidate or merge with or into any other person, including any other entity, or convey, transfer or lease all or substantially all of our properties and assets to any person or group of affiliated persons unless:

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we are the continuing corporation or the person, if other than us, formed by the consolidation or with which or into which we are merged or the person or group of affiliated persons to which all or substantially all our properties and assets are conveyed, transferred or leased is a corporation organized and existing under the laws of the United States, any of its states or the District of Columbia and expressly assumes our obligations under the notes and the indenture; and

immediately after giving effect to the transaction, there is no default and no event of default under the indenture.

If we consolidate with or merge into any other corporation or convey, transfer or lease all or substantially all of our property and assets as described in the preceding paragraph, the successor corporation shall succeed to and be substituted for us, and may exercise our rights and powers under the indenture, and after that contemplated transaction, except in the case of a lease, we will be relieved of all obligations and covenants under the indenture and the notes.

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Although these types of transactions are permitted under the indenture, some of the foregoing transactions occurring prior to March 15, 2008 could constitute a Fundamental Change (as defined under Fundamental Change Permits Holders to Require Us to Purchase Notes) permitting you to require us to purchase your notes as described under Fundamental Change Permits Holders to Require Us to Purchase Notes.

Events of Default

Each of the following constitutes an event of default under the indenture:

default in payment of the principal amount of the notes or accrued and unpaid interest at maturity, redemption price, purchase price or Fundamental Change purchase price with respect to any notes when that amount becomes due and payable;

default for 30 days in payment of any installment of interest, including contingent interest, on or additional amounts due to a breach of the registration rights agreement as described in Registration Rights with respect to the notes;

a failure to comply in any material respect with any of our other agreements contained in the notes or the indenture for a period of 60 days after notice to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount of the notes;

the occurrence of an event of default within the meaning of another mortgage, indenture or debt, instrument under which there may be issued, or by which there may be secured or evidenced, any of our indebtedness, other than the notes, in an amount in excess of \$20,000,000 and which results in the indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and we have not cured the default in payment or the acceleration is not rescinded or annulled in each case within 10 days after written notice to us from the trustee or to us and to the trustee from the holders of at least 25% in principal amount of the notes; provided, however, that if, prior to a declaration of acceleration of the maturity of the notes or the entry of judgment in favor of the trustee in a suit pursuant to the indenture, the default has been remedied or cured by us or waived by the holders of the indebtedness, then the event of default will be deemed likewise to have been remedied, cured or waived; and

the occurrence of an event of bankruptcy, insolvency or reorganization with respect to us or any of our subsidiaries that meet thresholds set out in the indenture. A subsidiary meets these thresholds if:

our investment in and advances to the subsidiary, including indirectly through other subsidiaries, exceed ten percent of our total consolidated assets as of the end of the most recent completed fiscal year;

our proportionate share of the total assets, including indirectly through other subsidiaries, and after intercompany elimination, of the subsidiary exceeds ten percent of our total consolidated assets as of the end of the most recent completed fiscal year; or

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our equity in the income from continuing operations of the subsidiary, including indirectly through other subsidiaries, calculated before income taxes, extraordinary items and cumulative effect of changes in accounting principles, exceeds ten percent of our total consolidated income calculated on the same basis as of the end of the most recent completed fiscal year.

No event of default with respect to a series of our debt securities other than the notes, except as to the occurrence of an event involving bankruptcy, insolvency or reorganization with respect to us, necessarily constitutes an event of default with respect to the notes.

In general, the indenture obligates the trustee to give notice of a default with respect to the notes to the holders of those notes. The trustee may withhold notice of any default, except a default in payment on any notes, if the trustee determines it is in the best interest of the holders of the notes to do so.

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If there is a continuing event of default, the trustee or the holders of at least 25% in principal amount of the notes may require us to repay immediately the unpaid principal plus accrued and unpaid interest, including contingent interest, on all notes. In the case of an event of default resulting from events of bankruptcy, insolvency or reorganization with respect to us or any of our subsidiaries that meet the thresholds set out above, the principal amount of the notes plus accrued interest, including contingent interest, through the date of the declaration on all notes will become immediately payable without any act on the part of the trustee or any holder of notes. The holders of a majority in principal amount of the notes may rescind our obligation to accelerate repayment and may waive past defaults if:

all existing events of default, other than the nonpayment of the accelerated amounts, have been cured or are being waived;

any interest, including contingent interest, that has become due on overdue amounts, other than by virtue of acceleration, has been paid;

the rescission would not conflict with any judgment or decree of a competent court; and

all payments due the trustee have been made,

except that they may not waive:

a default in payment of the principal amount or accrued and unpaid interest at maturity, redemption price, purchase price or Fundamental Change purchase price with respect to any notes when that amount becomes due and payable;

a default for 30 days in payment of any installment of interest, including contingent interest, on or additional amounts with respect to the notes;

a default with respect to a provision of the indenture which cannot be amended without the consent of each holder affected by the amendment; or

a default which constitutes a failure to convert any note in accordance with its terms and the terms of the indenture.

Under the terms of the indenture, the trustee may refuse to enforce the indenture or the notes unless it first receives satisfactory security or indemnity from the holders of notes. Subject to limitations specified in the indenture, the holders of a majority in principal amount of the notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

You have no right to institute any proceeding, judicial or otherwise, with respect to the indenture or for the appointment of a receiver or trustee, or for any other remedy under the indenture unless, among other things:

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you have previously given to the trustee written notice of a continuing event of default with respect to the notes; and

the holders of at least 25% in principal amount of the notes have made written request, and offered indemnity reasonably satisfactory to the trustee to institute the proceeding as trustee, and the trustee has not received from the holders of a majority in principal amount of the notes a direction inconsistent with the request and has failed to institute the proceeding within 60 days.

Notwithstanding the foregoing, you have an absolute and unconditional right to receive payment of the principal of and interest, including contingent interest, and any additional amounts on the notes on or after the due dates expressed in the notes and to institute suit for the enforcement of any of those payments.

We are required to furnish to the trustee annually a statement by some of our officers as to whether or not we, to their knowledge, are in default in the performance or observance of any of the terms, provisions and conditions of the indenture and, if so, specifying all the known defaults.

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Modification and Amendment

The indenture permits us and the trustee to amend the indenture without the consent of the holders of notes:

to evidence the succession of another corporation and the assumption of our covenants under the indenture and the notes;

to add to our covenants or to the events of default, to surrender any right or power conferred upon us in the indenture or to make other changes which would not adversely affect in any material respect the holder of any outstanding notes;

to cure any ambiguity, defect or inconsistency or to correct or supplement any provision of the indenture which may be inconsistent with any other provision of the indenture;

to add or change any of the provisions of the indenture to the extent necessary to permit or facilitate the issuance of securities in bearer form;

to change or eliminate certain provisions of the indenture, provided that the change or elimination becomes effective only when there are no securities outstanding of any series of securities created prior to the amendment of the indenture which is entitled to the benefit of those provisions;

to secure the notes or add guarantees with respect to any or all of the notes;

to establish the form or terms of securities of any series;

to evidence and provide for the acceptance of an appointment by a successor trustee with respect to one or more series of the securities and to change any provision of the indenture to accommodate the administration of trusts under the indenture by more than one trustee; and

to provide for uncertificated securities in addition to or in place of certificated securities.

The indenture also permits us and the trustee, with the consent of the holders of a majority in principal amount of the notes voting as a class, to add any provisions to or change or eliminate any of the provisions of the indenture or to modify the rights of the holders of notes, *provided, however*, that, without the consent of the holder of each of the notes so affected, no amendment may:

reduce the principal amount, or extend the stated maturity, of any notes;

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reduce the redemption price, purchase price or Fundamental Change purchase price of any notes;

make any change that adversely affects the right to convert any notes;

except as otherwise provided in this prospectus and in the indenture, alter the manner or rate of accrual of interest on any notes or extend the time for payment of interest on any notes;

reduce the amount of principal payable upon acceleration of maturity;

change the place of payment where, or the currency in which, the notes are payable;

reduce the percentage in principal amount of affected notes the consent of whose holders is required for amendment of the indenture or for waiver of compliance with some provisions of the indenture or for waiver of some defaults;

change our obligation with respect to the redemption provisions of the indenture in a manner adverse to the holder;

modify the provisions relating to waiver of some defaults or any of the provisions relating to amendment of the indenture except to increase the percentage required for consent or to provide that some other provisions of the indenture may not be modified or waived; or

impair the right to institute suit for the enforcement of any payment due under the notes.

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The holders of a majority in principal amount of the outstanding notes may waive compliance by us with some of the restrictive provisions of the indenture. The holders of a majority in principal amount of the outstanding notes may also waive certain past defaults under the indenture. See Events of Default.

Discharge

We may satisfy and discharge our obligations under the indenture by delivering to the securities registrar for cancellation all outstanding notes or by depositing with the trustee or delivering to the holders, as applicable, after the notes have become due and payable, whether at maturity, or any redemption date, or any purchase date, or upon conversion or otherwise, cash or shares of common stock sufficient to pay all of the outstanding notes and paying all other sums payable under the indenture by us. This discharge is subject to terms contained in the indenture.

Calculations in Respect of Notes

We will be responsible for making all calculations called for under the notes. These calculations include, but are not limited to, determinations of the market prices of our common stock, accrued interest payable on the notes and the conversion price of the notes. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on you. We will provide a schedule of our calculations to each of the trustee and the conversion agent, and each of the trustee and conversion agent is entitled to rely upon the accuracy of our calculations without independent verification. The trustee will forward our calculations to you upon your request.

Governing Law

The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York without regard to the conflicts of law rules of that state.

Trustee

The Bank of New York is the trustee, security registrar, paying agent and conversion agent.

If an event of default occurs and is continuing, the trustee will be required to use the degree of care and skill of a prudent person in the conduct of its own affairs. The trustee will become obligated to exercise any of its powers under the indenture at the request of any of the holders of any notes only after those holders have offered the trustee indemnity reasonably satisfactory to it.

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If the trustee is one of our creditors, it will be subject to limitations in the indenture on its rights to obtain payment of claims or to realize on some property received for any claim, as security or otherwise. The trustee is permitted to engage in other transactions with us. If, however, it acquires any conflicting interest, it must eliminate that conflict or resign. The Bank of New York is currently serving as the trustee under other indentures governing our debt issuances and is a lender under one of our revolving credit facilities.

Form, Exchange, Registration and Transfer

We issued the notes in registered form, without interest coupons. We will not charge a service charge for any registration of transfer or exchange of the notes. We may, however, require the payment of any tax or other governmental charge payable for that registration.

The notes will be exchangeable for other notes, for the same total principal amount and for the same terms but in different authorized denominations in accordance with the indenture. You may present notes for conversion, registration of transfer and exchange at the office maintained by us for that purpose in The City of

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New York, which will initially be the office or agency of the trustee. The security registrar may require you, among other things, to furnish appropriate endorsements and transfer documents, and to pay any taxes and fees required by law or permitted by the indenture.

We have appointed the trustee as security registrar for the notes. We may at any time rescind that designation or approve a change in the location through which any registrar acts. We are required to maintain an office or agency for transfers and exchanges in each place of payment. We may at any time designate additional registrars for the notes.

In the case of any redemption, the security registrar will not be required to register the transfer or exchange of any notes:

during a period of 15 days before any selection of notes for redemption;

if the notes have been called for redemption in whole or in part, except the unredeemed portion of any notes being redeemed in part; or

in respect of which a purchase notice has been given and not withdrawn, except the portion of the note not purchased of any note being purchased in part.

The registered holder of a note will be treated as the owner of it for all purposes.

Payment and Paying Agent

Payments on the notes will be made in U.S. dollars at the office of the trustee. At our option, however, we may make payments by check mailed to your registered address or, with respect to global notes, by wire transfer. We will make interest payments to the person in whose name the notes are registered at the close of business on the record date for the interest payment. We will make any contingent interest payments to the person in whose name the notes are registered at the close of business on the record date for the related common stock dividend.

The trustee has initially been designated as our paying agent for payments on notes. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that we will maintain at least one paying agent in the City of New York.

Subject to the requirements of any applicable abandoned property laws, the trustee and paying agent must pay to us upon written request any money or property held by them for payments on the notes that remain unclaimed for two years after the date upon which that payment has become due. After payment to us, holders entitled to the money must look to us for payment. In that case, all liability of the trustee or paying agent with respect to that money will cease.

Notices

Except as otherwise described herein, notice to registered holders of the notes will be given by mail to the addresses as they appear in the security register. Notices will be deemed to have been given on the date of mailing.

Replacement of Notes

We will replace any notes that become mutilated, destroyed, stolen or lost at your expense upon delivery to the trustee of the mutilated notes or evidence of the loss, theft or destruction satisfactory to the trustee and us. In the case of a lost, stolen or destroyed note, indemnity satisfactory to the trustee and us may be required at your expense before a replacement note will be issued.

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Payment of Stamp and Other Taxes

We will pay any stamp and other duties, which may be imposed by the United States or any of its political subdivisions or taxing authorities with respect to the issuance of the notes. We will not be required to make any payment with respect to any other tax, assessment or governmental charge imposed by any government or any of its political subdivisions or taxing authorities.

Book-Entry System

The notes are evidenced by fully registered global securities (the global securities). The global securities were deposited on March 13, 2003 on behalf of The Depository Trust Company (DTC), and registered in the name of Cede & Co., as nominee of DTC. Upon resale of the notes in accordance with the registration statement of which this prospectus forms a part, beneficial interests in the global securities will be transferred from one or more restricted global securities to one or more unrestricted global securities. Owners of beneficial interests in the notes represented by the global securities will hold their interests pursuant to the procedures and practices of DTC. As a result, beneficial interests in any of those securities will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and any beneficial interest may not be exchanged for certificated securities, except in limited circumstances. Owners of beneficial interests must exercise any rights in respect of their interests, including any right to convert or require purchase of their interests in the notes, in accordance with the procedures and practices of DTC.

If you purchase notes in offshore transactions in reliance on Regulation S under the Securities Act, you may hold your interest in a global security directly through Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear), and Clearstream Banking, *société anonyme* (Clearstream), if you are a participant in any of those systems, or indirectly through organizations that are participants in any of those systems. Euroclear and Clearstream will hold interests in the global securities on behalf of their participants through their respective depositories, which in turn will hold these interests in the global securities in customers' securities accounts in the depositories' names on the books of DTC.

Upon the issuance of a global security, DTC credits on its book-entry registration and transfer system the accounts of persons designated by the initial purchaser with the respective principal amounts of the notes represented by the global security. Ownership of beneficial interests in a global security is limited to persons that have accounts with DTC or its nominee (participants) or persons that may hold interests through participants. Ownership of beneficial interests in a global security are shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of persons other than participants). The laws of some states require that some purchasers of securities take physical delivery of the securities in definitive form. These limits and laws may impair the ability to transfer beneficial interests in a global security.

So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, is considered the sole owner or holder of the notes represented by that global security for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global security are not entitled to have notes represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of notes in definitive form and are not considered the owners or holders of notes under the indenture. Principal and any interest payments on notes registered in the name of DTC or its nominee will be made to DTC or its nominee, as

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the case may be, as the registered owner of the relevant global security. Neither we, the trustee, any paying agent or the security registrar for the notes will have any responsibility or liability for any aspect of the records relating to nor payments made on account of beneficial interests in a global security or for maintaining, supervising or reviewing any records relating to the beneficial interests.

We have been advised by DTC that its practice upon receipt of any payment of principal or interest and receipt of corresponding detail information is to credit participants' accounts with payments in accordance with

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their respective holdings shown on DTC's records. We have also been advised that payments by participants to owners of beneficial interests in a global security held through these participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of the participants.

Unless and until they are exchanged in whole or in part for notes in definitive form, the global securities may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC.

Transfers between participants in DTC are effected in the ordinary way in accordance with DTC rules and are settled in same-day funds. Transfers between participants in Euroclear and Clearstream are effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, are effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, these cross-market transactions require delivery of instructions to Euroclear or Clearstream, as the case may be, by a counterparty in accordance with the system's rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the global securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in the global securities from a DTC participant is credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date, and credit of any transactions interests in the global securities settled during the processing day is reported to the relevant Euroclear or Clearstream participant on that day. Cash received by Euroclear or Clearstream as a result of sales of interests in the global securities by or through a Euroclear or Clearstream participant to a DTC participant is received with value on the DTC settlement date, but is available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

If DTC at any time is unwilling or unable to continue as a depository, defaults in the performance of its duties as depository or ceases to be a clearing agency registered under the Exchange Act or other applicable statute or regulation, and a successor depository is not appointed by us within 90 days, we will issue notes in definitive form in exchange for the global securities relating to the notes. In addition, we may at any time and in our sole discretion determine not to have the notes or portions of the notes represented by one or more global securities and, in that event, will issue individual notes in exchange for the global security or securities representing the notes. Further, if we so specify with respect to any notes, an owner of a beneficial interest in a global security representing the notes may, on terms acceptable to us and the depository for the global security, receive individual notes in exchange for the beneficial interest. In any of these instances, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of notes represented by the global security equal in principal amount to the beneficial interest, and to have the notes registered in its name. Notes so issued in definitive form will be issued as registered notes in denominations of \$1,000 and integral multiples of \$1,000, unless otherwise specified by us.

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DESCRIPTION OF COMMON STOCK

General

We are incorporated in the State of Delaware. The rights of our stockholders are generally covered by Delaware law and our restated certificate of incorporation and by-laws. The terms of our common stock are therefore subject to Delaware law, including the Delaware General Corporation Law and the common and constitutional law of Delaware. Our restated certificate of incorporation and by-laws are filed as exhibits to the registration statement of which this prospectus forms a part and we encourage you to read them.

We are authorized to issue up to 800,000,000 shares of common stock with a par value of \$0.10 per share. As of November 28, 2003, there were 392,441,083 shares of common stock issued and outstanding. All outstanding shares of our common stock are fully paid and non-assessable. Our common stock is traded on the New York Stock Exchange under the symbol IPG.

Certificates

Our common stock is issued in registered form. Every holder of our common stock is entitled to a share certificate.

Meetings

Meetings of our stockholders are held at least annually. Written notice must be mailed to each stockholder entitled to vote not less than ten nor more than 60 days before the date of the meeting. The presence in person or by proxy of the holders of record of a majority of our issued and outstanding shares entitled to vote at the meeting constitutes a quorum for the transaction of business at meetings of the stockholders. Special meetings of the stockholders may be called for any purpose by our board of directors and must be called by the chairman of the board of directors or the secretary upon a written request, stating the purpose of the meeting, submitted by a majority of the board of directors or by the holders of a majority of the outstanding shares of all classes of capital stock entitled to vote at the meeting.

Voting Rights

Each share of common stock is entitled to one vote, and a majority of the votes cast with respect to a matter will be sufficient to authorize action upon that matter. The holders of our common stock may vote by proxy. Directors are elected by a majority of the votes cast. Stockholders do not have the right to cumulate their votes in the election of directors. For that reason, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election.

No Preemptive or Conversion Rights

Our common stock will not entitle its holders to any preemption, redemption, conversion or other subscription rights.

Assets Upon Dissolution

In the event of our liquidation, dissolution or winding-up holders of common stock would be entitled to receive proportionately any assets legally available for distribution to our shareholders with respect to shares held by them, subject to any prior or equal rights of any of our preferred stock then outstanding.

Distributions

Holders of common stock will be entitled to receive ratably the dividends or distributions that our board of directors may declare out of funds legally available for these payments. The payment of distributions by us is

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subject to the restrictions of Delaware law applicable to the declaration of distributions by a corporation. Under Delaware law, a corporation may not pay a dividend out of net profits if the capital stock of the corporation is less than the stated amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of the corporation's assets. In addition, the payment of distributions to shareholders is subject to any prior or equal rights of outstanding preferred stock.

Dividend Policy

No dividend was paid in the first nine months of 2003. Our future dividend policy will be determined on a quarter-by-quarter basis and will depend on earnings, financial condition, capital requirements and other factors. It will also be subject to the restrictions under the amended revolving credit facilities with syndicates of banks, which limit our ability to declare or pay dividends. Under these facilities, our future earnings performance will determine the permitted levels of dividend payments (currently the permitted level of dividend payments and share buybacks is \$25 million annually) and all limitations on dividend payments expire when earnings before interest, taxes, depreciation and amortization (EBITDA), as defined in the credit facilities, exceed \$1.3 billion for four consecutive quarters.

Transfers

Our by-laws do not allow our board of directors to refuse to register transfer of shares.

Other Rights

Holders of our common stock have no preemption, redemption, conversion or other subscription rights.

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UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

General

This is a summary of United States federal income tax consequences relevant to a holder of notes, and where noted, the common stock issuable upon conversion of the notes. All references to holders (including U.S. Holders and Non-U.S. Holders) are to beneficial owners of notes. The discussion below deals only with notes held as capital assets and does not purport to deal with persons in special tax situations, including, for example, financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, tax exempt entities, persons holding notes in a tax-deferred or tax-advantaged account, or persons holding notes as a hedge against currency risks, as a position in a straddle or as part of a hedging or conversion transaction for tax purposes.

Except where specifically indicated below, we do not address all of the tax consequences that may be relevant to a holder. In particular, we do not address:

the United States federal income tax consequences to shareholders in, or partners or beneficiaries of, an entity that is a holder of notes;

the United States federal estate, gift or alternative minimum tax consequences of the purchase, ownership or disposition of notes;

U.S. Holders who hold the notes whose functional currency is not the United States dollar;

any state, local or foreign tax consequences of the purchase, ownership or disposition of notes; or

any federal, state, local or foreign tax consequences of owning or disposing of the common stock.

Persons considering the purchase of notes should consult their own tax advisors concerning the application of the United States federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the notes arising under the laws of any other taxing jurisdiction.

This summary is based upon laws, regulations, rulings and decisions now in effect all of which are subject to change (including retroactive changes in effective dates) or possible differing interpretations. No rulings have been sought or are expected to be sought from the Internal Revenue Service (which we refer to as the IRS) with respect to any of the United States federal income tax consequences discussed below. As a result, there is a possibility that the IRS will disagree with the tax characterizations and the tax consequences described below.

We urge prospective investors to consult their own tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the notes and the common stock in light of their own particular circumstances, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in United States federal or other tax laws.

Classification of the Notes

We have been advised by our counsel, Cleary, Gottlieb, Steen & Hamilton, that the notes will be treated as indebtedness for United States federal income tax purposes and that the notes will be subject to the special regulations governing contingent payment debt instruments (which we refer to as the CPDI regulations). Moreover, pursuant to the terms of the indenture, we and each holder of notes agree, for United States federal income tax purposes, to treat the notes as debt instruments that are subject to the CPDI regulations with a comparable yield calculated in the manner described below.

U.S. Holders

The following discussion is a summary of United States federal income tax consequences that will apply to you if you are a citizen or resident of the United States or a domestic corporation or a person who is otherwise subject to United States federal income tax on a net income basis in respect of the notes (a U.S. Holder).

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Accrual of Interest on the Notes

Pursuant to the CPDI regulations, U.S. Holders are required to accrue interest income on notes, in the amounts described below, regardless of whether the U.S. Holder uses the cash or accrual method of tax accounting. Accordingly, U.S. Holders may be required to include interest in taxable income in each year in excess of any interest payments (whether fixed or contingent) actually received in that year.

The CPDI regulations provide that a U.S. Holder must accrue an amount of ordinary interest income, as original issue discount for United States federal income tax purposes, for each accrual period prior to and including the maturity date of the notes that equals:

- (1) the product of (i) the adjusted issue price (as defined below) of the notes as of the beginning of the accrual period; and (ii) the comparable yield to maturity (as defined below) of the notes, adjusted for the length of the accrual period;
- (2) divided by the number of days in the accrual period; and
- (3) multiplied by the number of days during the accrual period that the U.S. Holder held the notes.

The issue price of the notes is the first price at which a substantial amount of the notes is sold to the public, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The adjusted issue price of a note is its issue price increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below, and decreased by the projected amount of any payments previously made with respect to the notes.

The term *comparable yield* means the annual yield we would pay, as of the initial issue date, on a fixed-rate nonconvertible debt security with no contingent payments, but with terms and conditions otherwise comparable to those of the notes. We have determined that the comparable yield for the notes is an annual rate of 8.75%, compounded semiannually.

The CPDI regulations require that we provide to U.S. Holders, solely for United States federal income tax purposes, a schedule of the projected amounts of payments, which we refer to as projected payments, on the notes. These payments set forth on the schedule must produce a total return on the notes equal to the comparable yield. The projected payment schedule includes both fixed coupon payments and estimated payments of contingent interest, as well as an estimate for a payment at maturity taking into account the fair market value of the common stock that might be paid upon a conversion of the notes.

Pursuant to the terms of the indenture, each holder of notes has agreed to use the comparable yield and the schedule of projected payments as described above in determining its interest accruals, and the adjustments thereto described below, in respect of the notes. This comparable yield and the schedule of projected payments will be set forth in the

indenture. You may also obtain the projected payment schedule by submitting a written request for the information to the address set forth under [Where You Can Find More Information](#).

The comparable yield and the schedule of projected payments are not determined for any purpose other than for the determination of a holder's interest accruals and adjustments of interest accruals in respect of the notes for United States federal income tax purposes and do not constitute a projection or representation regarding the actual amounts payable on the notes.

Amounts treated as interest under the CPDI regulations are treated as original issue discount for all purposes of the Code.

Adjustments to Interest Accruals on the Notes

If, during any taxable year, a U.S. Holder receives actual payments with respect to the notes that in the aggregate exceed the total amount of projected payments for that taxable year, the U.S. Holder will incur a net

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positive adjustment under the CPDI regulations equal to the amount of the excess. The U.S. Holder will treat a net positive adjustment as additional interest income. For this purpose, the payments in a taxable year include the fair market value of our common stock received in that year.

If a U.S. Holder receives in a taxable year actual payments with respect to the notes that in the aggregate were less than the amount of projected payments for that taxable year, the U.S. Holder will incur a net negative adjustment under the CPDI regulations equal to the amount of the deficit. This adjustment will (a) reduce the U.S. Holder's interest income on the notes for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the notes during prior taxable years, reduced to the extent the interest was offset by prior net negative adjustments. Any negative adjustment in excess of the amount described in (a) and (b) will be carried forward, as a negative adjustment to offset future interest income in respect of the notes or to reduce the amount realized on a sale, exchange or retirement of the notes.

Sale, Exchange, Conversion or Redemption

Upon the sale or exchange of a note, or the redemption of a note for cash, a U.S. Holder generally will recognize gain or loss. As described above, our calculation of the comparable yield and the schedule of projected payments for the notes includes the receipt of stock upon conversion as a contingent payment with respect to the notes. Accordingly, we intend to treat the receipt of our common stock by a U.S. Holder upon the conversion of a note, or upon the redemption of a note where we elect to pay in common stock, as a payment under the CPDI regulations. As described above, holders have agreed to be bound by our determination of the comparable yield and the schedule of projected payments.

The amount of gain or loss on a taxable sale, exchange, conversion or redemption will be equal to the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder, including the fair market value of any of our common stock received, and (b) the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note will generally be equal to the U.S. Holder's original purchase price for the note, increased by any interest income previously accrued by the U.S. Holder (determined without regard to any adjustments to interest accruals described above), and decreased by the amount of any projected payments that have been previously scheduled to be made in respect of the note (without regard to the actual amount paid). Gain recognized upon a sale, exchange, conversion or redemption of a note will generally be treated as ordinary interest income. Any loss will be ordinary loss to the extent of interest previously included in income, and the remainder will be capital loss (which will be long-term if the note is held for more than one year). The deductibility of net capital losses is subject to limitations.

A U.S. Holder's tax basis in our common stock received upon a conversion of a note or upon a U.S. Holder's exercise of a put right that we elect to pay in common stock will equal the then current fair market value of our common stock. The U.S. Holder's holding period for the common stock received will commence on the day immediately following the date of conversion or redemption.

Purchasers of Notes at a Price Other than Adjusted Issue Price

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If a U.S. Holder purchases a note in the secondary market for an amount that differs from the adjusted issue price of the notes at the time of purchase, that U.S. Holder will be required to accrue interest income on the note in accordance with the comparable yield even if market conditions have changed since the date of issuance. The regular rules for accruing bond premium, acquisition premium and market discount will not apply. Instead, a U.S. Holder must reasonably determine whether the difference between the purchase price for a note and the adjusted issue price of a note is attributable to a change in expectations as to the contingent amounts potentially payable in respect of the notes, a change in interest rates since the notes were issued, or both, and allocate the difference accordingly.

If the purchase price of a note is less than its adjusted issue price, a positive adjustment will result, increasing the amount of interest (or decreasing the amount of ordinary loss) that a U.S. Holder would otherwise

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accrue and include in income each year and upon redemption or maturity in accordance with the U.S. Holder's reasonable allocation of the difference to interest and to contingent amounts, as discussed above. If the purchase price is more than the adjusted issue price of a note, a negative adjustment will result, decreasing the amount of interest that a U.S. Holder must include in income each year (or increasing the amount of ordinary loss) recognized upon redemption or maturity by the amounts allocated to each of interest and projected payment schedule. To the extent that an adjustment is attributable to a change in interest rates, it must be reasonably allocated to the daily portions of interest over the remaining term of the notes. Any positive or negative adjustment that a U.S. Holder is required to make if the U.S. Holder purchases the notes at a price other than the adjusted issue price will increase or decrease, respectively, that U.S. Holder's tax basis in the notes.

U.S. Holders will receive Forms 1099-OID reporting interest accruals on their notes. Those forms will not, however, reflect the effect of any positive or negative adjustments resulting from a U.S. Holder's purchase of a note in the secondary market at a price that differs from its adjusted issue price on the date of purchase. U.S. Holders are urged to consult their tax advisors as to whether, and how, the adjustments should be made to the amounts reported on any Form 1099-OID.

Constructive Dividends

If at any time we were to make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the notes, the conversion rate of the notes is increased, the increase might be deemed to be the payment of a taxable dividend to holders of the notes.

For example, an increase in the conversion rate in the event of distributions of our evidences of indebtedness or our assets or an increase in the event of an extraordinary cash dividend would generally result in deemed dividend treatment to holders of the notes, but generally an increase in the event of stock dividends or the distribution of rights to subscribe for common stock will not.

Generally, any constructive dividends in respect of the notes described above, would be taxed at normal rates applicable to ordinary income and would not be eligible for the reduced rate of taxation generally applicable to dividend income under the new U.S. tax legislation discussed immediately below.

New Tax Law Applicable to Investment in Common Stock Issued Upon Conversion of the Notes

Under recently-enacted tax legislation, dividends received on our common stock issued upon conversion of the notes by individual U.S. Holders, and long-term capital gain realized by individual U.S. Holders in respect of our common stock issued upon conversion of the notes, generally are subject to a reduced maximum tax rate of 15 percent through December 31, 2008. For these purposes, long-term capital gain is gain realized in respect of a capital asset in which the taxpayer has a holding period of greater than one year. The rate reduction does not apply to dividends received in respect of certain short-term or hedged positions in the common stock or to dividends to the extent the individual U.S. Holder elects to treat the dividends as investment income, which may be offset against interest expense. Investors are

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advised to consult their tax advisors regarding the implications of these rules in light of their particular circumstances.

Backup Withholding Tax and Information Reporting

Payments of any principal, premium and interest (including original issue discount) on, and the proceeds of dispositions of, the notes may be subject to information reporting and United States federal backup withholding tax if the U.S. Holder fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amounts so withheld will be allowed as a credit against the U.S. Holder's United States federal income tax liability.

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Non-U.S. Holders

The following is a summary of United States federal tax consequences that will apply to you if you are a Non-U.S. Holder of the notes or shares of common stock. The term **Non-U.S. Holder** means a beneficial owner of a note or shares of common stock that is not a U.S. Holder.

Non-U.S. Holders should consult their own tax advisors to determine the United States federal, state, local and foreign tax consequences that may be relevant to them.

Payments with Respect to the Notes

Payments of contingent interest made to Non-U.S. Holders that are based on the cash dividends paid by us will not be exempt from United States federal income or withholding tax and, therefore, Non-U.S. Holders will be subject to withholding on any payment of contingent interest at a rate of 30%, subject to reduction by an applicable treaty or upon the receipt of a Form W-8ECI (or successor form) from a Non-U.S. Holder claiming that the payments are effectively connected with the conduct of a United State trade or business (or, where a tax treaty applies, are attributable to a United States permanent establishment).

All other payments on the notes made to a Non-U.S. Holder, including payments of stated interest, a payment in common stock pursuant to a conversion, and any gain realized on a sale or exchange of the notes (other than gain attributable to accrued contingent interest payments), will be exempt from United States income or withholding tax, provided that:

- (i) the Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote, and is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership;
- (ii) the beneficial owner of a note certifies on IRS Form W-8BEN (or successor form), under penalties of perjury, that it is not a United States person and provides its name and address or otherwise satisfies applicable documentation requirements;
- (iii) any payments and gain are not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (or, where a tax treaty applies, are attributable to a United States permanent establishment); and
- (iv) the notes and common stock are actively traded within the meaning of section 871(h)(4)(C)(v)(1) of the Code (which, for these purposes and subject to certain exceptions, includes trading on the NYSE).

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If a Non-U.S. Holder of the notes is engaged in a trade or business in the United States, and if interest on the notes is effectively connected with the conduct of that trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraphs, will generally be subject to regular United States federal income tax on interest and on any gain realized on the sale, exchange, conversion or redemption of the notes in the same manner as if it were a U.S. Holder. In lieu of the certificate described in the preceding paragraph, the Non-U.S. Holder will be required to provide to the withholding agent a properly executed IRS Form W-8ECI (or successor form) in order to claim an exemption from withholding tax. In addition, if the Non-U.S. Holder is a foreign corporation, the Holder may be subject to a branch profits tax equal to 30% (or any lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Payments on Common Stock and Constructive Dividends

Any dividends paid to a Non-U.S. Holder with respect to the shares of common stock (and any deemed dividends resulting from certain adjustments, or failure to make adjustments, to the number of shares of common stock issued upon conversion, see *Constructive Dividends* above) will be subject to withholding tax at a 30% rate or any lower rate as may be specified by an applicable income tax treaty. However, dividends that are

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effectively connected with the conduct of a trade or business within the United States and, where a tax treaty applies, are attributable to a United States permanent establishment, are not subject to the withholding tax, but instead are subject to United States federal income tax on a net income basis at applicable graduated individual or corporate rates and may be eligible for the reduced tax rates applicable to dividends under the recently-enacted legislation discussed above under the heading U.S. Holders New Tax Law Applicable to Investment in Common Stock Issued Upon Conversion of the Notes. The Non-U.S. Holder will be required to provide to the withholding agent a properly executed IRS Form W-8ECI (or successor form) in order for effectively connected income to be exempt from withholding tax. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to the branch profits tax described in the preceding paragraph.

Sale, Exchange or Redemption of Shares of Common Stock

Any gain realized upon the sale, exchange, or redemption of a share of common stock generally will not be subject to United States federal income tax unless:

That gain is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Holder, or

The Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met.

Backup Withholding Tax and Information Reporting

In general, a Non-U.S. Holder will not be subject to backup withholding and information reporting with respect to payments made by us with respect to the notes if the Non-U.S. Holder has provided us with an IRS Form W-8BEN described above and we do not have actual knowledge or reason to know that the Non-U.S. Holder is a U.S. person. In addition, no backup withholding will be required regarding the proceeds of the sale of notes made within the United States or conducted through certain United States financial intermediaries if the payor receives that statement described above and does not have actual knowledge or reason to know that the Non-U.S. Holder is a United States person or the Non-U.S. Holder otherwise establishes an exemption.

Table of Contents**SELLING SECURITYHOLDERS**

The notes were originally issued by us and sold to J.P. Morgan Securities Inc., Salomon Smith Barney Inc., UBS Warburg LLC, HSBC Securities (USA) Inc., Morgan Stanley & Co. Incorporated, Barclays Capital Inc., ING Financial Markets LLC and SunTrust Capital Markets, Inc. (the Initial Purchasers) and resold by the Initial Purchasers in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchasers to be qualified institutional buyers as defined by Rule 144A under the Securities Act and outside the United States to non-United States persons in accordance with Regulation S under the Securities Act. The selling securityholders, including their transferees, pledgees, donees, assignees or successors, may from time to time offer and sell pursuant to this prospectus any or all of the notes listed below and the shares of common stock issued upon conversion of the notes.

Selling securityholders may be deemed to be underwriters as defined in the Securities Act of 1933, as amended. Any profits realized by the selling securityholders may be deemed to be underwriting commissions.

The table below sets forth the name of each selling securityholder, the principal amount of notes that each selling securityholder owns and may offer pursuant to this prospectus and the number of shares of common stock into which those notes are convertible. Unless set forth below, to the best of our knowledge, none of the selling securityholders has, or within the past three years has had, any material relationship with us or any of our predecessors or affiliates or beneficially owns in excess of 1% of our outstanding common stock.

We have prepared the table below based on information received from the selling securityholders on or prior to December 22, 2003. However, any or all of the notes or shares of common stock listed below may be offered for sale pursuant to this prospectus by the selling securityholders from time to time. Accordingly, no estimate can be given as to the amounts of notes or shares of common stock that will be held by the selling securityholders upon consummation of any sales. In addition, the selling securityholders listed in the table below may have acquired, sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their notes since the date as of which the information in the table is presented.

Information about the selling securityholders may change over time. Any changed information will be set forth in prospectus supplements to this prospectus. From time to time, additional information concerning ownership of the notes and shares of common stock may rest with holders of the notes not named in the table below and of whom we are unaware.

Name	Aggregate Principal Amount of Notes That Are Owned and May Be Sold	Percentage of Notes Outstanding	Number of Shares of Common Stock That May Be Sold(1)	Percentage of Common Stock Outstanding(2)
Aftra Health Fund(6)	45,000	*	3,623	*
Alexandra Global Master Fund, Ltd.	15,000,000	1.88	1,207,729	*
American Fidelity Assurance Company	275,000	*	22,141	*

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Arbitex Master Fund, L.P.(6)	6,000,000	*	483,091	*
Aventis Pension Master Trust	120,000	*	9,661	*
Bank Austria Cayman Islands, LTD	4,200,000	*	338,164	*
Barclays Global Investors Limited	1,000,000	*	80,515	*
Bay County Pers(6)	40,000	*	3,220	*
B.G.I. Global Investors c/o Forest Investment Mngt. L.L.C.	401,000	*	32,286	*
BP Amoco PLC Master Trust	672,000	*	54,106	*
Citadel Equity Fund Ltd(6)	6,710,000	*	540,257	*
Citadel Jackson Investment Fund Ltd.(6)	790,000	*	63,607	*
City of Birmingham Retirement & Relief System	750,000	*	60,386	*

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Name	Aggregate Principal Amount of Notes That Are Owned and May Be Sold	Percentage of Notes Outstanding	Number of Shares of Common Stock That May Be Sold(1)	Percentage of Common Stock Outstanding(2)
City of Knoxville Pension System	140,000	*	11,272	*
CNH CA Master Account, L.P.	2,000,000	*	161,030	*
DB Equity Opportunities Master Portfolio Ltd.	8,000,000	1.00	644,122	*
DBAG London(6)	22,300,000	2.79	1,795,491	*
DeAm Convertible Arbitrage	4,000,000	*	322,061	*
DeAm Convertible Arbitrage Fund Ltd.(6)	3,000,000	*	241,545	*
Deephaven Domestic Convertible Trading, Ltd.(6)	28,732,000	3.59	2,313,365	*
DeepRock & Co.	1,500,000	*	120,772	*
Delta Airlines Master Trust	700,000	*	56,360	*
Deutsche Bank Securities Inc.(5)	960,000	*	77,294	*
Dorinco Reinsurance Company	400,000	*	32,206	*
DuckBill & Co.	1,000,000	*	80,515	*
Fidelity Financial Trust: Fidelity Convertible Securities Fund	3,600,000	*	289,855	*
Forest Fulcrum Fund LLP(5)	1,667,000	*	34,219	*
Forest Global Convertible Fund Series A-5	4,176,000	*	336,231	*
Forest Multi-Strategy Master Fund SPC, on behalf of Series F, Multi-Strategy Segregated Portfolio	776,000	*	62,479	*
General Motors Welfare Benefit Trust	2,000,000	*	161,030	*
Genesee County Employees Retirement System	325,000	*	26,167	*
Geode U.S. Convertible Arbitrage Fund, a series of Geode Investors, LLC	3,000,000	*	241,545	*
GLG Market Neutral Fund	5,000,000	*	402,576	*
GMAM Group Pension Trust	1,250,000	*	100,644	*
Greek Catholic Union of the USA	25,000	*	2,012	*
Guggenheim Portfolio Co. XV, LLC	1,683,000	*	135,507	*
Helix Convertible Arbitrage Global Master Fund LP	1,500,000	*	120,772	*
HFR CA Select Fund	750,000	*	60,386	*
Highbridge International LLC(6)	32,000,000	4.00	2,576,489	*
Hotel Union & Hotel Industry of Hawaii Pension Plan	297,000	*	23,913	*
ING Convertible Fund(5)	1,500,000	*	120,772	*
ING VP Convertible Portfolio(5)	20,000	*	1,610	*
Jefferies & Company Inc.(6)	12,000	*	966	*
JMG Triton Offshore Fund, Ltd.	90,825,000	11.35	7,312,802	1.83

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Name	Aggregate Principal Amount of Notes That Are Owned and May Be Sold	Percentage of Notes Outstanding	Number of Shares of Common Stock That May Be Sold(1)	Percentage of Common Stock Outstanding(2)
John Deere Pension Trust	1,000,000	*	80,515	*
KBC Financial Products (Cayman Islands) Ltd.(6)	40,170,000	5.02	3,234,299	*
KBC Financial Products USA Inc.(5)	750,000	*	60,386	*
Knoxville Utilities Board Retirement System	60,000	*	4,830	*
LLT Limited	372,000	*	29,951	*
Lyxor Master Fund c/o Forest Investment Mngt. L.L.C.	2,254,000	*	181,481	*
Macomb County Employees Retirement System	150,000	*	12,077	*
Mainstay Convertible Fund(6)	1,020,000	*	82,125	*
Mainstay VP Convertible Fund(6)	465,000	*	37,439	*
Merrill Lynch, Pierce, Fenner & Smith Incorporated(5)	13,942,000	1.74	1,122,544	*
MFS Total Return Fund, a Series of Trust V	2,970,000	*	239,130	*
New York Life Insurance Company (Post 82)(6)	1,470,000	*	118,357	*
New York Life Insurance Company (Pre 82)(6)	675,000	*	54,347	*
New York Life Separate Account #7(6)	25,000	*	2,012	*
Nisswa Master Fund Ltd.	3,000,000	*	241,545	*
Nomura Securities INTL Inc.(5)	20,000,000	2.50	1,610,306	*
Oppenheimer Convertible Securities Fund(6)	3,000,000	*	241,545	*
Peoples Benefit Life Insurance Company TEAMSTERS	15,500,000	1.94	1,247,987	*
Prisma Foundation	40,000	*	3,220	*
Putman Convertible Income Growth Trust(6)	5,500,000	*	442,834	*
Pyramid Equity Strategies Fund	2,000,000	*	161,030	*
Ramius Capital Group(6)	934,000	*	75,201	*
Ramius, LP	280,000	*	22,544	*
Ramius Master Fund, LTD	7,683,000	*	618,599	*
Ramius Partners II, LP	280,000	*	22,544	*
RBC Alternative Assets LP c/o Forest Investment Mngt. L.L.C.	154,000	*	12,399	*
RCG Baldwin, LP	933,000	*	75,120	*
RCG Halifax Master Fund, LTD	1,280,000	*	103,059	*
RCG Latitude Master Fund, LTD	9,064,000	1.13	729,790	*
RCG Multi Strategy Master Fund, LTD	960,000	*	77,294	*
Relay II Holdings c/o Forest Investment Mngt. L.L.C.	267,000	*	21,497	*
Retail Clerks Pension Trust #2	1,250,000	*	100,644	*
Salomon Brothers Asset Management, Inc.(6)	46,100,000	5.76	3,711,755	*

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Name	Aggregate Principal Amount of Notes That Are Owned and May Be Sold	Percentage of Notes Outstanding	Number of Shares of Common Stock That May Be Sold(1)	Percentage of Common Stock Outstanding(2)
San Diego County Employees Retirement Association	1,200,000	*	96,618	*
SCI Endowment Care Common Trust Fund First Union	20,000	*	1,610	*
SCI Endowment Care Common Trust Fund National Fiduciary Services	90,000	*	7,246	*
SCI Endowment Care Common Trust Fund Suntrust	30,000	*	2,415	*
SEI Private Trust Company	250,000	*	20,128	*
Silverback Master, LTD	8,700,000	1.09	700,483	*
South Dakota Retirement System	4,500,000	*	362,318	*
Southern Farm Bureau Life Insurance Company	750,000	*	60,386	*
Sphinx Convertible Arb Fund SPC	231,000	*	18,599	*
Sphinx Convertible Arbitrage Fund SPC	268,000	*	21,578	*
Sphinx Convertible Arbitrage c/o Forest Investment Mngt. L.L.C.	122,000	*	9,822	*
SPT	500,000	*	40,257	*
SSI Blended Market Neutral L.P.	380,000	*	30,595	*
SSI Hedged Convertible Market Neutral L.P.	420,000	*	33,816	*
St. Albans Partners Ltd.	20,318,000	2.54	1,635,909	*
Sturgeon Limited	222,000	*	17,874	*
The California Wellness Foundation	200,000	*	16,103	*
The Dow Chemical Company Employees Retirement Plan	1,350,000	*	108,695	*
The Fondren Foundation	75,000	*	6,038	*
The Northwestern Mutual Life Insurance Company General Account(6)	6,000,000	*	483,091	*
TQA Special Opportunities Master Fund, Ltd.	4,338,000	*	349,275	*
UBS O Connor LLC F/B/O O Connor Global Convertible Arbitrage Master Ltd.	2,000,000	*	161,030	*
UBS Securities LLC(5)	14,018,000	1.75	1,128,663	*
UFJ International Plc	5,000,000	*	402,576	*
Union Carbide Retirement Account	600,000	*	48,309	*
United Food and Commercial Workers Local 1262 and Employers Pension Fund	250,000	*	20,128	*
Univar USA Inc. Retirement Plan	150,000	*	12,077	*
	51,000	*	4,106	*

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Univest Convertible Arbitrage Fund Ltd. c/o Forest Investment Mngt LLC				
Van Kampen Harbor Fund(5)	1,150,000	*	92,592	*
Viacom Inc Pension Plan Master Trust	24,000	*	1,932	*
Xavex Convertible Arbitrage 4 Fund c/o Forest Investment Mngt. LLC	146,000	*	11,755	*

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Name	Aggregate Principal Amount of Notes That Are Owned and May Be Sold	Percentage of Notes Outstanding	Number of Shares of Common Stock That May Be Sold(1)	Percentage of Common Stock Outstanding(2)
Xavex Convertible Arbitrage # 5	703,000	*	56,602	*
Yield Strategies Fund I, L.P.	4,500,000	*	362,318	*
Yield Strategies Fund II, L.P.	3,500,000	*	281,803	*
Zazove Convertible Arbitrage Fund, L.P.	1,800,000	*	144,927	*
Zazove Hedged Convertible Fund L.P.	2,000,000	*	161,030	*
Zazove Income Fund L.P.	1,000,000	*	80,515	*
Zurich Institutional Benchmarks Master Fund LTD	1,750,000	*	140,901	*
Zurich Institutional Benchmarks Master Fund Ltd. c/o SSI Investment Management Inc.(6)	1,764,000	*	142,028	*
Zurich Master Hedge Fund c/o Forest Investment Mngt. L.L.C.	614,000	*	49,436	*
All other holders of notes or future transferees, pledgees, donees, assignees or successors of any holders(3)(4)(7)		*		*
Total(8)	536,173,000	67.02	43,170,129	9.91

* Less than one percent (1%).

- (1) Assumes conversion of all of the holder's notes at a conversion rate of 80.5153 shares of common stock per \$1,000 principal amount of notes. This conversion rate is subject to anti-dilution and other adjustments, however, as described under Description of the Notes Conversion Rights Conversion Rate Adjustments. As a result, the number of shares of common stock issuable upon conversion of the notes may increase or decrease in the future.
- (2) Calculated based on Rule 13d-3(d)(1)(i) of the Exchange Act, using 392,441,083 shares of common stock outstanding as of November 28, 2003. In calculating this amount for each holder, we treated as outstanding the number of shares of common stock issuable upon conversion of all of that holder's 4.50% notes, but we did not assume conversion of any other holder's notes.
- (3) Information about other selling securityholders will be set forth in prospectus supplements or post-effective amendments, if required.
- (4) Assumes that any other holders of notes, or any future pledgees, donees, assignees, transferees or successors of or from any other holders of notes, do not beneficially own any shares of common stock other than the common stock issuable upon conversion of the notes at the initial conversion rate.
- (5) This selling securityholder has identified itself as a registered broker-dealer and, accordingly, an underwriter. Please see Plan of Distribution for required disclosure regarding this selling securityholder.
- (6) This selling securityholder is an affiliate of a broker-dealer.
- (7) The aggregate amount of notes indicated on this table together with the amount we have been informed were sold in transactions pursuant to this registration statement exceeds \$800,000,000. The aggregate principal amount of notes outstanding has not been increased, rather, we believe the excess amount is due to notes that have been sold in transactions not pursuant to this registration statement, of which we have not been informed.
- (8) Although the aggregate principal amount of notes whose ownership is listed in this table is less than \$800,000,000 (the aggregate principal amount of notes outstanding), the aggregate principal amount of notes outstanding has not been decreased. The difference relates to notes previously registered for resale under this registration statement that we believe have been resold under this registration statement.

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PLAN OF DISTRIBUTION

We are registering the notes and shares of common stock covered by this prospectus to permit holders to conduct public secondary trading of these securities from time to time after the date of this prospectus. We have agreed, among other things, to bear all expenses, other than underwriting discounts and selling commissions, in connection with the registration and sale of the notes and the shares of common stock covered by this prospectus.

We will not receive any of the proceeds from the offering of notes or the shares of common stock by the selling securityholders. We have been advised by the selling securityholders that the selling securityholders may sell all or a portion of the notes and shares of common stock beneficially owned by them and offered hereby from time to time:

directly; or

through underwriters, broker-dealers or agents, who may receive compensation in the form of underwriting discounts or commissions or agent's commissions from the selling securityholders or from the purchasers of the notes and common stock for whom they may act as agent.

The notes and the common stock may be sold from time to time in one or more transactions at:

fixed prices;

prevailing market prices at the time of sale;

varying prices determined at the time of sale; or

negotiated prices.

These prices will be determined by the holders of the securities or by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling securityholders from the sale of the notes or shares of common stock offered by them hereby will be the purchase price of the notes or shares of common stock less any discounts and commissions.

The sales described in the preceding paragraph may be effected in transactions:

on any national securities exchange or quotation service on which the notes and common stock may be listed or quoted at the time of sale, including the NYSE in the case of the common stock;

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in the over-the-counter market;

in transactions otherwise than on those exchanges or services or in the over-the-counter market; or

through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with the sales of the notes and the shares of common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the notes and the shares of common stock, short and deliver notes and the shares of common stock to close out the short positions, or loan or pledge notes and the shares of common stock to broker-dealers that in turn may sell the notes and the shares of common stock.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the notes and the shares of common stock by the selling securityholders. Selling securityholders may decide not to sell any of the notes and the shares of common stock offered by them pursuant to this prospectus. In addition, we cannot assure you that a selling securityholder will not transfer, devise or gift the notes and the shares of common stock by other means not described in this prospectus. In addition, any securities covered by this prospectus which qualify for sale

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pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus. Securities covered by this prospectus may also be sold to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act rather than pursuant to this prospectus.

The outstanding shares of common stock are listed for trading on the NYSE under the symbol IPG.

The selling securityholders and any broker-dealers, agents or underwriters that participate with the selling securityholders in the distribution of the notes or the shares of common stock may be deemed to be underwriters within the meaning of the Securities Act. In this case, any commissions received by these broker-dealers, agents or underwriters and any profit on the resale of the notes or the shares of common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. In addition, any profits realized by the selling securityholders may be deemed to be underwriting commissions.

Several of the selling securityholders are identified as registered broker-dealers, and accordingly, underwriters, in the selling securityholder table under the Selling Securityholders section. Any profits on the sale of the notes or underlying shares of common stock by those selling securityholders and any discounts, commissions or concessions received by those selling securityholders will be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters are subject to certain statutory liabilities, including, but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act. Each of the selling securityholders that is an affiliate of a registered broker-dealer has represented to us, and by its use of this prospectus repeats this representation to you, that it purchased its notes in the ordinary course of business and at the time of the purchase had no direct or indirect agreements or understandings with any person to distribute the notes or common shares issuable upon conversion of the notes.

The notes were issued and sold in March 2003 in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchasers to be qualified institutional buyers, as defined by Rule 144A under the Securities Act, and outside the United States to non-United States persons in accordance with Regulation S under the Securities Act. We have agreed to indemnify each selling securityholder (including the Initial Purchasers), and each selling securityholder's directors, officers, employees, affiliates, agents and any person who controls that selling securityholder within the meaning of either the Securities Act or the Exchange Act. Each selling securityholder (including the Initial Purchasers) has agreed to indemnify us, our directors, each of our officers who has signed this registration statement and any person who controls us within the meaning of either the Securities Act or the Exchange Act, against, or contribute to payments that may be required because of, specified liabilities arising under the Securities Act, the Exchange Act or other applicable law.

The selling securityholders and any other person participating in a distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the notes and the underlying shares of common stock by the selling securityholders and any other person participating in a distribution. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the notes and the underlying shares of common stock to engage in market-making activities with respect to the particular notes and the underlying shares of common stock being distributed for a period of up to five business days prior to the commencement of the distribution. This may affect the marketability of the notes and the underlying shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the notes and the underlying shares of common stock.

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We will use our reasonable efforts to keep the registration statement of which this prospectus is a part effective until the earlier of:

the second anniversary of the date of initial issuance of the notes; or

the date on which all notes and the underlying shares of common stock are disposed of in accordance with the registration statement to which this prospectus relates.

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We will be permitted to suspend the availability of the shelf registration statement and this prospectus during periods not to exceed 120 days in the aggregate in any 12 month period in the following circumstances in our discretion:

if the SEC has initiated proceedings with respect to this shelf registration statement;

if the SEC has issued an order suspending the effectiveness of the shelf registration statement;

if any event or fact occurs or exists as a result of which the shelf registration statement contains any untrue statement of a material fact or omits to state any material fact required to be stated in the shelf registration statement or necessary to make the statements in the shelf registration statement not misleading, or any prospectus contains any untrue statement of a material fact required to be stated in the prospectus or necessary to make the statements in the prospectus, in light of the circumstances under which they were made, not misleading; or

any corporate development occurs or exists that, in our discretion, makes it appropriate to suspend the availability of the shelf registration statement and the related prospectus.

In these cases, we may prohibit offers and sales of notes and shares of common stock pursuant to the registration statement to which this prospectus relates.

Prior to the private placement, there was no trading market for the notes. Although the broker dealers that acted as initial purchasers when the notes were originally issued have advised us that they currently intend to make a market in the notes, they are not obligated to do so and may discontinue market-making activities at any time without notice. In addition, their market-making activities will be subject to limits imposed by the Securities Act and the Exchange Act and may be limited during the pendency of this shelf registration statement. Although the notes issued in the initial placement are eligible for trading on the PORTAL Market, Notes sold using this prospectus will no longer be eligible for trading in the PORTAL system. We have not listed, and do not intend to list, the notes on any securities exchange or automated quotation system. We cannot assure you that any market for the notes will develop or be sustained. If an active market is not developed or sustained, the market price and liquidity of the notes may be adversely affected.

A person may only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to us.

This prospectus is being distributed to and is directed only at persons who (1) are outside the United Kingdom, (2) are investment professionals falling within Article 19(5) of the FSMA (Financial Promotion) Order 2001 (the Order) or (3) are persons falling within Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc) of the Order (all these persons together being referred to as relevant persons). This prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

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VALIDITY OF SECURITIES

The validity of the notes offered hereby and the shares of common stock issuable upon conversion of the notes has been passed upon for Interpublic by Nicholas J. Camera, Esq., Senior Vice President, General Counsel and Secretary of Interpublic.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference to Interpublic's Current Report on Form 8-K, filed on September 9, 2003, except as they relate to Deutsch, Inc. and subsidiary and affiliates as of and for the year ended December 31, 2000, and True North Communications Inc. as of and for the year ended December 31, 2000, have been audited by PricewaterhouseCoopers LLP, independent accountants, and, insofar as they relate to Deutsch, Inc. and subsidiary and affiliates, and True North Communications Inc., by J.H. Cohn LLP, and Arthur Andersen LLP, respectively, independent accountants, whose reports thereon have been incorporated in this prospectus. The financial statements have been incorporated in reliance on the reports of these independent accountants given on the authority of these firms as experts in accounting and auditing. The Report of Arthur Andersen LLP is a copy of the report previously issued by that entity and has not been reissued by it.

Arthur Andersen has informed us that it can no longer provide any consent to the incorporation by reference of its reports into our existing or future registration statements. Arthur Andersen has been found guilty of federal obstruction of justice charges. Events arising in connection with this conviction and related matters are reasonably likely to materially and adversely affect the ability of Arthur Andersen to satisfy any claims that may be made by investors or by us with respect to its audit reports and the related financial data included in our annual reports and incorporated by reference into this registration statement. Additionally, because Arthur Andersen is unable to provide us with a consent for the inclusion of its reports, investors may not be able to sue Arthur Andersen pursuant to Section 11 of the Securities Act, and rights of recovery under that section may be limited.

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution.**

We are paying all of the selling securityholders' expenses related to this offering, except that the selling securityholders will pay any applicable underwriting and broker's commissions and expenses. The following table sets forth the approximate amount of fees and expenses payable by us in connection with this registration statement and the distribution of the notes and shares of common stock registered hereby. All of the amounts shown are estimates except the SEC registration fee.

SEC registration fee	\$ 93,268
Accountant's fees and expenses	7,500
Attorneys' fees and expenses	125,000
Printing and engraving expenses	25,000
	<hr/>
Total	\$ 250,768

Item 15. Indemnification of Directors and Officers.

Section 145 of Title 8 of the General Corporation Law of the State of Delaware ("GCL") gives a corporation power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed by the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The same Section also gives a corporation power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which the person shall have been adjudged to be liable to the corporation, unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the Court of Chancery or such other court shall deem proper. Section 145 of the GCL further provides that, to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any such action, suit or proceeding, or in defense of any claim, issue or matter therein, he or she shall be indemnified

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against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

The Registrant's by-laws contain specific authority for indemnification by the Registrant of current and former directors, officers, employees or agents of the Registrant on terms that have been derived from Section 145 of Title 8 of the GCL.

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Table of Contents**Item 16. Exhibits.**

The following is a list of all exhibits filed as a part of this registration statement on Form S-3, including those incorporated in this registration statement by reference.

Exhibit Number	Description of Exhibits
2.1**	Stock Purchase Agreement by and between Taylor Nelson Sofres PLC and the Registrant, dated as of May 14, 2003, is incorporated by reference to Exhibit 2.1 to the Registrant's Report on Form 8-K filed June 18, 2003 (File Number 001-06686; Film Number 03748904).
3.1**	Restated Certificate of Incorporation of the Registrant, as amended, is incorporated by reference to Exhibit 3(i) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 (File Number 001-06686; File Number 031002857).
3.2**	Bylaws of the Registrant, amended as of July 31, 2003, are incorporated by reference to Exhibit 3(ii) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File Number 001-06686; Film Number 03845132).
4.1**	Senior Debt Indenture dated as of October 20, 2000 between the Registrant and The Bank of New York, as Trustee, is incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed October 24, 2000 (File Number 001-06686; Film Number 744846).
4.2**	Third Supplemental Indenture dated as of March 13, 2003 between the Registrant and The Bank of New York, as Trustee, is incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed March 18, 2003 (File Number 001-06686; Film Number 03607631).
4.3**	Form of 4.50% Convertible Senior Notes Due 2023 (included in Exhibit 4.2).
4.4**	Registration Rights Agreement dated as of March 13, 2003 between the Registrant and Salomon Smith Barney Inc., J.P. Morgan Securities Inc. and UBS Warburg LLC, as representative of the initial purchasers named therein, is incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed March 18, 2003 (File Number 001-06686; Film Number 03607631).
5.1**	Opinion of Nicholas J. Camera, Esq., Senior Vice President, General Counsel and Secretary of the Registrant.
8.1**	Opinion of Cleary, Gottlieb, Steen & Hamilton as to U.S. federal income tax matters.
12.1**	Statement of Computation of Ratio of Earnings to Fixed Charges.
23.1**	Consent of Nicholas J. Camera, Esq., Senior Vice President, General Counsel and Secretary of the Registrant (included in Exhibit 5.1).
23.2**	Consent of Cleary, Gottlieb, Steen & Hamilton (included in Exhibit 8.1).
23.3*	Consent of PricewaterhouseCoopers LLP.
23.4*	Consent of J.H. Cohn LLP.
24.1**	Power of Attorney.
25.1**	Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York under the Indenture.

* Filed herewith.

** Previously filed.

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Item 17. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to the information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered in this prospectus, and the offering of the securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered in this prospectus, and the offering of the securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to its articles, bylaws or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by the director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether the indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on December 22, 2003.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ NICHOLAS J. CAMERA

Name: Nicholas J. Camera

Title: Senior Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities on December 22, 2003.

<u>Title</u>	
*	_____
Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer) and Director	David A. Bell
*	_____
Executive Vice President, Chief Financial Officer (Principal Financial Officer), Chief Operating Officer and Director	Christopher J. Coughlin
*	_____
Senior Vice President and Controller (Principal Accounting Officer)	Richard P. Sneider, Jr.
*	_____
Director	Frank J. Borelli
*	_____
Director	Reginald K. Brack
*	_____
Director	Jill M. Considine
*	_____
Director	John J. Dooner, Jr.

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*	Director
<hr/>	
Richard A. Goldstein	
*	Director
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H. John Greeniaus	
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Michael I. Roth	
*	Director
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J. Phillip Samper	

*By: /s/ NICHOLAS J. CAMERA
Nicholas J. Camera Attorney-in-Fact

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EXHIBIT INDEX

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