

Piper Jaffray Companies
Preliminary Unaudited Results of Operations

(Dollars in thousands, except per share amounts)

	For the Year Ended December 31,		Percent
	2003	2002	Inc/(Dec)
Revenues:			
Commissions and fees	\$ 256,747	\$ 275,682	(6.9) %
Profits on principal transactions	215,191	171,957	25.1
Investment banking	229,945	208,740	10.2
Interest	45,276	59,685	(24.1)
Other income	59,082	47,303	24.9
Total revenue	806,241	763,367	5.6
Interest expense	19,511	34,315	(43.1)
Net revenue	786,730	729,052	7.9
Non-interest expenses:			
Compensation and benefits	482,397	449,329	7.4
Occupancy and equipment	58,025	55,549	4.5
Communications	37,599	36,316	3.5
Floor brokerage and clearance	22,755	26,040	(12.6)
Marketing and business development	39,030	44,115	(11.5)
Outside services	34,219	32,717	4.6
Cash award plan	24,000	-	N/M
Regulatory settlement	-	32,500	N/M
Merger and restructuring	-	7,976	N/M
Royalty fee	3,911	7,482	(47.7)
Other operating expenses	42,960	31,067	38.3
Total non-interest expenses	744,896	723,091	3.0
Income before income tax expense	41,834	5,961	601.8
Income tax expense	15,835	5,855	170.5
Net income	<u>\$ 25,999</u>	<u>\$ 106</u>	<u>N/M</u>
Earnings Per Common Share			
Basic	\$ 1.35	\$ 0.01	N/M
Diluted	\$ 1.35	\$ 0.01	N/M
Weighted Average Shares Used in Computing Earnings per Common Share			
Basic	19,237	19,160	0.4 %
Diluted	19,237	19,160	0.4 %

N/M - Not Meaningful

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(Dollars in thousands, except per share amounts)

	For the Three Months Ended			Percent Inc/(Dec)	
	Dec. 31, 2003	Sept. 30, 2003	Dec. 31, 2002	4Q03 vs. 3Q03	4Q03 vs. 4Q02
Revenues:					
Commissions and fees	\$ 67,608	\$ 63,797	\$ 65,901	6.0 %	2.6 %
Profits on principal transactions	53,065	51,592	46,456	2.9	14.2
Investment banking	59,195	74,992	49,087	(21.1)	20.6
Interest	11,611	10,358	13,608	12.1	(14.7)
Other income	14,851	14,161	10,434	4.9	42.3
Total revenue	206,330	214,900	185,486	(4.0)	11.2
Interest expense	4,532	4,225	6,179	7.3	(26.7)
Net revenue	201,798	210,675	179,307	(4.2)	12.5
Non-interest expenses:					
Compensation and benefits	116,966	129,455	104,826	(9.6)	11.6
Occupancy and equipment	17,728	13,623	12,563	30.1	41.1
Communications	10,015	9,100	8,454	10.1	18.5
Floor brokerage and clearance	5,228	5,700	6,567	(8.3)	(20.4)
Marketing and business development	11,746	8,576	9,739	37.0	20.6
Outside services	11,426	8,133	9,584	40.5	19.2
Cash award plan	24,000	-	-	N/M	N/M
Regulatory settlement	-	-	32,500	N/M	N/M
Merger and restructuring	-	-	6,485	N/M	N/M
Royalty fee	804	1,128	1,818	(28.7)	(55.8)
Other operating expenses	9,009	8,855	17,280	1.7	(47.9)
Total non-interest expenses	206,922	184,570	209,816	12.1	(1.4)
Income (loss) before income tax expense (benefit)	(5,124)	26,105	(30,509)	N/M	N/M
Income tax expense (benefit)	(1,778)	10,075	(7,284)	N/M	N/M
Net income (loss)	<u>\$ (3,346)</u>	<u>\$ 16,030</u>	<u>\$ (23,225)</u>	<u>N/M</u>	<u>N/M</u>
Earnings Per Common Share					
Basic	\$ (0.17)	\$ 0.83	\$ (1.21)	N/M	N/M
Diluted	\$ (0.17)	\$ 0.83	\$ (1.21)	N/M	N/M
Weighted Average Shares Used in Computing Earnings per Common Share					
Basic	19,273	19,260	19,162	0.1 %	0.6 %
Diluted	19,273	19,260	19,162	0.1 %	0.6 %

N/M - Not Meaningful

Piper Jaffray Companies
Preliminary Segment Data (unaudited)

	For the Three Months Ended			For the Year Ended	
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2003	December 31, 2002
<i>(Dollars in thousands)</i>					
Capital Markets					
Net revenue	\$ 110,739	\$ 121,644	\$ 96,246	\$ 430,355	\$ 376,074
Operating expense	92,241	94,948	75,784	352,409	310,419
Segment pre-tax operating income	<u>\$ 18,498</u>	<u>\$ 26,696</u>	<u>\$ 20,462</u>	<u>\$ 77,946</u>	<u>\$ 65,655</u>
Segment pre-tax operating margin	16.7%	21.9%	21.3%	18.1%	17.5%
Private Client Services					
Net revenue	\$ 88,821	\$ 88,367	\$ 83,088	\$ 352,113	\$ 357,155
Operating expense	80,253	77,037	76,046	323,631	327,253
Segment pre-tax operating income	<u>\$ 8,568</u>	<u>\$ 11,330</u>	<u>\$ 7,042</u>	<u>\$ 28,482</u>	<u>\$ 29,902</u>
Segment pre-tax operating margin	9.6%	12.8%	8.5%	8.1%	8.4%
Corporate Support and Other					
Net revenue	\$ 2,238	\$ 664	\$ (27)	\$ 4,262	\$ (4,177)
Operating expense	9,624	11,457	17,183	40,945	37,461
Segment pre-tax operating income (loss)	<u>\$ (7,386)</u>	<u>\$ (10,793)</u>	<u>\$ (17,210)</u>	<u>\$ (36,683)</u>	<u>\$ (41,638)</u>
Segment pre-tax operating margin	NM	NM	NM	NM	NM
Reconciliation to total income (loss) before taxes:					
Total segment pre-tax operating income	\$ 19,680	\$ 27,233	\$ 10,294	\$ 69,745	\$ 53,919
Royalty fee	804	1,128	1,818	3,911	7,482
Merger and restructuring	-	-	6,485	-	7,976
Regulatory settlement	-	-	32,500	-	32,500
Cash award plan	24,000	-	-	24,000	-
Total income (loss) before taxes	<u>\$ (5,124)</u>	<u>\$ 26,105</u>	<u>\$ (30,509)</u>	<u>\$ 41,834</u>	<u>\$ 5,961</u>
Pre-tax operating margin	-2.5%	12.4%	-17.0%	5.3%	0.8%

N/M - Not Meaningful