

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

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	QUARTER ENDED					Percentage Change From	
	<u>Feb 28, 2001</u>	<u>May 31, 2001</u>	<u>Aug 31, 2001</u>	<u>Nov 30, 2001</u>	<u>Feb 28, 2002</u>	<u>1Q02 vs. 1Q01</u>	<u>1Q02 vs. 4Q01</u>
Investment banking	\$ 981	\$ 840	\$ 789	\$ 805	\$ 684	(30%)	(15%)
Principal transactions:							
Trading	1,685	2,070	1,097	649	1,122	(33%)	73%
Investments	(46)	(107)	(59)	(104)	33	172%	132%
Commissions	851	838	720	753	777	(9%)	3%
Fees:							
Asset management, distribution and admin	1,109	1,078	1,057	982	1,016	(8%)	3%
Merchant and cardmember	313	325	362	345	341	9%	(1%)
Servicing	427	476	434	567	541	27%	(5%)
Interest and dividends	7,236	6,950	5,825	4,116	3,832	(47%)	(7%)
Other	125	139	110	146	194	55%	33%
Total revenues	<u>12,681</u>	<u>12,609</u>	<u>10,335</u>	<u>8,259</u>	<u>8,540</u>	<u>(33%)</u>	<u>3%</u>
Interest expense	6,172	6,406	4,869	3,282	2,936	(52%)	(11%)
Provision for consumer loan losses	213	231	277	331	345	62%	4%
Net revenues	<u>6,296</u>	<u>5,972</u>	<u>5,189</u>	<u>4,646</u>	<u>5,259</u>	<u>(16%)</u>	<u>13%</u>
Compensation and benefits	2,839	2,732	2,374	1,420	2,488	(12%)	75%
Occupancy and equipment	218	230	226	217	200	(8%)	(8%)
Brokerage, clearing and exchange fees	167	181	179	183	179	7%	(2%)
Information processing and communications	352	368	361	369	320	(9%)	(13%)
Marketing and business development	366	331	274	287	251	(31%)	(13%)
Professional services	334	336	284	345	225	(33%)	(35%)
Other	320	322	319	435	249	(22%)	(43%)
Total non-interest expenses	<u>4,596</u>	<u>4,500</u>	<u>4,017</u>	<u>3,256</u>	<u>3,912</u>	<u>(15%)</u>	<u>20%</u>
Income before taxes, extraordinary item and cumulative effect of accounting change	1,700	1,472	1,172	1,390	1,347	(21%)	(3%)
Income tax expense	618	535	423	498	477	(23%)	(4%)
Dividends on Pref. Sec. Issued by Subs.	7	7	14	22	22	214%	--
Income before extraordinary item and cumulative effect of accounting change	1,075	930	735	870	848	(21%)	(3%)
Extraordinary Item (1)	0	0	(30)	0	0	--	--
Cumulative effect of accounting change (2)	(59)	0	0	0	0	*	--
Net income	<u>1,016</u>	<u>\$ 930</u>	<u>\$ 705</u>	<u>\$ 870</u>	<u>\$ 848</u>	<u>(17%)</u>	<u>(3%)</u>
Preferred stock dividend requirements	9	\$ 9	\$ 9	\$ 5	\$ 0	*	*
Earnings applicable to common shares	<u>1,007</u>	<u>\$ 921</u>	<u>\$ 696</u>	<u>\$ 865</u>	<u>\$ 848</u>	<u>(16%)</u>	<u>(2%)</u>
Compensation and benefits as a % of net revenues	45%	46%	46%	31%	47%		
Non-compensation expenses as a % of net revenues	28%	30%	32%	40%	27%		
Profit margin (3)	17%	16%	14%	19%	16%		

(1) Represents extraordinary loss on the early extinguishment of debt.

(2) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

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

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 11.