

A MESSAGE TO MORGAN STANLEY EMPLOYEES:

April 4, 2005

A Message to All the Employees of
Morgan Stanley:

We understand that the events of the past seven days are disturbing to all of you; they are upsetting to us as well. To see talented, respected leaders tossed aside by the CEO for unknown reasons raises troubling questions about the leadership, governance and direction of the Firm.

While the recent turmoil is, of course, regrettable, the stakes are important. The leadership problems at the Firm must be addressed and resolved. We want to see the Firm in its entirety begin again to grow and flourish. We want all of you to benefit from an environment like the one we knew: where a commitment to excellence is a core value and where healthy debate can make us all better people.

The most important asset of Morgan Stanley is you, its people. As upsetting as the current

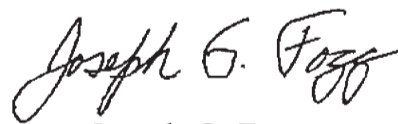
situation is, we urge you to remain focused on your clients and your responsibilities. With your continued dedication to the Firm, we know that together we can recreate an environment where you can achieve your goals. We understand that many of you feel that there is an atmosphere of intimidation and fear at the Firm in which you may feel that you cannot express your views without fear of retaliation. We have, therefore, created a vehicle where you can express your feelings without prejudice. You can contact us through our website at www.futureofms.com, or through our financial advisor Greenhill & Co. We will endeavor to communicate your collective views to the Board of Directors, without attributing them to specific individuals.

Please do not lose hope. We pledge our energy and efforts to make Morgan Stanley a firm of which we can all be proud.

Committed to you all,



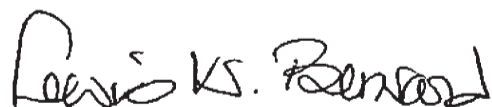
Anson M. Beard, Jr.



Joseph G. Fogg



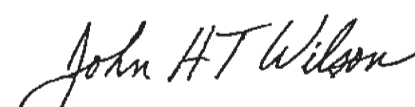
Frederick B. Whittmore




Lewis W. Bernard



S. Parker Gilbert



John H. T. Wilson



Richard A. Debs



Robert G. Scott

**MORGAN STANLEY EMPLOYEES:
CONVEY YOUR OPINIONS AT
WWW.FUTUREOFMS.COM**