

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

| | Quarter Ended | | | Percentage Change From: | |
|--|---------------|--------------|--------------|-------------------------|--------------|
| | Feb 28, 1999 | Feb 28, 1998 | Nov 30, 1998 | Feb 28, 1998 | Nov 30, 1998 |
| Investment banking | \$ 957 | \$ 800 | \$ 733 | 20% | 31% |
| Principal transactions: | | | | | |
| Trading | 1,691 | 903 | 798 | 87% | 112% |
| Investments | 265 | 72 | 90 | 268% | 194% |
| Commissions | 665 | 547 | 587 | 22% | 13% |
| Fees: | | | | | |
| Asset management, distribution and administration | 714 | 676 | 714 | 6% | -- |
| Merchant and cardmember | 341 | 428 | 377 | (20%) | (10%) |
| Servicing | 253 | 171 | 270 | 48% | (6%) |
| Interest and dividends | 3,480 | 3,933 | 4,007 | (12%) | (13%) |
| Other | 39 | 55 | 44 | (29%) | (11%) |
| Total revenues | 8,405 | 7,585 | 7,620 | 11% | 10% |
| Interest expense | 2,877 | 3,145 | 3,438 | (9%) | (16%) |
| Provision for consumer loan losses | 177 | 405 | 213 | (56%) | (17%) |
| Net revenues | 5,351 | 4,035 | 3,969 | 33% | 35% |
| Compensation and benefits | 2,363 | 1,788 | 1,222 | 32% | 93% |
| Occupancy and equipment | 146 | 140 | 152 | 4% | (4%) |
| Brokerage, clearing and exchange fees | 114 | 121 | 136 | (6%) | (16%) |
| Information processing and communications | 309 | 267 | 307 | 16% | 1% |
| Marketing and business development | 395 | 294 | 477 | 34% | (17%) |
| Professional services | 162 | 128 | 217 | 27% | (25%) |
| Other | 190 | 165 | 197 | 15% | (4%) |
| Total non-interest expenses | 3,679 | 2,903 | 2,708 | 27% | 36% |
| Gain on sales of businesses | 0 | 0 | 685 | -- | * |
| Income before income taxes and cumulative effect of a change in accounting | 1,672 | 1,132 | 1,946 | 48% | (14%) |
| Income tax expense | 635 | 441 | 722 | 44% | (12%) |
| Income before cumulative effect of a change in accounting | 1,037 | 691 | 1,224 | 50% | (15%) |
| Cumulative effect of a change in accounting (1) | 0 | (117) | 0 | * | -- |
| Net income | \$ 1,037 | \$ 574 | \$ 1,224 | 81% | (15%) |
| Preferred stock dividend requirements | \$ 11 | \$ 15 | \$ 12 | (27%) | (8%) |
| Earnings applicable to common shares | \$ 1,026 | \$ 559 | \$ 1,212 | 84% | (15%) |

(1) Represents the effects of an accounting change adopted in the fourth quarter of fiscal 1998 (effective December 1, 1997) with respect to the accounting for offering costs paid by investment advisors of closed end funds where such costs are not specifically reimbursed through separate advisory contracts.