Morgan Stanley

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

	QUARTER ENDED						Percentage Change From		Six Months Ended		Percentage
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002	May 31, 2002	2Q02 vs. 2Q01	2Q02 vs. 1Q02	May 31, 2001	May 31, 2002	Change
Investment banking	$ 19	$ 15	$ 12	$ 7	$ 9	$ 8	(47%)	(11%)	$ 34	$ 17	(50%)
Principal transactions:											
Investments	1	(1)	(1)	(4)	1	1	200%	--	0	2	*
Commissions	12	9	12	13	11	12	33%	9%	21	23	10%
Asset management, distribution and admin fees	623	598	593	559	559	576	(4%)	3%	1,221	1,135	(7%)
Interest and dividends	24	17	16	11	8	6	(65%)	(25%)	41	14	(66%)
Other	11	4	7	10	18	1	(75%)	(94%)	15	19	27%
Total revenues	690	642	639	596	606	604	(6%)	--	1,332	1,210	(9%)
Interest expense	2	3	2	3	1	0	*	*	5	1	(80%)
Net revenues	688	639	637	593	605	604	(5%)	--	1,327	1,209	(9%)
Compensation and benefits	209	197	201	114	179	170	(14%)	(5%)	406	349	(14%)
Occupancy and equipment	25	24	24	25	19	19	(21%)	--	49	38	(22%)
Brokerage, clearing and exchange fees	50	50	53	51	53	57	14%	8%	100	110	10%
Information processing and communications	24	25	29	26	22	25	--	14%	49	47	(4%)
Marketing and business development	35	42	34	26	29	32	(24%)	10%	77	61	(21%)
Professional services	55	59	48	57	50	49	(17%)	(2%)	114	99	(13%)
Other	35	26	32	36	19	25	(4%)	32%	61	44	(28%)
Total non-interest expenses	433	423	421	335	371	377	(11%)	2%	856	748	(13%)
Income before income taxes	255	216	216	258	234	227	5%	(3%)	471	461	(2%)
Income tax expense	102	89	88	110	92	86	(3%)	(7%)	191	178	(7%)
Net income	$ 153	$ 127	$ 128	$ 148	$ 142	$ 141	11%	(1%)	$ 280	$ 283	1%
Compensation and benefits as a % of net revenues	30%	31%	32%	19%	30%	28%			31%	29%	
Non-compensation expenses as a % of net revenues	33%	35%	35%	37%	32%	34%			34%	33%	
Profit margin (1)	22%	20%	20%	25%	23%	23%			21%	23%	

(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 11.