



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

	QUARTER ENDED								Percentage Change From		Nine Months Ended		Percentage Change
	Feb 28, 2000	May 31, 2000	Aug 31, 2000	Nov 30, 2000	Feb 28, 2001	May 31, 2001	Aug 31, 2001		3Q01 vs. 3Q00	3Q01 vs. 2Q01	Aug 31, 2000	Aug 31, 2001	
Investment banking	\$ 1,335	\$ 1,370	\$ 1,172	\$ 1,131	\$ 981	\$ 840	\$ 789	(33%)	(6%)	\$ 3,877	\$ 2,610	(33%)	
Principal transactions:													
Trading	2,272	2,496	1,614	979	1,685	2,070	1,097	(32%)	(47%)	6,382	4,852	(24%)	
Investments	431	(236)	68	(70)	(46)	(107)	(59)	(187%)	45%	263	(212)	(181%)	
Commissions	984	972	831	858	849	836	718	(14%)	(14%)	2,787	2,403	(14%)	
Fees:													
Asset management, distribution and administration	984	1,094	1,107	1,101	1,074	1,040	1,020	(8%)	(2%)	3,185	3,134	(2%)	
Merchant and cardmember	449	453	466	450	446	448	497	7%	11%	1,368	1,391	2%	
Servicing	287	349	424	390	427	476	434	2%	(9%)	1,060	1,337	26%	
Interest and dividends	4,749	5,123	5,897	5,465	7,236	6,950	5,825	(1%)	(16%)	15,769	20,011	27%	
Other	92	91	147	155	125	139	110	(25%)	(21%)	330	374	13%	
Total revenues	11,583	11,712	11,726	10,459	12,777	12,692	10,431	(11%)	(18%)	35,021	35,900	3%	
Interest expense	3,932	4,420	5,242	4,582	6,179	6,413	4,883	(7%)	(24%)	13,594	17,475	29%	
Provision for consumer loan losses	223	204	175	208	213	231	277	58%	20%	602	721	20%	
Net revenues	7,428	7,088	6,309	5,669	6,385	6,048	5,271	(16%)	(13%)	20,825	17,704	(15%)	
Compensation and benefits	3,408	3,097	2,656	1,775	2,851	2,742	2,380	(10%)	(13%)	9,161	7,973	(13%)	
Occupancy and equipment	175	174	202	221	220	232	227	12%	(2%)	551	679	23%	
Brokerage, clearing and exchange fees	139	149	147	151	160	170	165	12%	(3%)	435	495	14%	
Information processing and communications	330	365	374	417	395	414	402	7%	(3%)	1,069	1,211	13%	
Marketing and business development	471	501	507	576	499	454	409	(19%)	(10%)	1,479	1,362	(8%)	
Professional services	200	233	293	384	292	296	249	(15%)	(16%)	726	837	15%	
Other	273	274	255	256	275	275	281	10%	2%	802	831	4%	
Total non-interest expenses	4,996	4,793	4,434	3,780	4,692	4,583	4,113	(7%)	(10%)	14,223	13,388	(6%)	
Gain on sale of business	0	0	35	0	0	0	0	*	--	35	0	*	
Income before taxes, extraordinary item and cumulative effect of accounting change	2,432	2,295	1,910	1,889	1,693	1,465	1,158	(39%)	(21%)	6,637	4,316	(35%)	
Income tax expense	888	837	664	681	618	535	423	(36%)	(21%)	2,389	1,576	(34%)	
Income before extraordinary item and cumulative effect of accounting change	1,544	1,458	1,246	1,208	1,075	930	735	(41%)	(21%)	4,248	2,740	(35%)	
Extraordinary item (1)	0	0	0	0	0	0	(30)	*	*	0	(30)	*	
Cumulative effect of accounting change (2)	0	0	0	0	(59)	0	0	--	--	0	(59)	*	
Net income	1,544	\$ 1,458	\$ 1,246	\$ 1,208	\$ 1,016	\$ 930	\$ 705	(43%)	(24%)	\$ 4,248	\$ 2,651	(38%)	
Preferred stock dividend requirements	9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	--	--	\$ 27	\$ 27	--	
Earnings applicable to common shares	1,535	\$ 1,449	\$ 1,237	\$ 1,199	\$ 1,007	\$ 921	\$ 696	(44%)	(24%)	\$ 4,221	\$ 2,624	(38%)	
Compensation and benefits as a % of net revenues	46%	44%	42%	31%	45%	45%	45%			44%	45%		
Non-compensation expenses as a % of net revenues	21%	24%	28%	35%	29%	30%	33%			24%	31%		
Profit margin (3)	21%	21%	20%	21%	17%	15%	14%			20%	15%		

(1) Represents extraordinary loss on the early extinguishment of debt.

(2) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

(3) Net income as a % of net revenues.

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

Refer to Legal Notice page 11.