

MORGAN STANLEY DEAN WITTER & CO.
Securities and Asset Management 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	229	72	90	218%	154%
Commissions	652	539	577	21%	13%
Asset management, distribution and administration fees	712	676	713	5%	--
Interest and dividends	2,919	3,150	3,405	(7%)	(14%)
Other	39	53	44	(26%)	(11%)
Total revenues	<u>7,199</u>	<u>6,193</u>	<u>6,360</u>	16%	13%
Interest expense	<u>2,655</u>	<u>2,852</u>	<u>3,219</u>	(7%)	(18%)
Net revenues	<u>4,544</u>	<u>3,341</u>	<u>3,141</u>	36%	45%
Compensation and benefits	2,238	1,646	1,091	36%	105%
Occupancy and equipment	133	122	135	9%	(1%)
Brokerage, clearing and exchange fees	112	118	134	(5%)	(16%)
Information processing and communications	190	147	187	29%	2%
Marketing and business development	129	111	137	16%	(6%)
Professional services	140	105	192	33%	(27%)
Other	144	120	139	20%	4%
Total non-interest expenses	<u>3,086</u>	<u>2,369</u>	<u>2,015</u>	30%	53%
Gain on sales of businesses	<u>0</u>	<u>0</u>	<u>323</u>	--	*
Income before income taxes and cumulative effect of a change in accounting	1,458	972	1,449	50%	1%
Income tax expense	<u>556</u>	<u>380</u>	<u>472</u>	46%	18%
Income before cumulative effect of a change in accounting	902	592	977	52%	(8%)
Cumulative effect of a change in accounting (1)	0	(117)	0	*	--
Net income	<u>\$ 902</u>	<u>\$ 475</u>	<u>\$ 977</u>	90%	(8%)
Compensation and benefits as a % of net revenues	49%	49%	35%		
Non-compensation expenses as a % of net revenues	19%	22%	29%		
Profit margin (2)	20%	14%	31%		

(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.

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