

MORGAN STANLEY DEAN WITTER & CO.
Consolidated Income Statement Information
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 1999	May 31, 1998	Feb 28, 1999	May 31, 1998	Feb 28, 1999	May 31, 1999	May 31, 1998	
Investment banking	\$ 1,022	\$ 988	\$ 957	3%	7%	\$ 1,979	\$ 1,788	11%
Principal transactions:								
Trading	1,926	1,091	1,691	77%	14%	3,617	1,994	81%
Investments	150	101	265	49%	(43%)	415	173	140%
Commissions	789	611	665	29%	19%	1,454	1,158	26%
Fees:								
Asset management, distribution and administration	765	741	714	3%	7%	1,479	1,417	4%
Merchant and cardmember	357	404	341	(12%)	5%	698	832	(16%)
Servicing	310	232	253	34%	23%	563	403	40%
Interest and dividends	3,689	4,213	3,480	(12%)	6%	7,169	8,146	(12%)
Other	46	47	39	(2%)	18%	85	102	(17%)
Total revenues	<u>9,054</u>	<u>8,428</u>	<u>8,405</u>	7%	8%	<u>17,459</u>	<u>16,013</u>	9%
Interest expense	3,278	3,554	2,877	(8%)	14%	6,155	6,699	(8%)
Provision for consumer loan losses	119	275	177	(57%)	(33%)	296	680	(56%)
Net revenues	<u>5,657</u>	<u>4,599</u>	<u>5,351</u>	23%	6%	<u>11,008</u>	<u>8,634</u>	27%
Compensation and benefits	2,413	2,017	2,363	20%	2%	4,776	3,805	26%
Occupancy and equipment	153	143	146	7%	5%	299	283	6%
Brokerage, clearing and exchange fees	127	135	114	(6%)	11%	241	256	(6%)
Information processing and communications	315	275	309	15%	2%	624	542	15%
Marketing and business development	381	286	395	33%	(4%)	776	580	34%
Professional services	191	156	162	22%	18%	353	284	24%
Other	219	190	190	15%	15%	409	355	15%
Total non-interest expenses	<u>3,799</u>	<u>3,202</u>	<u>3,679</u>	19%	3%	<u>7,478</u>	<u>6,105</u>	22%
Income before income taxes and cumulative effect of a change in accounting	1,858	1,397	1,672	33%	11%	3,530	2,529	40%
Income tax expense	707	545	635	30%	11%	1,342	986	36%
Income before cumulative effect of a change in accounting	1,151	852	1,037	35%	11%	2,188	1,543	42%
Cumulative effect of a change in accounting (1)	0	0	0	--	--	0	(117)	*
Net income	<u>\$ 1,151</u>	<u>\$ 852</u>	<u>\$ 1,037</u>	35%	11%	<u>\$ 2,188</u>	<u>\$ 1,426</u>	53%
Preferred stock dividend requirements	<u>10</u>	<u>14</u>	<u>11</u>	(29%)	(9%)	<u>21</u>	<u>29</u>	(28%)
Earnings applicable to common shares	<u>\$ 1,141</u>	<u>\$ 838</u>	<u>\$ 1,026</u>	36%	11%	<u>\$ 2,167</u>	<u>\$ 1,397</u>	55%

(1) Represents the effects of an accounting change adopted in the fourth quarter of fiscal 1998 (effective December 1, 1997) with respect to the accounting for offering costs paid by investment advisors of closed end funds where such costs are not specifically reimbursed through separate advisory contracts.