

Morgan Stanley
WORLD WISE

Annual Meeting of Shareholders 2008

TUESDAY, APRIL 8, 2008

Colm Kelleher

Executive Vice President and Chief Financial Officer

Notice

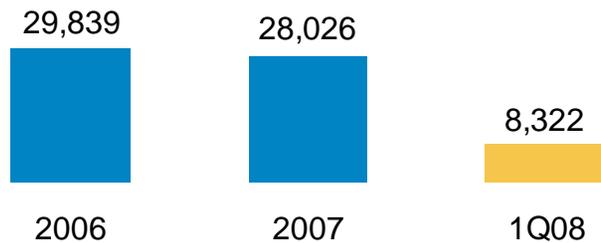
The information provided herein may include certain non-GAAP financial measures. The reconciliation of such measures to the comparable GAAP figures are included in the Company's Annual Reports on Form 10-K and Current Reports on Form 8-K, including any amendments thereto, which are available on www.morganstanley.com.

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, "Legal Proceedings" in Part I, Item 3, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2007 and other items throughout the Form 10-K and the Company's 2008 Current Reports on Form 8-K.

Consolidated Financial Highlights

Net Revenues

(\$MM)



Profit Before Taxes

(\$MM)



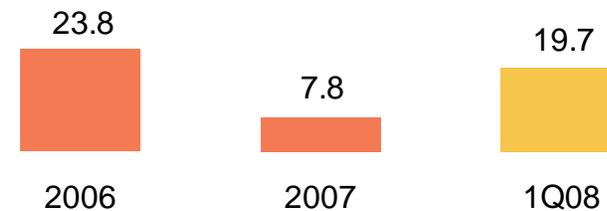
Diluted EPS From Continuing Operations

(\$/Share)



ROE from Continuing Operations

(%)



Source: Morgan Stanley SEC Filings and Earnings Releases

Quarterly Highlights

Institutional Securities

- Net revenues of \$6.2Bn, compared to \$7.2Bn in 1Q07
- PBT of \$2.1Bn, compared to \$2.8Bn in 1Q07
- ROE of 24% and PBT Margin of 34%

Investment Banking

- Net revenues of \$980MM, down 5% from 1Q07

Equity Sales & Trading

- Record net revenues of \$3.3Bn, up 51% from 1Q07
- Derivatives and Prime Brokerage posted record results

Fixed Income Sales & Trading

- Net revenues of \$2.9Bn, the second highest quarter ever
- Interest Rate, Credit and Currencies posted a record quarter
- Commodities produced solid results

Other Sales & Trading

- Losses largely related to leveraged lending

Quarterly Highlights (cont'd)

Global Wealth Management Group

- Net revenues of \$1.6Bn, up 6% from 1Q07
- PBT of \$254MM, up 12% from 1Q07
- PBT Margin of 16% and ROE of 42%
- Average annualized revenue per FA of \$761K and total client assets per FA of \$85MM
- Net new assets of \$11.4Bn represented 8th consecutive quarter of client inflows

Asset Management

- Net revenues of \$543MM, down 60% from 1Q07
- PBT of (\$161)MM reflects Real Estate investment and SIV losses
- AUM of \$577Bn, up 11% from 1Q07
- Net customer inflows of \$6.6Bn primarily from institutional money markets

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