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Morgan Stanley

For Immediate Release

Morgan Stanley to Advise U.S. Department of the Treasury Regarding Fannie Mae and Freddie Mac

NEW YORK, August 5, 2008 – Morgan Stanley (NYSE: MS) confirmed today that it has been retained by the United States Department of the Treasury to provide capital markets advice to support the Treasury's responsibilities associated with its new authorities regarding Fannie Mae and Freddie Mac. As part of that assignment, Morgan Stanley will support the Treasury's work to promote market stability and the availability of mortgage credit.

Morgan Stanley Chairman and Chief Executive Officer John J. Mack said, "Morgan Stanley is honored to have been asked to serve as financial advisor to the U.S. Treasury as it evaluates various alternatives for Fannie Mae and Freddie Mac. We are pleased to be able to offer our services to the government and look forward to working with Secretary Paulson and his team as they work to restore stability to the global capital markets and confidence in the U.S. housing market."

Morgan Stanley will accept no fees for this assignment and will receive only \$95,000 from the Government toward its expenses.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 33 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

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