

MORGAN STANLEY  
Quarterly Financial Summary  
(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	
Net revenues											
Institutional Securities	\$ 2,800	\$ 2,435	\$ 2,152	\$ 1,881	\$ 3,161	\$ 2,706	11%	(14%)	\$ 5,235	\$ 5,867	12%
Individual Investor Group	1,019	1,041	1,013	907	900	924	(11%)	3%	2,060	1,824	(11%)
Investment Management	623	622	545	541	519	535	(14%)	3%	1,245	1,054	(15%)
Credit Services	823	874	933	927	898	884	1%	(2%)	1,697	1,782	5%
Consolidated net revenues	<u>\$ 5,265</u>	<u>\$ 4,972</u>	<u>\$ 4,643</u>	<u>\$ 4,256</u>	<u>\$ 5,478</u>	<u>\$ 5,049</u>	2%	(8%)	<u>\$ 10,237</u>	<u>\$ 10,527</u>	3%
Net income / (loss)											
Institutional Securities	\$ 530	\$ 448	\$ 272	\$ 453	\$ 618	\$ 298	(33%)	(52%)	\$ 978	\$ 916	(6%)
Individual Investor Group	7	12	5	(31)	(1)	(2)	(117%)	(100%)	19	(3)	(116%)
Investment Management	144	141	124	116	106	109	(23%)	3%	285	215	(25%)
Credit Services	167	196	210	194	182	194	(1%)	7%	363	376	4%
Consolidated net income	<u>\$ 848</u>	<u>\$ 797</u>	<u>\$ 611</u>	<u>\$ 732</u>	<u>\$ 905</u>	<u>\$ 599</u>	(25%)	(34%)	<u>\$ 1,645</u>	<u>\$ 1,504</u>	(9%)
Basic earnings per common share	\$ 0.78	\$ 0.73	\$ 0.57	\$ 0.68	\$ 0.84	\$ 0.56	(23%)	(33%)	\$ 1.52	\$ 1.40	(8%)
Diluted earnings per common share	\$ 0.76	\$ 0.72	\$ 0.55	\$ 0.67	\$ 0.82	\$ 0.55	(24%)	(33%)	\$ 1.48	\$ 1.37	(7%)
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	1,077,386,468			1,084,223,242	1,077,413,715	
Diluted	1,112,959,092	1,113,949,482	1,105,494,894	1,095,716,005	1,099,724,140	1,097,478,351			1,113,925,043	1,097,824,226	
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	1,086,735,086			1,097,109,821	1,086,735,086	
Return on common equity	16.4%	15.1%	11.4%	13.7%	16.3%	10.6%			15.7%	13.4%	

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.  
Refer to Legal Notice page 20.