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For Immediate Release

**Morgan Stanley Reports Second Quarter Net Income of \$797 Million;
Return on Equity of 15%**

NEW YORK, June 19, 2002 -- Morgan Stanley (NYSE: MWD) today reported net income of \$797 million for the quarter ended May 31, 2002 -- 6 percent lower than the first quarter of 2002 and a 14 percent decline from the second quarter of 2001. Diluted earnings per share were \$0.72 -- compared to \$0.76 the previous quarter and \$0.82 a year ago.

Second quarter net revenues (total revenues less interest expense and the provision for loan losses) were \$5.0 billion -- 6 percent below first quarter 2002 and 17 percent below second quarter 2001. Non-compensation expenses increased 4 percent from the previous quarter and were 16 percent lower than a year ago. The annualized return on average common equity for the current quarter was 15 percent.

Philip J. Purcell, Chairman, and Robert G. Scott, President, said in a joint statement, "In these difficult markets, our top priority has been to continue to stay close to our clients and serve their needs. Investor confidence has been shaken by events over the past year. Our firm is clearly holding its own financially in this tough environment, earning a return on equity of 15 percent this past quarter. We continue to exercise discipline on expenses. We also benefited from the diversity of our businesses, with Discover Card in particular doing well in the second quarter."

In the first six months of fiscal 2002, net income was \$1,645 million, 18 percent lower than \$2,005 million a year ago.¹ Six-month diluted earnings per share were \$1.48, down 16 percent from last year's \$1.76. Net revenues and non-compensation expenses both declined 17 percent from a year ago. The annualized return on average common equity for the first half of the year was 16 percent.

SECURITIES

Securities posted net income of \$460 million, 27 percent lower than last year's second quarter. The decline in earnings was driven by reduced activity in almost all of the Company's securities businesses, partially offset by an 18 percent decrease in non-compensation expenses.

- In the institutional business:
 - Fixed income sales and trading net revenues were \$845 million, a 31 percent decrease from a record second quarter 2001. A sharp decline in commodities revenues and more modest decreases in government debt and investment grade revenues were partially offset by strength in interest rate derivatives and the global high yield business. The decline in commodities resulted from reduced levels of volatility and liquidity in energy markets.
 - Equity sales and trading net revenues of \$953 million were down 25 percent from a year ago, primarily due to lower levels of market volatility and a decrease in trading activity.
 - Advisory revenues were \$250 million, down 14 percent from a year ago. The decline resulted primarily from depressed levels of global M&A activity. Industry-wide, global completed M&A transaction volume was 41 percent lower in the second quarter compared to a year ago.²

¹ All amounts for the six months ended May 31, 2001, exclude a net after-tax charge of \$59 million, or \$.05 per share, resulting from the adoption of SFAS 133 on December 1, 2000. See page F-1 of Financial Summary, Note 1.

² Source: Thomson Financial Securities Data – March 1 to May 31, 2002.

- Total underwriting revenues declined 26 percent from last year's second quarter to \$397 million, as a result of declines in both equity and debt underwriting revenues.
- In the individual investor group:
 - Net revenues decreased 9 percent to \$1.0 billion, as retail participation in equity markets fell from last year's levels. Revenues from asset management products and fee based assets, however, were up modestly from the prior year.
 - Total client assets of \$570 billion were 10 percent lower than the end of last year's second quarter, compared to declines of 15 percent in the S&P 500 and 23 percent in the NASDAQ. Client assets in fee-based accounts of \$111 billion were unchanged from the first quarter and 5 percent below a year ago. However, the percentage of client assets in fee-based accounts increased to 19 percent from 18 percent a year ago.
 - At quarter-end, the number of global financial advisors stood at 13,707-- a decrease of 408 for the quarter and 549 over the past twelve months.

INVESTMENT MANAGEMENT

Investment management net income rose 11 percent from last year's second quarter to \$141 million, largely as a result of a continuing reduction of operating expenses. Net revenues were lower than a year ago, primarily due to a decline in average assets under management.

- Assets under management declined \$36 billion, or 7 percent, from a year ago to \$451 billion, as a result of a decline in market values and total net fund outflows. Retail assets were \$269 billion, \$4 billion lower than this year's first quarter and \$34 billion lower than last year's second quarter. Institutional assets of \$182 billion increased \$3 billion over the quarter but were \$2 billion lower than a year ago.
- The Company had 55 funds rated four or five stars by Morningstar, compared to 57 at the end of the first quarter. Among investment managers, the Company

had the third highest number of domestic funds receiving one of Morningstar's two highest ratings.³

CREDIT SERVICES

Credit services posted strong second quarter earnings of \$196 million, 15 percent ahead of the second quarter of 2001. The increase in net income was driven by higher net interest and cardmember fee revenues, and lower marketing expenses. Net charge-offs, however, continued to trend higher than a year ago.

- Managed credit card loans of \$49.4 billion at quarter end were 2 percent below second quarter 2001. The interest rate spread widened 123 basis points over the same period, driven by a decline in credit services cost of funds.
- Merchant and cardmember fees rose 8 percent to \$552 million as a result of higher cardmember fees, including late charges, and an increase in the merchant discount rate. Transaction volume of \$23.5 billion equaled last year's level.
- The credit card net charge-off rate rose to 6.30 percent -- 132 basis points higher than a year ago -- primarily due to continued weakness in the U.S. economy and the adverse impact of the seasoning of cardmember accounts. The over-30-day delinquency rate, however, improved to 5.63 percent, the lowest level in the last seven quarters. The over-90-day delinquency rate was 2.65 percent compared to 2.60 percent a year ago.

As of May 31, the Company had repurchased approximately 9 million shares of its common stock since the end of fiscal 2001. The Company also announced that its Board of Directors declared a \$0.23 quarterly dividend per common share. The dividend is payable on July 26, 2002, to common shareholders of record on July 5, 2002.

³ As of May 31, 2002.

Total capital at May 31, 2002 was \$67.7 billion, including \$22.5 billion of common shareholders' equity and preferred securities issued by subsidiaries. Book value per common share was \$19.39, based on 1.1 billion shares outstanding.

Morgan Stanley is a global financial services firm and a market leader in securities, investment management and credit services. With more than 700 offices in 28 countries, Morgan Stanley connects people, ideas and capital to help clients achieve their financial aspirations.

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(See Attached Schedules)

This release may contain forward-looking statements. These statements reflect management's beliefs and expectations, and are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of the risks and uncertainties that may affect the Company's future results, please see "Certain Factors Affecting Results of Operations" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Competition and Regulation" under each of "Securities," "Investment Management" and "Credit Services" in Part I, Item 1 in the Company's 2001 Annual Report on Form 10-K and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Quarterly Reports on Form 10-Q for fiscal 2002.

MORGAN STANLEY DEAN WITTER & CO.
Financial Summary
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
Net revenues								
Securities	\$ 3,487	\$ 4,427	\$ 3,831	(21%)	(9%)	\$ 7,318	\$ 9,175	(20%)
Investment Management	604	639	605	(5%)	--	1,209	1,327	(9%)
Credit Services	874	902	823	(3%)	6%	1,697	1,762	(4%)
Consolidated net revenues	<u>\$ 4,965</u>	<u>\$ 5,968</u>	<u>\$ 5,259</u>	(17%)	(6%)	<u>\$ 10,224</u>	<u>\$ 12,264</u>	(17%)
Net income								
Securities	\$ 460	\$ 632	\$ 539	(27%)	(15%)	\$ 999	\$ 1,412	(29%)
Investment Management	141	127	142	11%	(1%)	283	280	1%
Credit Services	196	171	167	15%	17%	363	313	16%
Income before cumulative effect of accounting change	797	930	848	(14%)	(6%)	1,645	2,005	(18%)
Cumulative effect of accounting change (1)	0	0	0	--	--	0	(59)	*
Consolidated net income	<u>\$ 797</u>	<u>\$ 930</u>	<u>\$ 848</u>	(14%)	(6%)	<u>\$ 1,645</u>	<u>\$ 1,946</u>	(15%)
Preferred stock dividend requirements	\$ 0	\$ 9	\$ 0	*	--	\$ 0	\$ 18	*
Earnings applicable to common shares	<u>\$ 797</u>	<u>\$ 921</u>	<u>\$ 848</u>	(13%)	(6%)	<u>\$ 1,645</u>	<u>\$ 1,928</u>	(15%)
Basic earnings per common share								
Income before cumulative effect of accounting change	\$ 0.73	\$ 0.85	\$ 0.78	(14%)	(6%)	\$ 1.52	\$ 1.83	(17%)
Cumulative effect of accounting change	\$ 0.00	\$ 0.00	\$ 0.00	--	--	\$ 0.00	\$ (0.05)	*
Net income	\$ 0.73	\$ 0.85	\$ 0.78	(14%)	(6%)	\$ 1.52	\$ 1.78	(15%)
Diluted earnings per common share								
Income before cumulative effect of accounting change	\$ 0.72	\$ 0.82	\$ 0.76	(12%)	(5%)	\$ 1.48	\$ 1.76	(16%)
Cumulative effect of accounting change	\$ 0.00	\$ 0.00	\$ 0.00	--	--	\$ 0.00	\$ (0.05)	*
Net income	\$ 0.72	\$ 0.82	\$ 0.76	(12%)	(5%)	\$ 1.48	\$ 1.71	(13%)
Average common shares outstanding								
Basic	1,084,993,202	1,085,305,558	1,082,380,245			1,084,223,242	1,087,205,706	
Diluted	1,113,949,482	1,120,687,197	1,112,959,092			1,113,925,043	1,127,129,224	
Period end common shares outstanding	1,097,109,821	1,110,061,470	1,101,194,353			1,097,109,821	1,110,061,470	
Return on common equity (2)	15.1%	19.1%	16.4%			15.7%	20.8%	

(1) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

(2) Excludes the cumulative effect of accounting change.

Note Certain reclassifications have been made to prior period amounts to conform to the current presentation.

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
Investment banking	\$ 655	\$ 840	\$ 684	(22%)	(4%)	\$ 1,339	\$ 1,821	(26%)
Principal transactions:								
Trading	704	2,070	1,122	(66%)	(37%)	1,826	3,755	(51%)
Investments	(16)	(107)	33	85%	(148%)	17	(153)	111%
Commissions	900	838	777	7%	16%	1,677	1,689	(1%)
Fees:								
Asset management, distribution and administration	1,054	1,074	1,016	(2%)	4%	2,070	2,183	(5%)
Merchant and cardmember	359	325	341	10%	5%	700	638	10%
Servicing	511	476	541	7%	(6%)	1,052	903	17%
Interest and dividends	3,874	6,950	3,832	(44%)	1%	7,706	14,186	(46%)
Other	108	139	194	(22%)	(44%)	302	264	14%
Total revenues	8,149	12,605	8,540	(35%)	(5%)	16,689	25,286	(34%)
Interest expense	2,844	6,406	2,936	(56%)	(3%)	5,780	12,578	(54%)
Provision for consumer loan losses	340	231	345	47%	(1%)	685	444	54%
Net revenues	4,965	5,968	5,259	(17%)	(6%)	10,224	12,264	(17%)
Compensation and benefits	2,234	2,732	2,488	(18%)	(10%)	4,722	5,571	(15%)
Occupancy and equipment	210	230	200	(9%)	5%	410	448	(8%)
Brokerage, clearing and exchange fees	176	177	179	(1%)	(2%)	355	344	3%
Information processing and communications	335	368	320	(9%)	5%	655	720	(9%)
Marketing and business development	259	331	251	(22%)	3%	510	697	(27%)
Professional services	250	336	225	(26%)	11%	475	670	(29%)
Other	254	322	249	(21%)	2%	503	642	(22%)
Total non-interest expenses	3,718	4,496	3,912	(17%)	(5%)	7,630	9,092	(16%)
Income before taxes, dividends on pref. sec. and cumulative effect of accounting change	1,247	1,472	1,347	(15%)	(7%)	2,594	3,172	(18%)
Income tax expense	428	535	477	(20%)	(10%)	905	1,153	(22%)
Div. on pref. sec. subject to mandatory redemption	22	7	22	214%	--	44	14	214%
Income before cumulative effect of accounting change	797	930	848	(14%)	(6%)	1,645	2,005	(18%)
Cumulative effect of accounting change (1)	0	0	0	--	--	0	(59)	*
Net income	\$ 797	\$ 930	\$ 848	(14%)	(6%)	\$ 1,645	\$ 1,946	(15%)
Preferred stock dividend requirements	\$ 0	\$ 9	\$ 0	*	--	\$ 0	\$ 18	*
Earnings applicable to common shares	\$ 797	\$ 921	\$ 848	(13%)	(6%)	\$ 1,645	\$ 1,928	(15%)
Compensation and benefits as a % of net revenues	45%	46%	47%			46%	45%	

(1) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

Note: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
Investment banking	\$ 647	\$ 825	\$ 675	(22%)	(4%)	\$ 1,322	\$ 1,787	(26%)
Principal transactions:								
Trading	704	2,070	1,122	(66%)	(37%)	1,826	3,755	(51%)
Investments	(17)	(106)	32	84%	(153%)	15	(153)	110%
Commissions	888	829	766	7%	16%	1,654	1,668	(1%)
Asset management, distribution and administration fees	478	476	457	--	5%	935	962	(3%)
Interest and dividends	3,266	6,279	3,271	(48%)	--	6,537	12,819	(49%)
Other	107	135	174	(21%)	(39%)	281	249	13%
Total revenues	6,073	10,508	6,497	(42%)	(7%)	12,570	21,087	(40%)
Interest expense	2,586	6,081	2,666	(57%)	(3%)	5,252	11,912	(56%)
Net revenues	3,487	4,427	3,831	(21%)	(9%)	7,318	9,175	(20%)
Compensation and benefits	1,872	2,346	2,121	(20%)	(12%)	3,993	4,788	(17%)
Occupancy and equipment	175	191	167	(8%)	5%	342	368	(7%)
Brokerage, clearing and exchange fees	119	127	126	(6%)	(6%)	245	244	--
Information processing and communications	220	250	219	(12%)	--	439	492	(11%)
Marketing and business development	125	126	103	(1%)	21%	228	275	(17%)
Professional services	144	225	126	(36%)	14%	270	448	(40%)
Other	124	185	111	(33%)	12%	235	369	(36%)
Total non-interest expenses	2,779	3,450	2,973	(19%)	(7%)	5,752	6,984	(18%)
Income before taxes, dividends on pref. sec. and cumulative effect of accounting change	708	977	858	(28%)	(17%)	1,566	2,191	(29%)
Income tax expense	226	338	297	(33%)	(24%)	523	765	(32%)
Div. on pref. sec. subject to mandatory redemption	22	7	22	214%	--	44	14	214%
Income before cumulative effect of accounting change	460	632	539	(27%)	(15%)	999	1,412	(29%)
Cumulative effect of accounting change (1)	0	0	0	--	--	0	(46)	*
Net income	\$ 460	\$ 632	\$ 539	(27%)	(15%)	\$ 999	\$ 1,366	(27%)
Compensation and benefits as a % of net revenues	54%	53%	55%			55%	52%	
Non-compensation expenses as a % of net revenues	26%	25%	22%			24%	24%	
Profit margin (2)	13%	14%	14%			14%	15%	

(1) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

(2) Net income excluding cumulative effect of accounting change as a % of net revenues.

Note Certain reclassifications have been made to prior period amounts to conform to the current presentation.

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
Investment banking	\$ 8	\$ 15	\$ 9	(47%)	(11%)	\$ 17	\$ 34	(50%)
Principal transactions:								
Investments	1	(1)	1	200%	--	2	0	*
Commissions	12	9	11	33%	9%	23	21	10%
Asset management, distribution and administration fees	576	598	559	(4%)	3%	1,135	1,221	(7%)
Interest and dividends	6	17	8	(65%)	(25%)	14	41	(66%)
Other	1	4	18	(75%)	(94%)	19	15	27%
Total revenues	604	642	606	(6%)	--	1,210	1,332	(9%)
Interest expense	0	3	1	*	*	1	5	(80%)
Net revenues	604	639	605	(5%)	--	1,209	1,327	(9%)
Compensation and benefits	170	197	179	(14%)	(5%)	349	406	(14%)
Occupancy and equipment	19	24	19	(21%)	--	38	49	(22%)
Brokerage, clearing and exchange fees	57	50	53	14%	8%	110	100	10%
Information processing and communications	25	25	22	--	14%	47	49	(4%)
Marketing and business development	32	42	29	(24%)	10%	61	77	(21%)
Professional services	49	59	50	(17%)	(2%)	99	114	(13%)
Other	25	26	19	(4%)	32%	44	61	(28%)
Total non-interest expenses	377	423	371	(11%)	2%	748	856	(13%)
Income before income taxes	227	216	234	5%	(3%)	461	471	(2%)
Income tax expense	86	89	92	(3%)	(7%)	178	191	(7%)
Net income	\$ 141	\$ 127	\$ 142	11%	(1%)	\$ 283	\$ 280	1%
Compensation and benefits as a % of net revenues	28%	31%	30%			29%	31%	
Non-compensation expenses as a % of net revenues	34%	35%	32%			33%	34%	
Profit margin (1)	23%	20%	23%			23%	21%	

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

Note: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
Fees:								
Merchant and cardmember	\$ 359	\$ 325	\$ 341	10%	5%	\$ 700	\$ 638	10%
Servicing	511	476	541	7%	(6%)	1,052	903	17%
Other	0	0	2	--	*	2	0	*
Total non-interest revenues	<u>870</u>	<u>801</u>	<u>884</u>	9%	(2%)	<u>1,754</u>	<u>1,541</u>	14%
Interest revenue	602	654	553	(8%)	9%	1,155	1,326	(13%)
Interest expense	258	322	269	(20%)	(4%)	527	661	(20%)
Net interest income	<u>344</u>	<u>332</u>	<u>284</u>	4%	21%	<u>628</u>	<u>665</u>	(6%)
Provision for consumer loan losses	340	231	345	47%	(1%)	685	444	54%
Net credit income	<u>4</u>	<u>101</u>	<u>(61)</u>	(96%)	107%	<u>(57)</u>	<u>221</u>	(126%)
Net revenues	<u>874</u>	<u>902</u>	<u>823</u>	(3%)	6%	<u>1,697</u>	<u>1,762</u>	(4%)
Compensation and benefits	192	189	188	2%	2%	380	377	1%
Occupancy and equipment	16	15	14	7%	14%	30	31	(3%)
Information processing and communications	90	93	79	(3%)	14%	169	179	(6%)
Marketing and business development	102	163	119	(37%)	(14%)	221	345	(36%)
Professional services	57	52	49	10%	16%	106	108	(2%)
Other	105	111	119	(5%)	(12%)	224	212	6%
Total non-interest expenses	<u>562</u>	<u>623</u>	<u>568</u>	(10%)	(1%)	<u>1,130</u>	<u>1,252</u>	(10%)
Income before taxes and cumulative effect of accounting change	312	279	255	12%	22%	567	510	11%
Income tax expense	<u>116</u>	<u>108</u>	<u>88</u>	7%	32%	<u>204</u>	<u>197</u>	4%
Income before cumulative effect of accounting change	196	171	167	15%	17%	363	313	16%
Cumulative effect of accounting change (1)	0	0	0	--	--	0	(13)	*
Net income	<u>\$ 196</u>	<u>\$ 171</u>	<u>\$ 167</u>	15%	17%	<u>\$ 363</u>	<u>\$ 300</u>	21%
Compensation and benefits as a % of net revenues	22%	21%	23%			22%	21%	
Non-compensation expenses as a % of net revenues	42%	48%	46%			44%	50%	
Profit margin (2)	22%	19%	20%			21%	18%	

(1) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

(2) Net income excluding cumulative effect of accounting change as a % of net revenues.

Note: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

MORGAN STANLEY DEAN WITTER & CO.
Credit Services Income Statement Information
(unaudited, dollars in millions)
(Managed loan basis)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
Fees:								
Merchant and cardmember Servicing	\$ 552	\$ 512	\$ 541	8%	2%	\$ 1,093	\$ 1,008	8%
Other	0	0	0	--	--	0	0	--
Other	0	0	2	--	*	2	0	*
Total non-interest revenues	<u>552</u>	<u>512</u>	<u>543</u>	8%	2%	<u>1,095</u>	<u>1,008</u>	9%
Interest revenue	1,614	1,745	1,611	(8%)	--	3,225	3,492	(8%)
Interest expense	480	730	499	(34%)	(4%)	979	1,528	(36%)
Net interest income	<u>1,134</u>	<u>1,015</u>	<u>1,112</u>	12%	2%	<u>2,246</u>	<u>1,964</u>	14%
Provision for consumer loan losses	812	625	832	30%	(2%)	1,644	1,210	36%
Net credit income	<u>322</u>	<u>390</u>	<u>280</u>	(17%)	15%	<u>602</u>	<u>754</u>	(20%)
Net revenues	<u>874</u>	<u>902</u>	<u>823</u>	(3%)	6%	<u>1,697</u>	<u>1,762</u>	(4%)
Compensation and benefits	192	189	188	2%	2%	380	377	1%
Occupancy and equipment	16	15	14	7%	14%	30	31	(3%)
Information processing and communications	90	93	79	(3%)	14%	169	179	(6%)
Marketing and business development	102	163	119	(37%)	(14%)	221	345	(36%)
Professional services	57	52	49	10%	16%	106	108	(2%)
Other	105	111	119	(5%)	(12%)	224	212	6%
Total non-interest expenses	<u>562</u>	<u>623</u>	<u>568</u>	(10%)	(1%)	<u>1,130</u>	<u>1,252</u>	(10%)
Income before taxes and cumulative effect of accounting change	312	279	255	12%	22%	567	510	11%
Income tax expense	116	108	88	7%	32%	204	197	4%
Income before cumulative effect of accounting change	196	171	167	15%	17%	363	313	16%
Cumulative effect of accounting change (1)	0	0	0	--	--	0	(13)	*
Net income	<u>\$ 196</u>	<u>\$ 171</u>	<u>\$ 167</u>	15%	17%	<u>\$ 363</u>	<u>\$ 300</u>	21%
Compensation and benefits as a % of net revenues	22%	21%	23%			22%	21%	
Non-compensation expenses as a % of net revenues	42%	48%	46%			44%	50%	
Profit margin (2)	22%	19%	20%			21%	18%	

(1) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

(2) Net income excluding cumulative effect of accounting change as a % of net revenues.

Note Certain reclassifications have been made to prior period amounts to conform to the current presentation.

MORGAN STANLEY DEAN WITTER & CO.
Financial Information and Statistical Data
(unaudited)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
Morgan Stanley								
Total assets (millions)	\$ 548,000	\$ 497,000	\$ 492,000	10%	11%			
Period end common shares outstanding (millions)	1,097.1	1,110.1	1,101.2	(1%)	--			
Book value per common share	\$ 19.39	\$ 17.54	\$ 18.97	11%	2%			
Shareholders' equity (millions) (1)	\$ 22,486	\$ 20,419	\$ 22,102	10%	2%			
Total capital (millions) (2)	\$ 67,690	\$ 61,274	\$ 61,042	10%	11%			
Worldwide employees	58,538	62,909	59,875	(7%)	(2%)			
SECURITIES								
Advisory revenue (millions)	\$ 250	\$ 291	\$ 292	(14%)	(14%)	\$ 542	\$ 741	(27%)
Underwriting revenue (millions)	\$ 397	\$ 534	\$ 383	(26%)	4%	\$ 780	\$ 1,046	(25%)
Institutional Securities								
Sales and trading net revenue (millions) (3)								
Equity	\$ 953	\$ 1,263	\$ 931	(25%)	2%	\$ 1,884	\$ 2,759	(32%)
Fixed income	\$ 845	\$ 1,233	\$ 1,104	(31%)	(23%)	\$ 1,949	\$ 2,270	(14%)
Mergers and acquisitions announced transactions (4)								
Morgan Stanley global market volume (billions)	\$ 85.4	\$ 185.4	\$ 36.0					
Rank	3	2	5					
Worldwide equity and related issues (4)								
Morgan Stanley global market volume (billions)	\$ 11.3	\$ 25.8	\$ 6.1					
Rank	5	3	5					
Individual Investor Group								
Net revenue (millions)	\$ 1,037	\$ 1,145	\$ 1,006	(9%)	3%	\$ 2,043	\$ 2,344	(13%)
Global financial advisors	13,707	14,256	14,115	(4%)	(3%)			
Total client assets (billions)	\$ 570	\$ 634	\$ 588	(10%)	(3%)			
Fee-based client account assets (billions) (5)	\$ 111	\$ 117	\$ 111	(5%)	--			
INVESTMENT MANAGEMENT (\$ billions)								
Assets under management or supervision								
Products offered primarily to individuals								
Mutual funds								
Equity	\$ 80	\$ 94	\$ 81	(15%)	(1%)			
Fixed income	35	41	36	(15%)	(3%)			
Money markets	61	63	64	(3%)	(5%)			
Total mutual funds	176	198	181	(11%)	(3%)			
ICS Assets	32	32	30	--	7%			
Separate accounts, unit trust and other arrangements	61	73	62	(16%)	(2%)			
Sub-total Individual	269	303	273	(11%)	(1%)			
Products offered primarily to institutional clients								
Mutual funds	37	39	37	(5%)	--			
Separate accounts, pooled vehicle and other arrangements	145	145	142	--	2%			
Sub-total Institutional	182	184	179	(1%)	2%			
Total assets under management or supervision	\$ 451	\$ 487	\$ 452	(7%)	--			

(1) Includes preferred and common equity and preferred securities issued by subsidiaries.

(2) Includes preferred and common equity, preferred securities issued by subsidiaries, capital units and non-current portion of long-term debt.

(3) Includes principal trading, commissions and net interest revenue.

(4) Source: Thomson Financial Securities Data - January 1 to June 4, 2002.

(5) Represents the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.

Note: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

MORGAN STANLEY DEAN WITTER & CO.
Financial Information and Statistical Data
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage Change
	May 31, 2002	May 31, 2001	Feb 28, 2002	May 31, 2001	Feb 28, 2002	May 31, 2002	May 31, 2001	
CREDIT SERVICES								
Owned credit card loans								
Period end	\$ 20,224	\$ 20,909	\$ 20,554	(3%)	(2%)	\$ 20,224	\$ 20,909	(3%)
Average	\$ 20,747	\$ 21,301	\$ 20,972	(3%)	(1%)	\$ 20,858	\$ 21,426	(3%)
Managed credit card loans (1)								
Period end	\$ 49,377	\$ 50,227	\$ 49,569	(2%)	--	\$ 49,377	\$ 50,227	(2%)
Average	\$ 49,379	\$ 49,658	\$ 50,396	(1%)	(2%)	\$ 49,882	\$ 49,468	1%
Interest yield	12.64%	13.34%	12.63%	(70 bp)	1 bp	12.63%	13.50%	(87 bp)
Interest spread	8.72%	7.49%	8.61%	123 bp	11 bp	8.66%	7.30%	136 bp
Net charge-off rate	6.30%	4.98%	6.49%	132 bp	(19 bp)	6.40%	4.88%	152 bp
Delinquency rate (over 30 days)	5.63%	5.84%	6.75%	(21 bp)	(112 bp)	5.63%	5.84%	(21 bp)
Delinquency rate (over 90 days)	2.65%	2.60%	3.12%	5 bp	(47 bp)	2.65%	2.60%	5 bp
Transaction volume (billions)	\$ 23.5	\$ 23.5	\$ 24.1	--	(3%)	\$ 47.6	\$ 47.9	(1%)
Accounts (millions)	46.2	44.7	46.0	3%	--	46.2	44.7	3%
Active accounts (millions)	23.4	24.3	23.8	(4%)	(1%)	23.4	24.3	(4%)
Average receivables per average active account (actual \$)	\$ 2,086	\$ 2,052	\$ 2,098	2%	(1%)	\$ 2,092	\$ 2,051	2%
Securitization gain	\$ 11	\$ 49	\$ 8	(78%)	38%	\$ 19	\$ 74	(74%)

(1) Includes owned and securitized credit card loans.

Note: Certain reclassifications have been made to prior period amounts to conform to the current presentation.