

**MORGAN STANLEY DEAN WITTER & CO.**  
**Securities and Asset Management 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	May 31, 1998	
Investment banking	\$ 1,022	\$ 988	\$ 957	3%	7%	\$ 1,979	\$ 1,788	\$ 1,788	11%
Principal transactions:									
Trading	1,926	1,091	1,691	77%	14%	3,617	1,994	1,994	81%
Investments	150	101	265	49%	(43%)	415	173	173	140%
Commissions	789	611	665	29%	19%	1,454	1,158	1,158	26%
Asset management, distribution and administration fees	765	741	714	3%	7%	1,479	1,417	1,417	4%
Interest and dividends	3,167	3,542	2,924	(11%)	8%	6,091	6,694	6,694	(9%)
Other	46	45	39	2%	18%	85	99	99	(14%)
Total revenues	7,865	7,119	7,255	10%	8%	15,120	13,323	13,323	13%
Interest expense	3,080	3,303	2,656	(7%)	16%	5,736	6,155	6,155	(7%)
Net revenues	4,785	3,816	4,599	25%	4%	9,384	7,168	7,168	31%
Compensation and benefits	2,290	1,873	2,244	22%	2%	4,534	3,523	3,523	29%
Occupancy and equipment	141	127	134	11%	5%	275	250	250	10%
Brokerage, clearing and exchange fees	127	135	114	(6%)	11%	241	256	256	(6%)
Information processing and communications	206	164	192	26%	7%	398	314	314	27%
Marketing and business development	167	126	149	33%	12%	316	242	242	31%
Professional services	160	132	141	21%	13%	301	237	237	27%
Other	167	132	148	27%	13%	315	255	255	24%
Total non-interest expenses	3,258	2,689	3,122	21%	4%	6,380	5,077	5,077	26%
Income before income taxes and cumulative effect of a change in accounting	1,527	1,127	1,477	35%	3%	3,004	2,091	2,091	44%
Income tax expense	587	446	564	32%	4%	1,151	823	823	40%
Income before cumulative effect of a change in accounting	940	681	913	38%	3%	1,853	1,268	1,268	46%
Cumulative effect of a change in accounting (1)	0	0	0	--	--	0	(117)	(117)	*
Net income	<u>\$ 940</u>	<u>\$ 681</u>	<u>\$ 913</u>	38%	3%	<u>\$ 1,853</u>	<u>\$ 1,151</u>	<u>\$ 1,151</u>	61%
Compensation and benefits as a % of net revenues	48%	49%	49%			48%	49%	49%	
Non-compensation expenses as a % of net revenues	20%	21%	19%			20%	22%	22%	
Profit margin (2)	20%	18%	20%			20%	16%	16%	

(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.

(2) Net income as a % of net revenues.