

Asia Overview

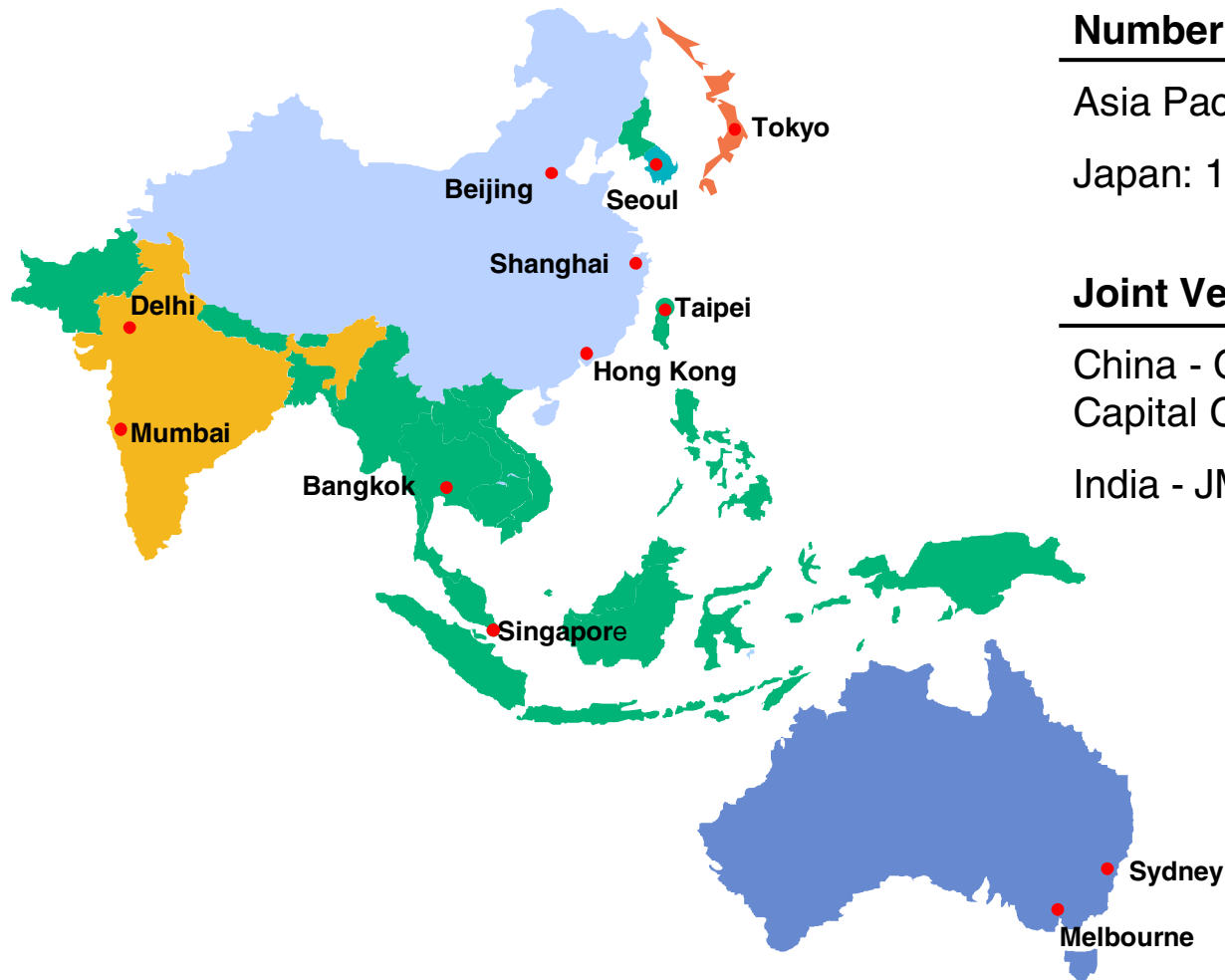
March 27, 2006

Notice

The information provided herein may include certain non-GAAP financial measures. The reconciliation of such measures to the comparable GAAP figures are included in the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on 8-K, including any amendments thereto, which are available on www.morganstanley.com.

This presentation may contain forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's current estimates, projections, expectations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of risks and uncertainties that may affect the future results of the Company, please see "Forward-Looking Statements" immediately preceding Part I, Item 1, "Competition" and "Regulation" in Part I, Item 1, "Risk Factors" in Part I, Item 1A and "Certain Factors Affecting Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2005 and other items throughout the Form 10-K and the Company's Current Reports on Form 8-K.

Morgan Stanley in Asia



Number of Regional Offices

Asia Pacific: 11

Japan: 1

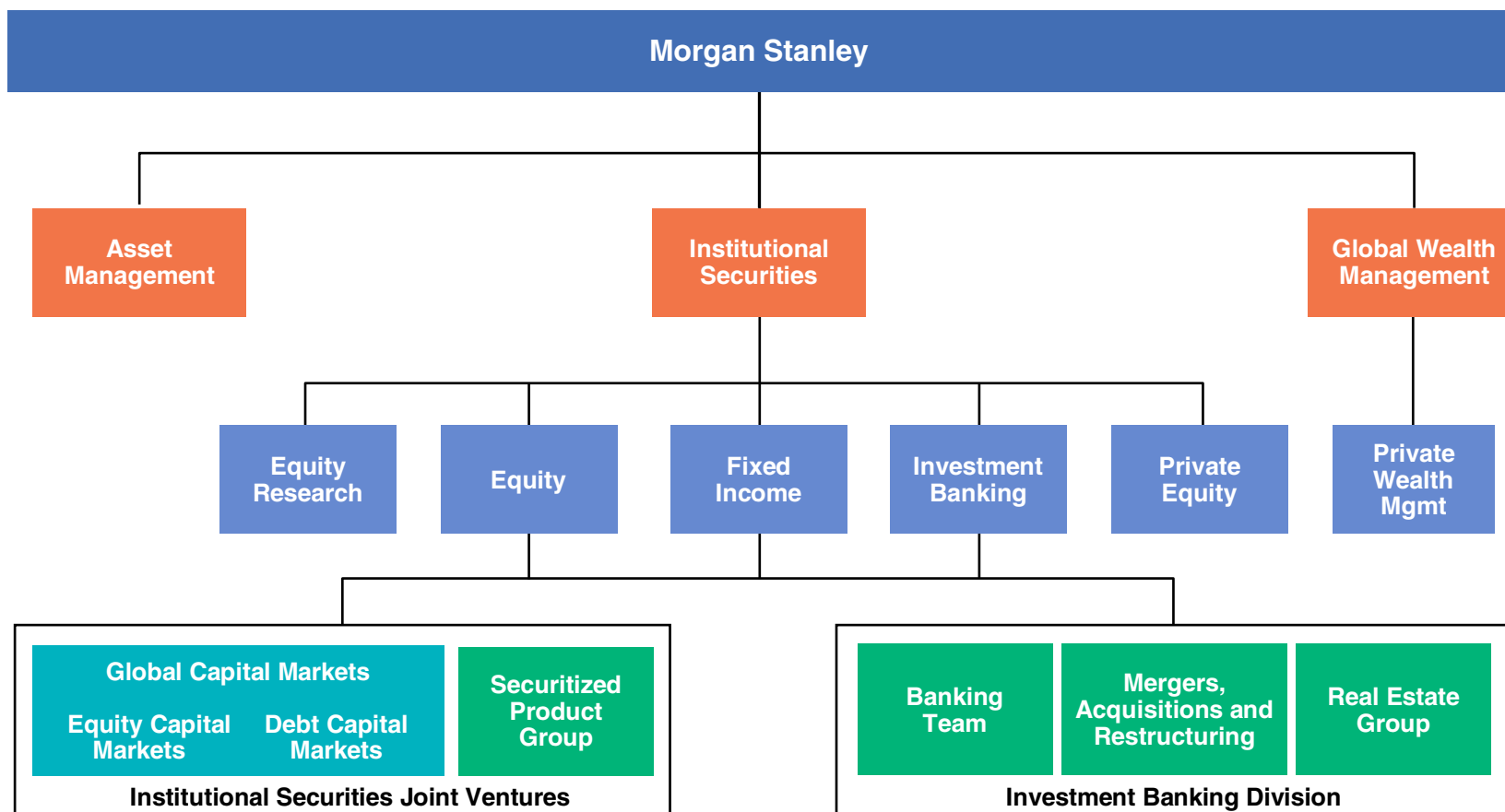
Joint Ventures

China - China International Capital Corporation Ltd.

India - JM Morgan Stanley

Our Asian Business

Full Line of Financial Services



Recent Notable Transactions

M&A

- **Mitsubishi Tokyo Financial Group** (Japan) \$41.4Bn merger with UFJ Holdings (Japan)
- **Reliance Industries** (India) \$4.8Bn de-merger
- Standard Chartered (U.K.) \$3.3Bn acquisition of **Korea First Bank** (South Korea)
- **International Power** (U.K) and **Mitsui** (Japan) \$2.0Bn acquisition of Edison Mission Energy's international generation portfolio (U.S.)
- **Mayne Pharma** (Australia) \$1.5Bn spinoff
- SinoPac Financial Holdings (Taiwan) \$1.5Bn acquisition of **International Bank of Taipei** (Taiwan)

Equity

- China Construction Bank \$9.2Bn IPO (China)
- Mizuho Bank \$4.6Bn follow-on offering (Japan)
- Chunghwa Telecom \$3.1Bn offering (Taiwan)
- ICICI Bank \$1.6Bn concurrent ADR & domestic share sale (India)
- SP AusNet \$1.1Bn IPO (Australia)

Debt

- National Australia Bank \$2.5Bn bond offering (Australia)
- Penerbangan Malaysia Berhad (PMB) \$1.0Bn bond offering (Malaysia)
- Export-Import Bank of Korea (KEXIM) \$1.0Bn bond offering (Korea)
- Bank of Tokyo Mitsubishi US\$300MM + Euro300MM International Sub Debt (Japan)

Morgan Stanley's Market Position

Asia Pacific Market Share 2005

	Morgan Stanley	
	Share	Rank
M&A ⁽¹⁾	11%	8
Equity & Equity-Linked ⁽²⁾	12%	1
Debt ⁽²⁾	3%	9

Japan Market Share 2005

	Morgan Stanley		
	Share (Incl. domestic banks)	Rank (Incl. domestic banks)	Rank (excl. domestic banks)
M&A ⁽³⁾	28%	4	2
Equity & Equity-Linked ⁽⁴⁾	3%	8	3
Debt ⁽⁵⁾	2%	8	3

Notes: 1) Source: Thomson Financial. Any party in Asia Pacific excluding Japan. Announced Deals over US\$100MM
 2) Source: Bondware. Asia Pacific excluding Japan. Equal apportionment to bookrunners. Deals over US\$50MM
 3) Source: Thomson Financial. Any Japanese involvement where target, acquirer or ultimate parent is Japan excluding equity carveouts, withdrawn deals, open market repurchase and exchange offer. Data as of 2006/3/20
 4) Source: Equityware. All equity and equity linked products including domestic deals by Japanese issuers. Data as of 2006/3/20
 5) Source: IN Database. All domestic straight bond deals excluding convertibles and including samurais and zaito agency bonds. Data as of 2006/3/20

FinanceAsia 2005

Best Investment Bank
 Best Equity House
 Best Financial Institutions House
 Deal of the Year, Best Equity Deal, Best IPO,
 Best Privatization: *CCB \$9.2Bn IPO*
 Best Secondary Offering:
ICICI Bank's \$1.8Bn concurrent ADR & Domestic share sale



Euromoney 2005

Best M&A House in Asia (incl. Japan)
 Best M&A House in China, Japan & South Korea



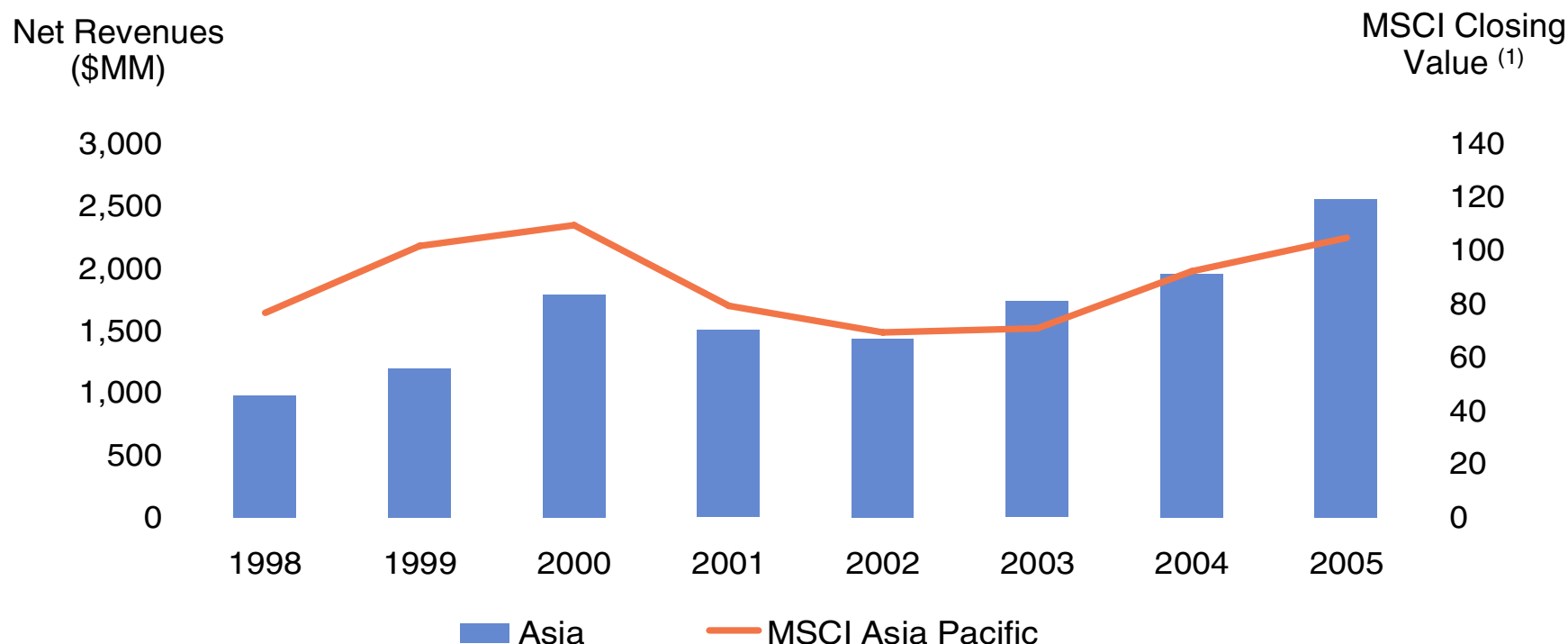
Triple A Regional Awards 2005

Best Investment Bank
 Best Issuer
 Best Equity House
 Best FIG House
 Best Corporate Bond, Best Investment Grade Bond: *Temasek \$1.5Bn offering*
 Best GDR/ADR, Best Secondary Offering:
LG Philips LCD \$2.2Bn follow-on



Asian Net Revenue Trends

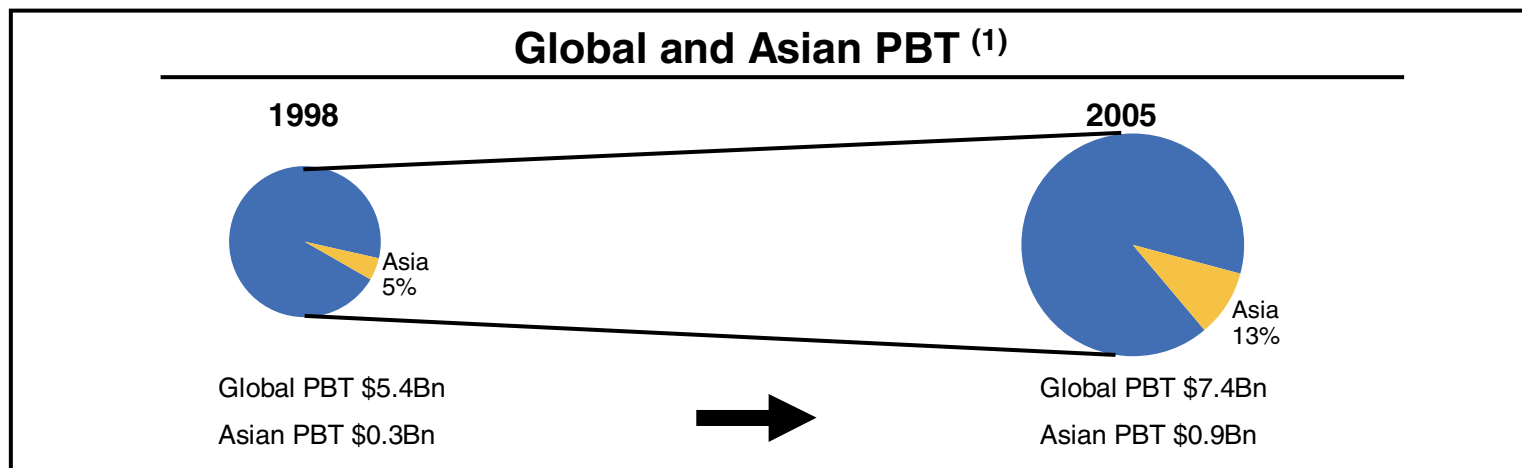
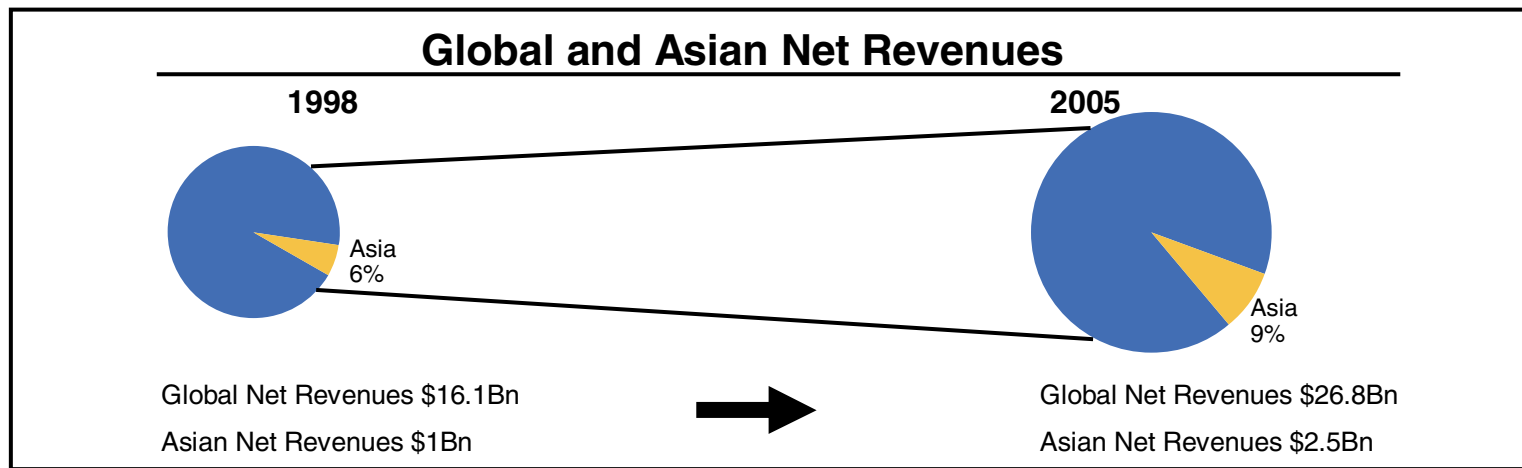
Morgan Stanley Asian Net Revenues vs. MSCI Asia Pacific Index Performance



Source: Morgan Stanley 10-K filings, MSCI
Notes: (1) Average monthly closing value

Asian Net Revenues and PBT

1998 and 2005



Source: Morgan Stanley 10K Filings

Note: (1) Income from continuing operations before losses from unconsolidated investees, income taxes, and cumulative effect of accounting change.

Size Matters

Key Statistics	Asia Pacific⁽¹⁾	Japan	China	US	EU-25
Population (MM)	1,560	127	1,300	293	453
Area (000's Km ²)	13,031	378	9,573	9,631	3,973
GDP (\$Bn)	3,515	4,672	1,910	12,452	12,946
GDP Growth (%)	6.1	2.7	9.9	3.5	1.4
Inflation (%)	3.2	-0.1	1.8	3.4	2.2
Unemployment (%)	9.3	4.3	4.2	4.6	8.3

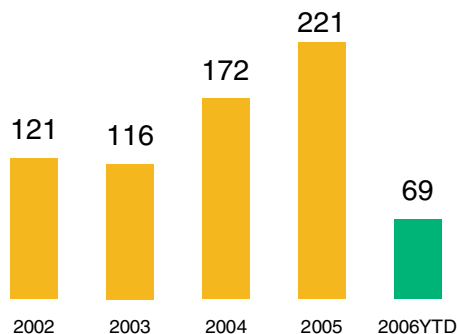
Source: CEIC Data, Eurostat, Morgan Stanley Research. All figures are 2005 economic data

Note: (1) Asia Pacific consists of Australia, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand

Market Size

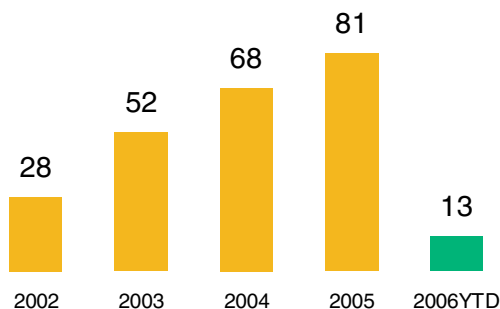
AP Announced M&A Volume ⁽¹⁾

(US\$Bn)



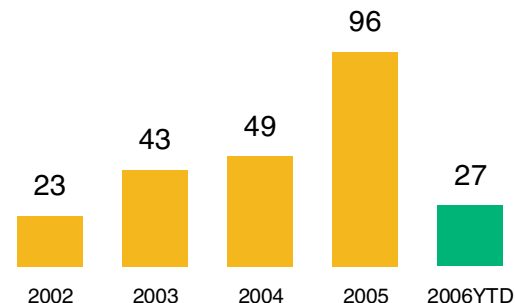
AP Equity and Equity-Linked Issuance Volume ⁽²⁾

(US\$Bn)



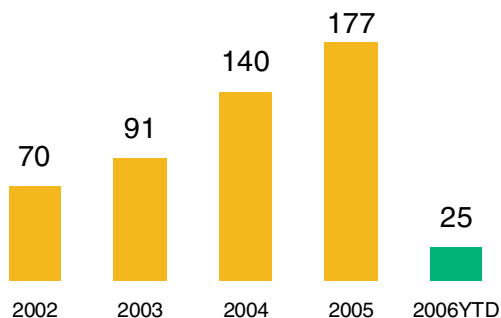
AP Fixed Income Issuance Volume ⁽²⁾

(US\$Bn)



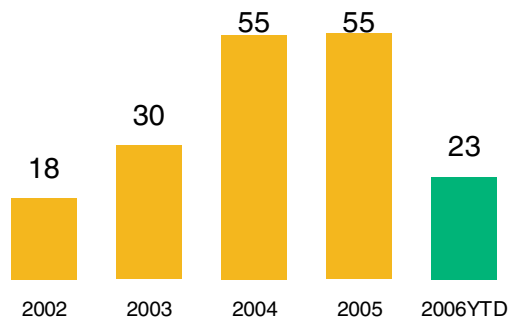
Japan Announced M&A Volume ⁽¹⁾

(US\$Bn)



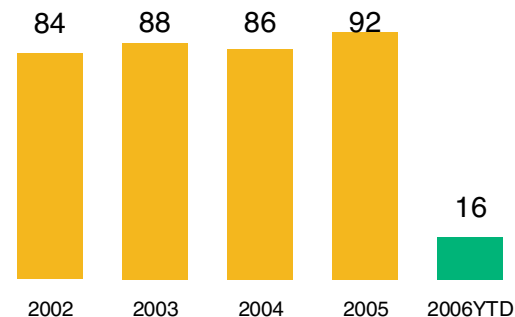
Japan Equity and Equity-Linked Issuance Volume ⁽³⁾

(US\$Bn)



Japan Fixed Income Issuance Volume ⁽⁴⁾

(US\$Bn)



Notes: (1) Source: Thomson Financial. Announced deals (As of 3/17/06)

(2) Source: Bondware. Asia Pacific excluding Japan. Deals over US\$50MM (As of 3/17/06)

(3) Source: Equityware. All equity and equity linked products including domestic deals by Japanese issuers over US\$50MM (As of 3/17/06)

(4) Source: IN Database. All domestic straight bond deals over US\$50MM excluding convertibles and including samurais and zaito agency bonds. Average annual exchange rates used to convert annual volume from JPY to USD

Secular Drivers

Secular Drivers

- Economic growth
- China catalyst
- Globalization
- Aging population
- Privatization
- Consolidation
- Bank and corporate reform
- Real estate disposition
- Institutional flows

Morgan Stanley Strengths

- Proven Investment Banking track record in region
- Stable and integrated franchise
- Long term client relationships
- Product capability and distribution
- Global expertise and support

Asia Strategy

- #1: Primarily organic growth
- #2: Platform
- #3: Long-term growth opportunities

China



CICC

- Sales & Trading
- Investment Banking
- Research
- Asset Management
- Beijing, Shanghai, Hong Kong

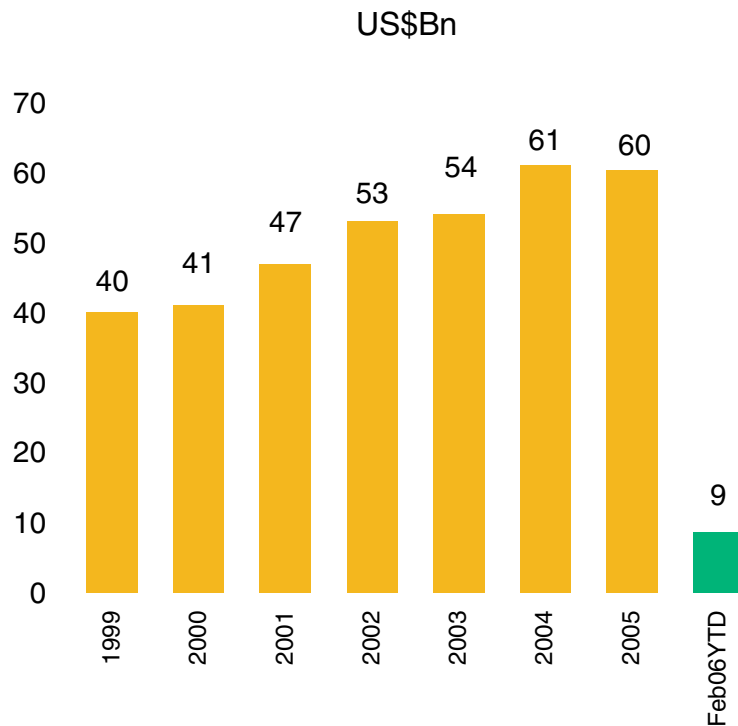


Morgan Stanley

- Institutional Equity Sales
- Research
- Fixed Income Sales
- Commodities
- Real Estate, Capital Markets, M&A
- Asset Management
- Private Equity

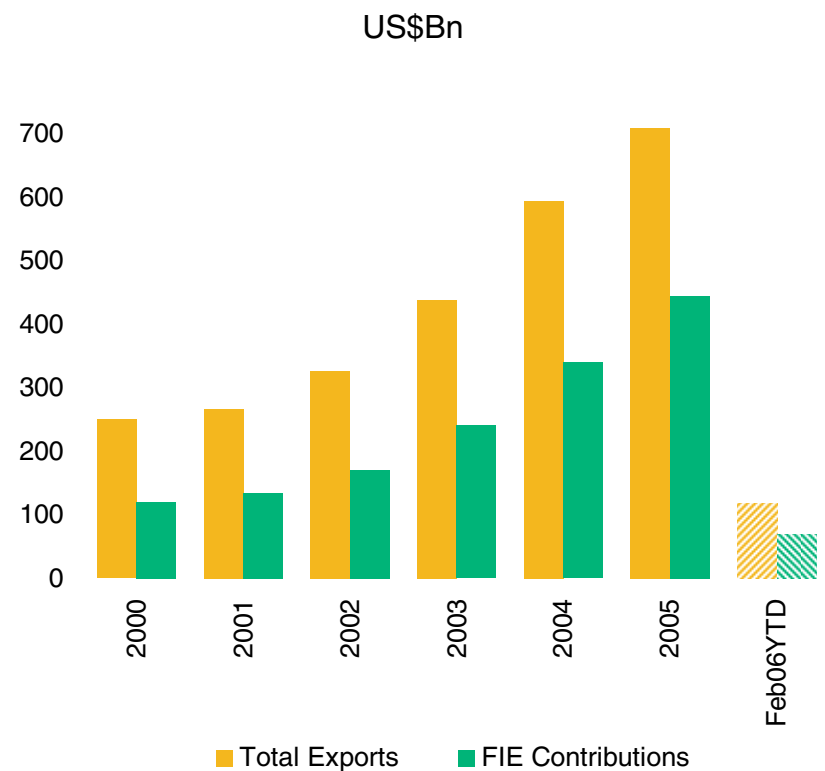
China: An Open Economy

Foreign Direct Investment to China



Source: CEIC Data, Morgan Stanley Research

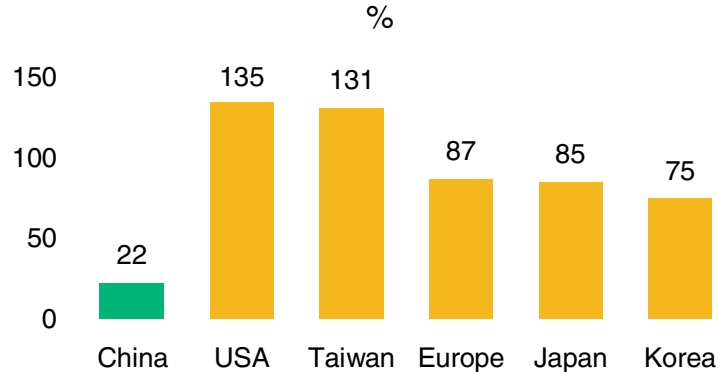
Foreign Invested Enterprises Contribution to China Exports



Source: CEIC Data, Morgan Stanley Research

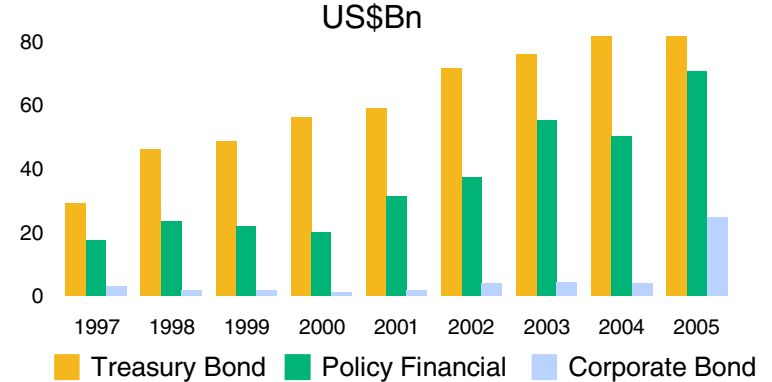
China: Growth Opportunities

Market Capitalization / GDP 2005



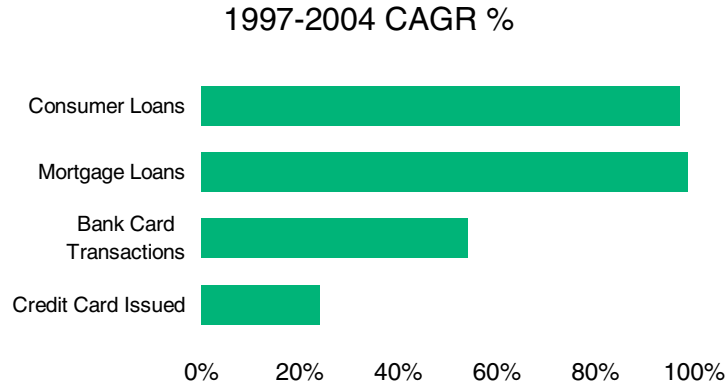
Source: CEIC Data

China Debt Market Issuance



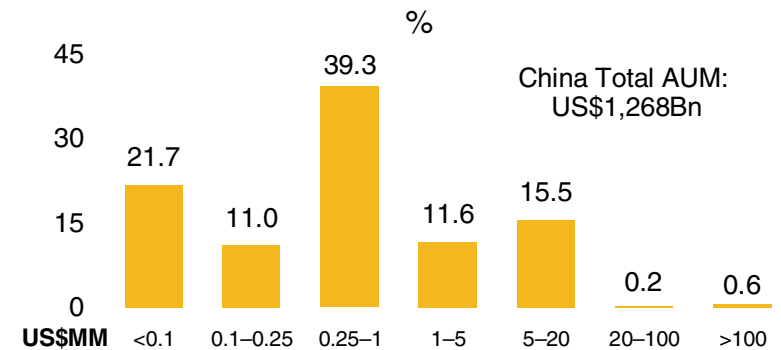
Source: CEIC Data

Growth in Key Consumer Finance Products



Source: CEIC Data

China Wealth Market Distribution 2003



Source: Boston Consulting Group Global Wealth Report IV (2004)

Conclusion

- Asia considered **THE** growth area by our clients and our competitors
- Good track record of revenue and profit growth
- Future plans balance need for investment with continued profit growth

Asia Overview

March 27, 2006