



MORGAN STANLEY
Quarterly Individual Investor Group Income Statement Information
 (unaudited, dollars in millions)

	QUARTER ENDED						Percentage Change From:		Six Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	2Q03 vs. 2Q02	2Q03 vs. 1Q03	May 31, 2002	May 31, 2003	
Investment banking	\$ 62	\$ 67	\$ 61	\$ 65	\$ 78	\$ 64	(4%)	(18%)	\$ 129	\$ 142	10%
Principal transactions:											
Trading	175	128	129	135	131	144	13%	10%	303	275	(9%)
Investments	1	0	(45)	(1)	0	0	--	--	1	0	*
Commissions	274	328	288	267	245	275	(16%)	12%	602	520	(14%)
Asset management, distribution and admin fees	421	444	407	368	376	372	(16%)	(1%)	865	748	(14%)
Interest and dividends	96	97	88	78	74	77	(21%)	4%	193	151	(22%)
Other	27	12	115	24	24	20	67%	(17%)	39	44	13%
Total revenues	1,056	1,076	1,043	936	928	952	(12%)	3%	2,132	1,880	(12%)
Interest expense	37	35	30	29	28	28	(20%)	--	72	56	(22%)
Net revenues	1,019	1,041	1,013	907	900	924	(11%)	3%	2,060	1,824	(11%)
Total non-interest expenses	1,010	1,017	1,005	963	903	916	(10%)	1%	2,027	1,819	(10%)
Income / (loss) before income taxes	9	24	8	(56)	(3)	8	(67%)	*	33	5	(85%)
Income tax expense / (benefit)	2	12	3	(25)	(2)	10	(17%)	*	14	8	(43%)
Net income / (loss)	\$ 7	\$ 12	\$ 5	\$ (31)	\$ (1)	\$ (2)	(117%)	(100%)	\$ 19	\$ (3)	(116%)
Profit margin (1)	1%	1%	0%	(3%)	(0%)	(0%)			1%	(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 20.