



Stephen S. Crawford, Chief Administrative Officer

April 20, 2004

Morgan Stanley

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Consolidated Financial Highlights (\$MM)

	Quarter Ended			Full Year		
	1Q04	1Q03	Variance	2003	2002	Variance
Net Revenues	\$6,241	\$5,474	14%	\$20,857	\$19,120	9%
Compensation Expense	2,712	2,549	6%	8,545	7,940	8%
Non-compensation Expense ⁽¹⁾	1,613	1,499	8%	6,545	6,460	1%
Profit Before Tax ⁽²⁾	1,916	1,426	34%	5,767	4,720	22%
Net Income	\$1,226	\$905	35%	\$3,787	\$2,988	27%
Diluted EPS	\$1.11	\$0.82	35%	\$3.45	\$2.69	28%
ROE	19.2%	16.3%		16.5%	14.1%	

Sources: Morgan Stanley 10-K, 1Q04 Earnings Release

Notes: (1) 2002 includes \$235 million restructuring charge

(2) Income Before Losses from Unconsolidated Investees, Taxes and Dividends on Preferred Securities Subject to Mandatory Redemption

Morgan Stanley League Table Rankings

	Calendar Year 2002	Calendar Year 2003	Calendar 1Q04
Mergers & Acquisitions			
Announced M&A	3	2	2
Equity			
WW Equities	4	3	1
WW IPOs	5	5	1
Fixed Income			
WW Total Debt	6	2	3
WW High Yield	8	9	6

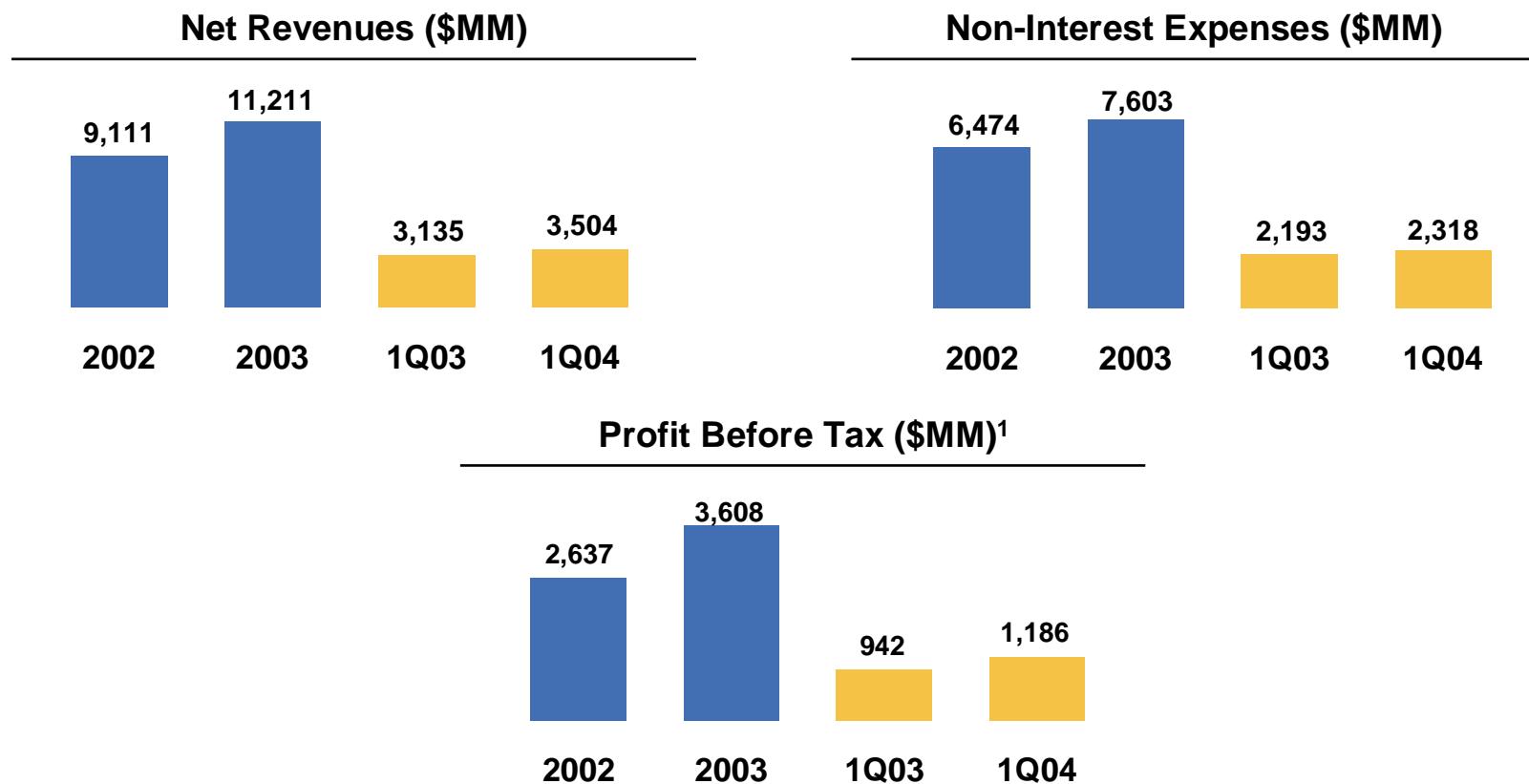
Source: Thomson Financial

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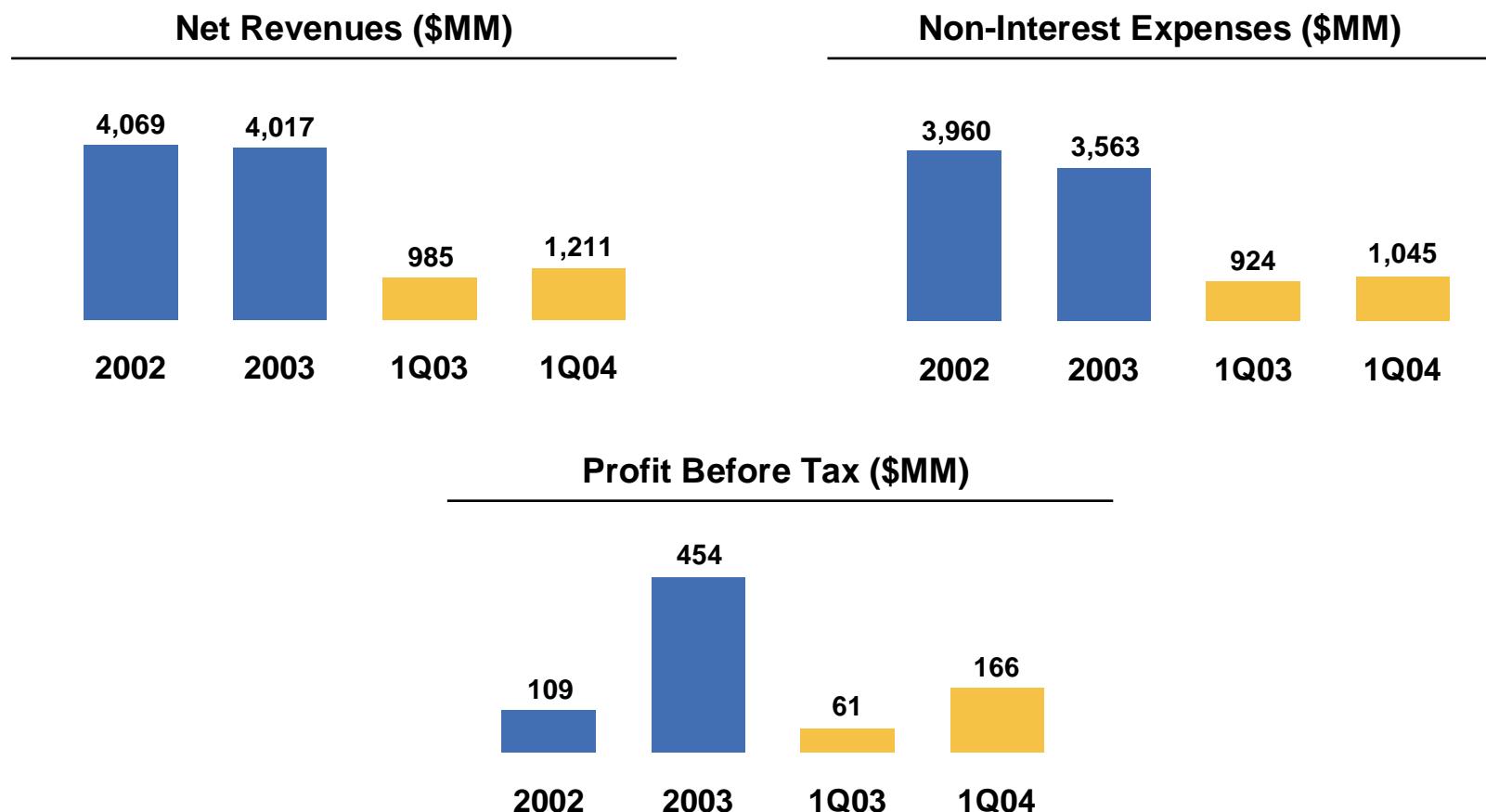
Institutional Securities Financial Performance



Sources: Morgan Stanley 10-K, 1Q04 Earnings Release

Note: (1) Income Before Losses from Unconsolidated Investees, Taxes and Dividends on Preferred Securities Subject to Mandatory Redemption

Individual Investor Group Financial Performance



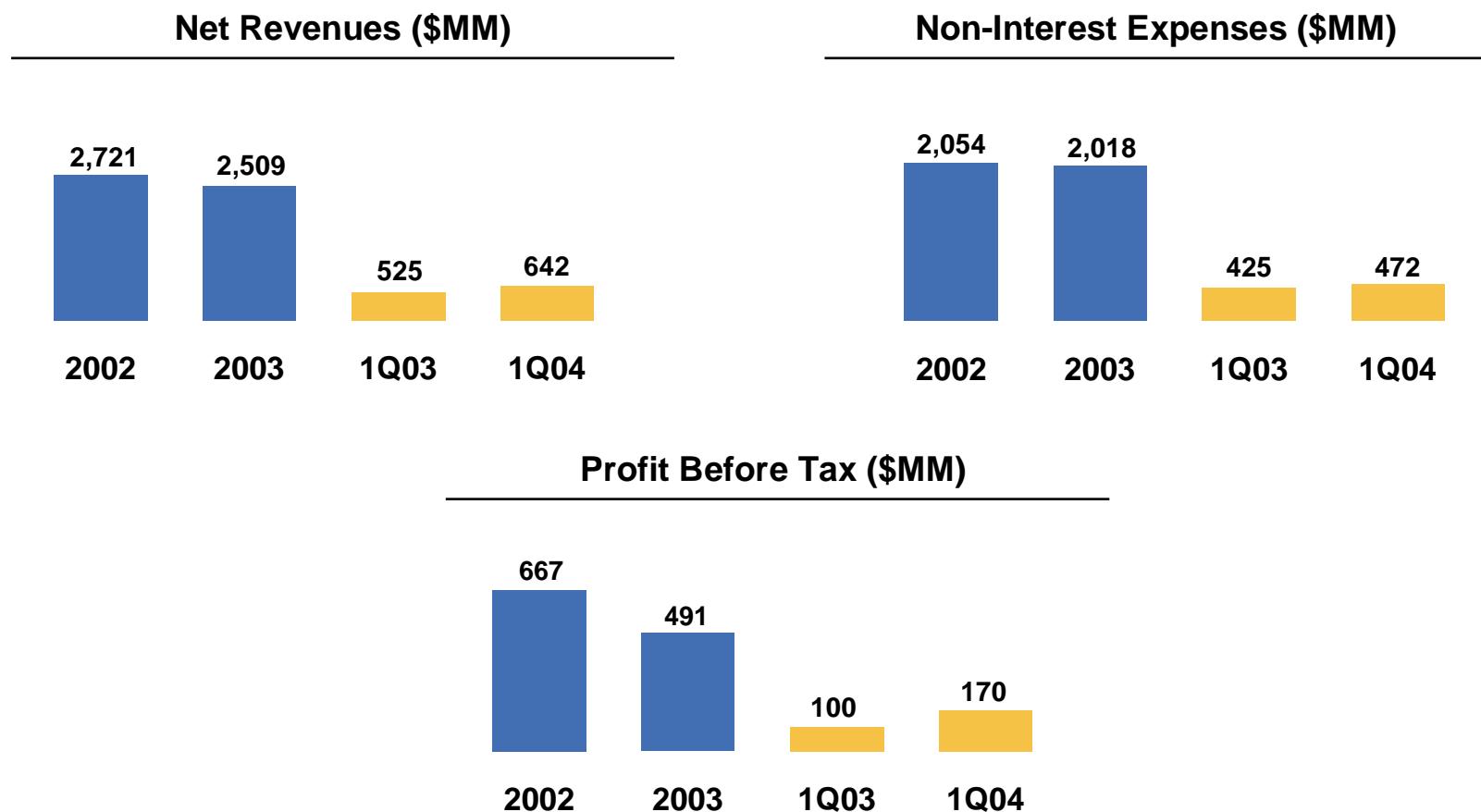
Sources: Morgan Stanley 10-K, 1Q04 Earnings Release

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Investment Management Financial Performance



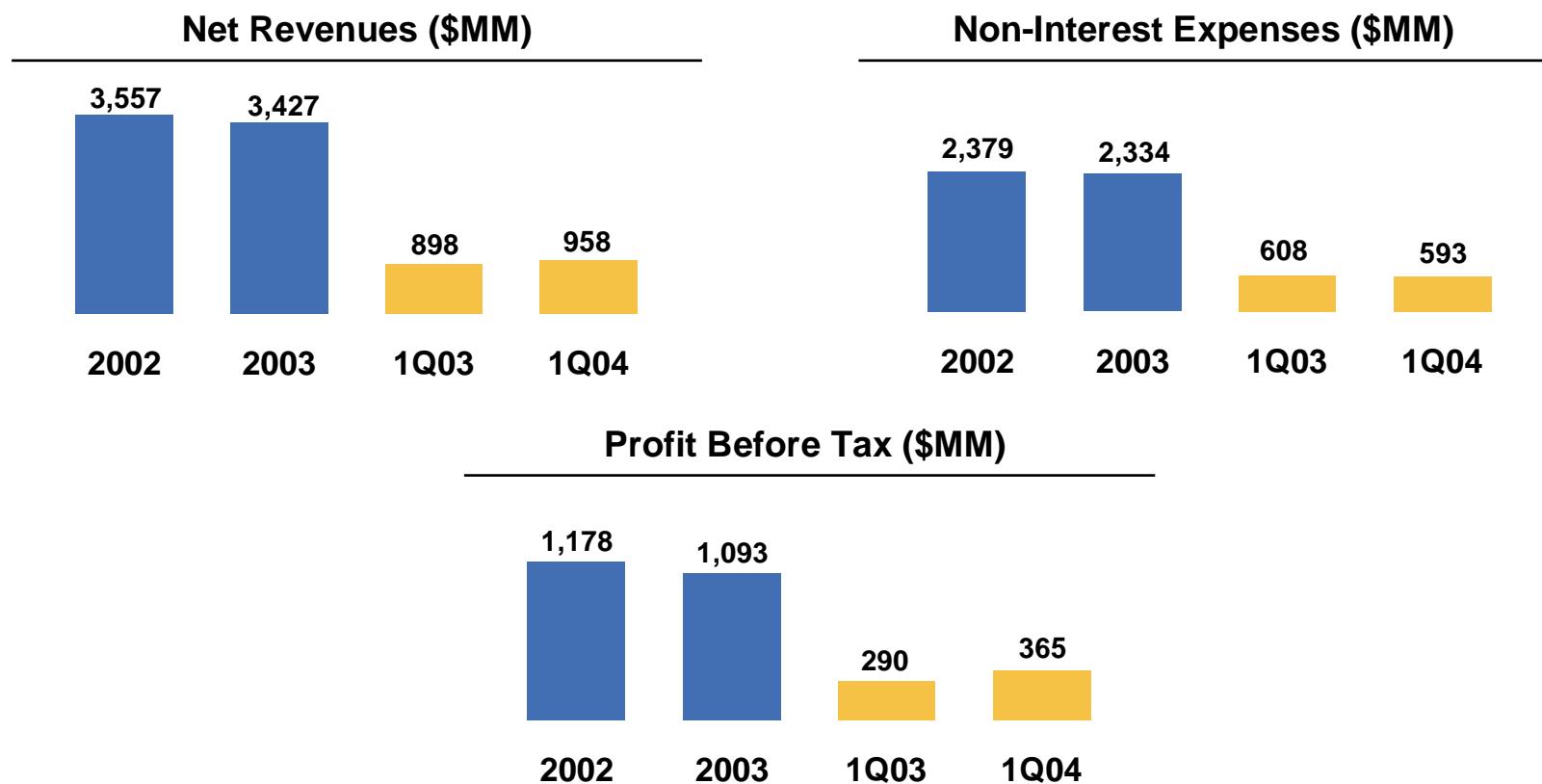
Sources: Morgan Stanley 10-K, 1Q04 Earnings Release

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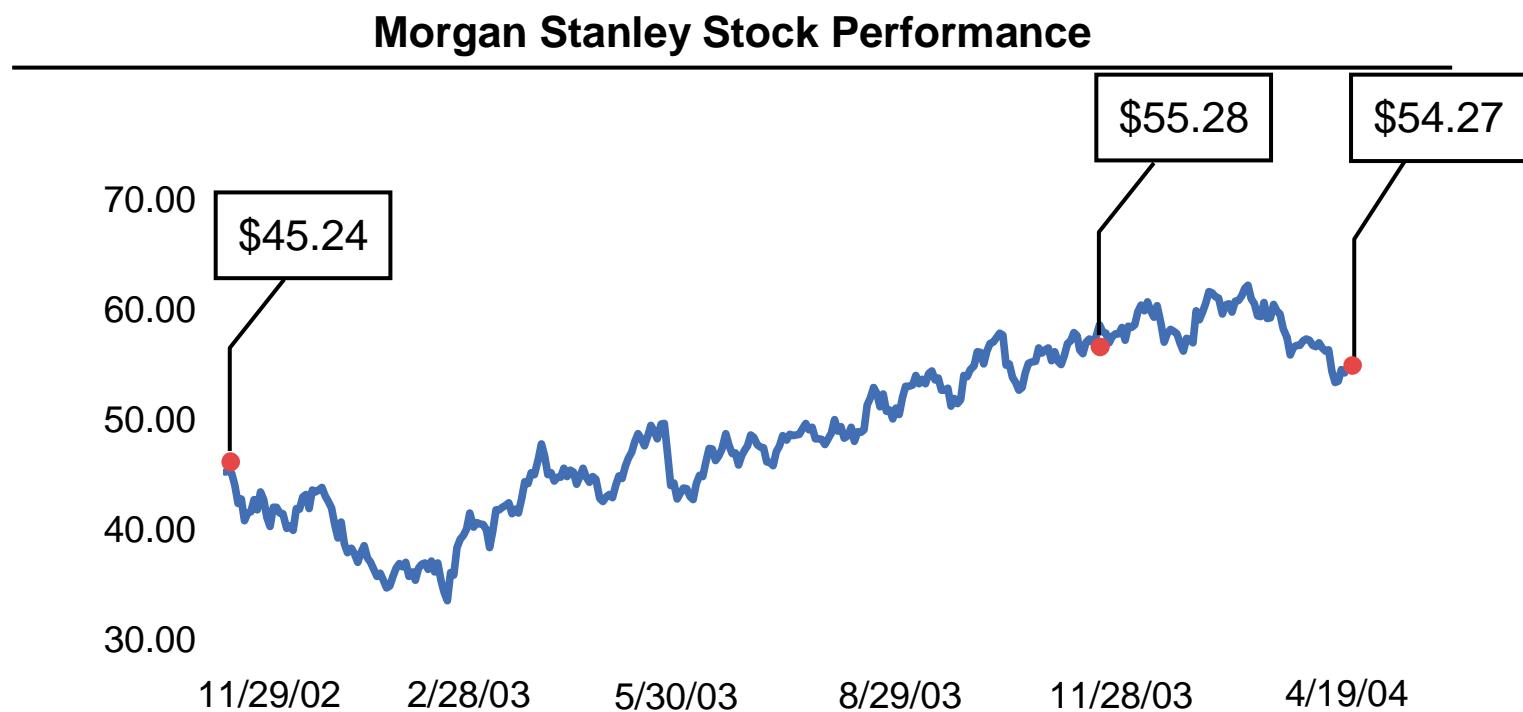
Credit Services Financial Performance



Sources: Morgan Stanley 10-K, 1Q04 Earnings Release

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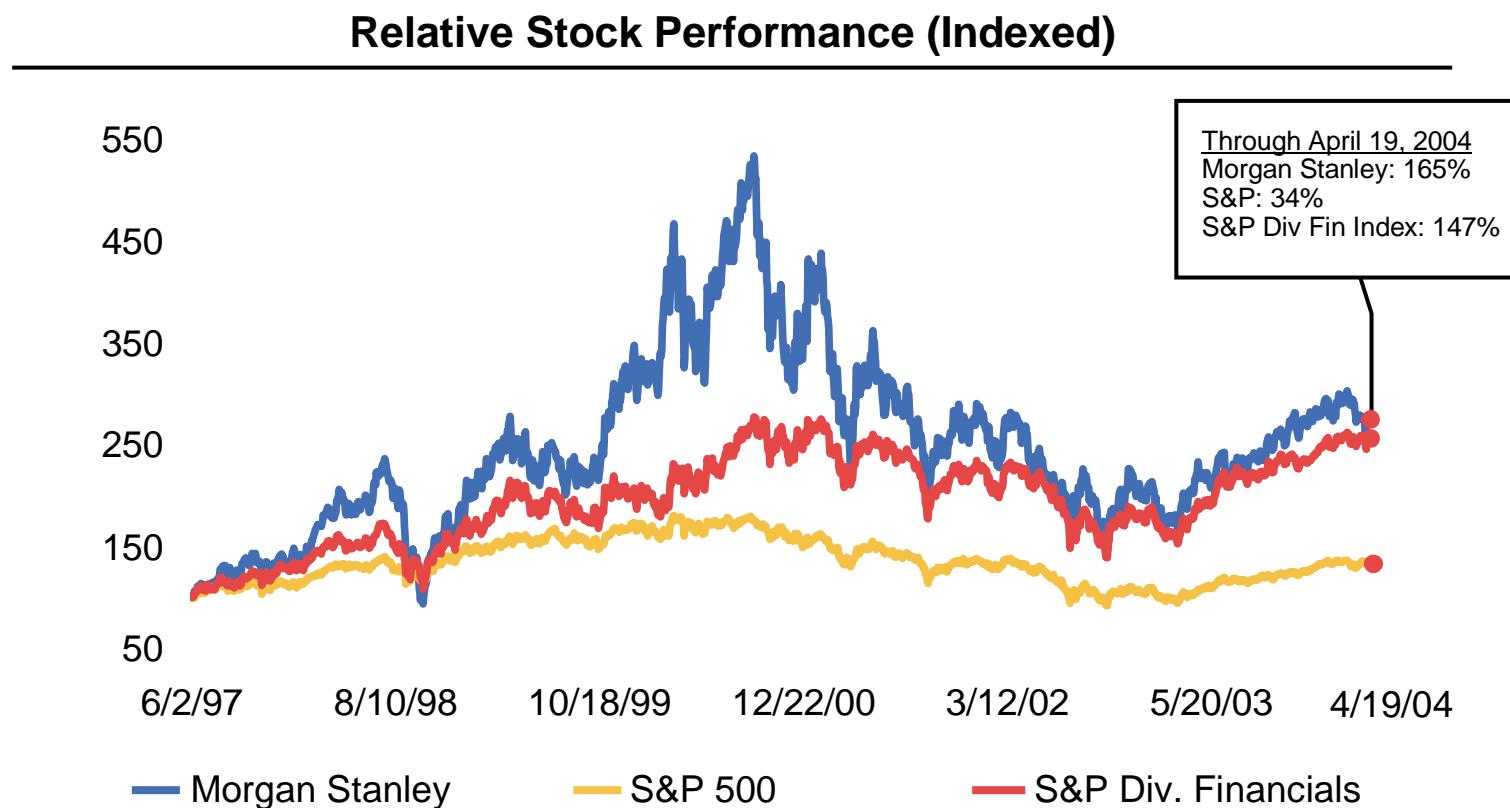
Morgan Stanley Stock Performance



Source: Bloomberg

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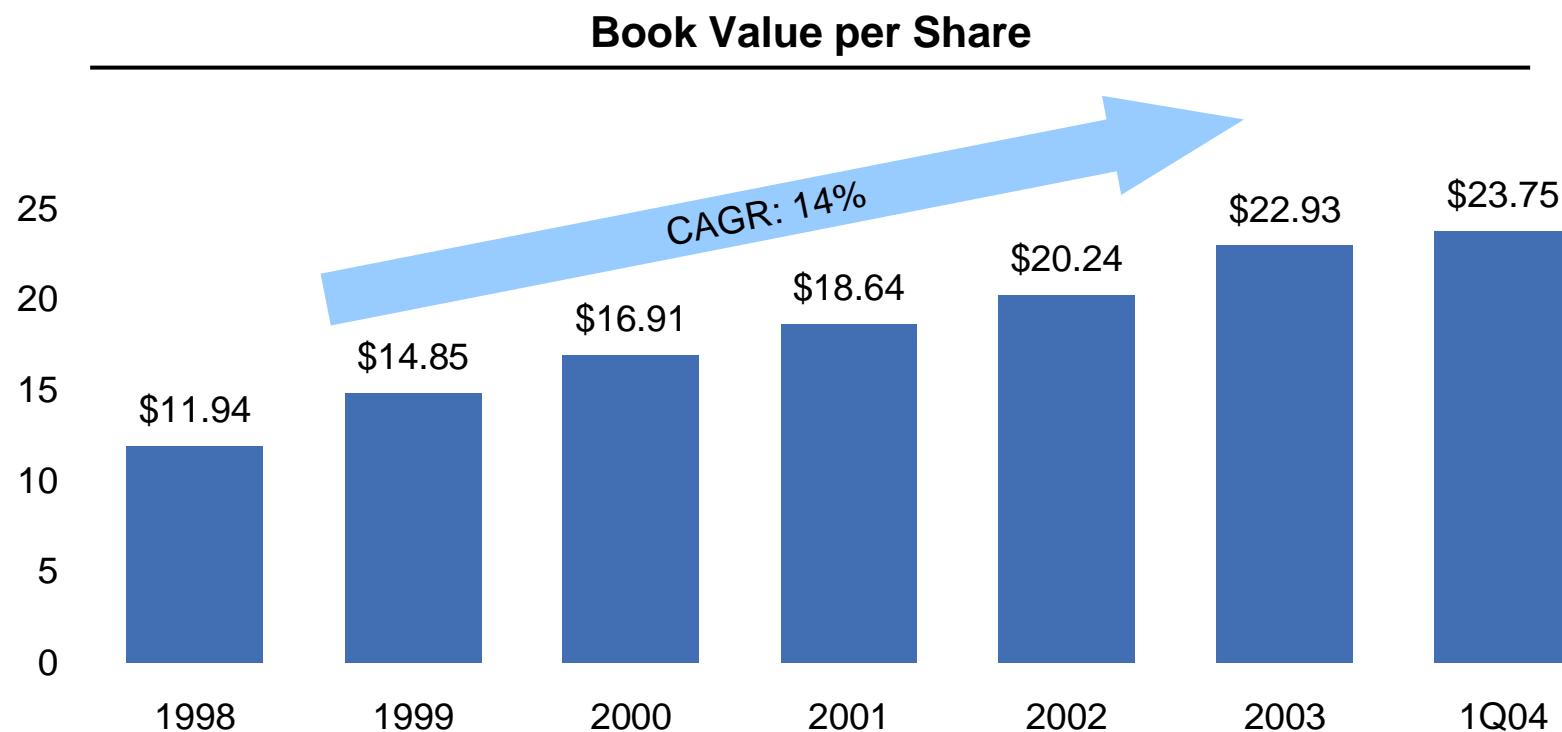
Morgan Stanley Relative Stock Performance



Source: Bloomberg

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Growth in Morgan Stanley Book Value



Source: Morgan Stanley SEC filings

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Return on Equity

	<u>2003 ROE</u>	<u>Avg. ROE 1998-2003</u>
Morgan Stanley	16.5%	22.8%
MER	16.1%	15.3%
LEH	18.2%	18.0%
GS (1)	15.0%	19.5%

Source: Company filings

Note: (1) GS Avg. 1999-2003 only. For 1999, ROE is estimated based on company filings

Firmwide 2004 Initiatives

- Client focus
- Cost discipline
- Capital strength



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