



**MORGAN STANLEY**  
Quarterly Individual Investor Group 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	\$ 62	\$ 67	\$ 61	\$ 65	\$ 78	26%	20%
Principal transactions:							
Trading	175	128	129	135	131	(25%)	(3%)
Investments	1	0	(45)	(1)	0	*	*
Commissions	274	328	288	267	245	(11%)	(8%)
Asset management, distribution and admin fees	421	444	407	368	376	(11%)	2%
Interest and dividends	96	97	88	78	74	(23%)	(5%)
Other	27	12	115	24	24	(11%)	--
Total revenues	<u>1,056</u>	<u>1,076</u>	<u>1,043</u>	<u>936</u>	<u>928</u>	(12%)	(1%)
Interest expense	37	35	30	29	28	(24%)	(3%)
Net revenues	<u>1,019</u>	<u>1,041</u>	<u>1,013</u>	<u>907</u>	<u>900</u>	(12%)	(1%)
Total non-interest expenses	1,010	1,017	1,005	963	903	(11%)	(6%)
Income / (loss) before income taxes	9	24	8	(56)	(3)	(133%)	95%
Income tax expense / (benefit)	2	12	3	(25)	(2)	(200%)	92%
Net income / (loss)	<u>\$ 7</u>	<u>\$ 12</u>	<u>\$ 5</u>	<u>\$ (31)</u>	<u>\$ (1)</u>	(114%)	97%
Profit margin (1)		1%	1%	0%	(3%)	0%	

(1) 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 15.