

MORGAN STANLEY
Financial Summary
(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
Net revenues							
Institutional Securities	\$ 2,800	\$ 2,435	\$ 2,152	\$ 1,881	\$ 3,161	13%	68%
Individual Investor Group	1,019	1,041	1,013	907	900	(12%)	(1%)
Investment Management	623	622	545	541	519	(17%)	(4%)
Credit Services	823	874	933	927	898	9%	(3%)
Consolidated net revenues	<u>\$ 5,265</u>	<u>\$ 4,972</u>	<u>\$ 4,643</u>	<u>\$ 4,256</u>	<u>\$ 5,478</u>	4%	29%
Net income / (loss)							
Institutional Securities	\$ 530	\$ 448	\$ 272	\$ 453	\$ 618	17%	36%
Individual Investor Group	7	12	5	(31)	(1)	(114%)	97%
Investment Management	144	141	124	116	106	(26%)	(9%)
Credit Services	167	196	210	194	182	9%	(6%)
Consolidated net income	<u>\$ 848</u>	<u>\$ 797</u>	<u>\$ 611</u>	<u>\$ 732</u>	<u>\$ 905</u>	7%	24%
Basic earnings per common share	\$ 0.78	\$ 0.73	\$ 0.57	\$ 0.68	\$ 0.84	8%	24%
Diluted earnings per common share	\$ 0.76	\$ 0.72	\$ 0.55	\$ 0.67	\$ 0.82	8%	22%
Average common shares outstanding							
Basic	1,082,380,245	1,084,993,202	1,081,708,833	1,074,654,825	1,079,052,442		
Diluted	1,112,959,092	1,113,949,482	1,105,494,894	1,095,716,005	1,099,724,140		
Period end common shares outstanding	1,101,194,353	1,097,109,821	1,093,052,009	1,081,417,377	1,089,745,941		
Return on common equity	16.4%	15.1%	11.4%	13.7%	16.3%		

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