



MORGAN STANLEY
Quarterly Investment Management 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	\$ 9	\$ 8	\$ 8	\$ 7	\$ 8		(11%)	14%
Principal transactions:								
Trading	0	0	0	0	0		--	--
Investments	2	1	(32)	2	(11)		*	*
Commissions	11	12	11	16	10		(9%)	(38%)
Asset management, distribution and admin fees	570	587	534	508	505		(11%)	(1%)
Interest and dividends	8	6	9	2	3		(63%)	50%
Other	24	8	15	5	5		(79%)	--
Total revenues	624	622	545	540	520		(17%)	(4%)
Interest expense	1	0	0	(1)	1		--	200%
Net revenues	623	622	545	541	519		(17%)	(4%)
Total non-interest expenses	387	394	335	373	347		(10%)	(7%)
Income before income taxes	236	228	210	168	172		(27%)	2%
Income tax expense	92	87	86	52	66		(28%)	27%
Net income	\$ 144	\$ 141	\$ 124	\$ 116	\$ 106		(26%)	(9%)
Profit margin (1)		23%	23%	23%	21%		20%	

(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.