

MORGAN STANLEY
Quarterly Consolidated Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED					Percentage Change From:	
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	1Q03 vs. 1Q02	1Q03 vs. 4Q02
Investment banking	\$ 674	\$ 663	\$ 470	\$ 671	\$ 589	(13%)	(12%)
Principal transactions:							
Trading	1,132	696	469	433	1,556	37%	*
Investments	33	(16)	(64)	16	(22)	(167%)	*
Commissions	777	900	855	748	670	(14%)	(10%)
Fees:							
Asset management, distribution and admin.	1,016	1,054	971	904	903	(11%)	--
Merchant and cardmember	342	347	359	372	363	6%	(2%)
Servicing	540	506	510	523	567	5%	8%
Interest and dividends	3,836	3,877	4,376	3,790	3,789	(1%)	--
Other	196	129	217	120	87	(56%)	(28%)
Total revenues	8,546	8,156	8,163	7,577	8,502	(1%)	12%
Interest expense	2,936	2,844	3,188	3,002	2,688	(8%)	(10%)
Provision for consumer loan losses	345	340	332	319	336	(3%)	5%
Net revenues	5,265	4,972	4,643	4,256	5,478	4%	29%
Compensation and benefits	2,489	2,236	2,061	1,147	2,548	2%	122%
Occupancy and equipment	198	208	198	221	196	(1%)	(11%)
Brokerage, clearing and exchange fees	179	176	208	212	191	7%	(10%)
Information processing and communications	322	337	341	379	316	(2%)	(17%)
Marketing and business development	254	259	291	329	269	6%	(18%)
Professional services	225	250	273	346	225	--	(35%)
Other	251	259	302	230	307	22%	33%
Restructuring and other charges	0	0	0	235	0	--	*
Total non-interest expenses	3,918	3,725	3,674	3,099	4,052	3%	31%
Income before taxes and dividends on preferred securities subject to mandatory redemption	1,347	1,247	969	1,157	1,426	6%	23%
Income tax expense	477	428	337	403	499	5%	24%
Div. on pref. sec. subject to mandatory redemption	22	22	21	22	22	--	--
Net income	\$ 848	\$ 797	\$ 611	\$ 732	\$ 905	7%	24%
Compensation and benefits as a % of net revenues	47%	45%	44%	27%	47%		

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.
Refer to Legal Notice page 15.