MORGAN STANLEY

Reconciliation of Managed Income Statement Data (1)

(unaudited, dollars in millions)

	Quarter Ended						Six Months Ended	
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	May 31, 2002	May 31, 2003
Merchant and cardmember fees:								
Owned	$ 342	$ 347	$ 359	$ 372	$ 363	$ 339	$ 689	$ 702
Securitization adjustment	185	169	166	170	184	185	354	369
Managed	$ 527	$ 516	$ 525	$ 542	$ 547	$ 524	$ 1,043	$ 1,071
Servicing fees:								
Owned	$ 540	$ 506	$ 510	$ 523	$ 567	$ 503	$ 1,046	$ 1,070
Securitization adjustment	(540)	(506)	(510)	(523)	(567)	(503)	(1,046)	(1,070)
Managed	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other:								
Owned	$ 2	$ 17	$ 12	$ 0	$ (3)	$ 5	$ 19	$ 2
Securitization adjustment	14	19	13	3	57	30	33	87
Managed	$ 16	$ 36	$ 25	$ 3	$ 54	$ 35	$ 52	$ 89
Interest revenue:								
Owned	$ 553	$ 602	$ 646	$ 612	$ 546	$ 543	$ 1,155	$ 1,089
Securitization adjustment	1,058	1,012	997	994	1,034	1,049	2,070	2,083
Managed	$ 1,611	$ 1,614	$ 1,643	$ 1,606	$ 1,580	$ 1,592	$ 3,225	$ 3,172
Interest expense:								
Owned	$ 269	$ 258	$ 262	$ 261	$ 239	$ 197	$ 527	$ 436
Securitization adjustment	230	222	221	214	202	213	452	415
Managed	$ 499	$ 480	$ 483	$ 475	$ 441	$ 410	$ 979	$ 851
Provision for consumer loan losses:								
Owned	$ 345	$ 340	$ 332	$ 319	$ 336	$ 309	$ 685	$ 645
Securitization adjustment	487	472	445	430	506	548	959	1,054
Managed	$ 832	$ 812	$ 777	$ 749	$ 842	$ 857	$ 1,644	$ 1,699

(1) The tables provide a reconciliation of certain managed and owned basis income statement data (merchant and cardmember fees, servicing fees, other revenue, interest revenue, interest expense and provision for consumer loan losses) for the periods indicated.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 20.