



JEFFERIES

FOR IMMEDIATE RELEASE

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JEFFERIES ANNOUNCES ALL-TIME RECORD QUARTERLY RESULTS

Revenues, Net Earnings and Earnings Per Share Up 64%, 125% and 104%, Respectively

NEW YORK, April 13, 2004 – Jefferies Group, Inc. (NYSE: JEF) today announced record financial results for the first quarter ended March 26, 2004.

Highlights for the first quarter ended March 26, 2004:

- Total revenues were up 64% to a record \$303.1 million versus \$185.3 million for the first quarter of 2003.
- Net earnings were up 125% to a record \$31.9 million compared to \$14.2 million for the first quarter of 2003.
- Earnings per share (diluted) were up 104% to a record \$0.51 compared to \$0.25 for the first quarter of 2003.
- Total trading revenues were up 39% to a record \$158.7 million versus \$114.4 million for the first quarter of 2003.
- Investment banking revenues were up 107% to \$91.4 million versus \$44.2 million for the first quarter of 2003.
- Combined asset management fees / investment income from managed funds was up 561% to a record \$23.8 million versus \$3.6 million for the first quarter of 2003.

"We are pleased that, across the board, our business units all performed well," said Richard B. Handler, Chairman and Chief Executive Officer of Jefferies.

"The support of our clients and the dedication of our hard-working employees are key to our success," added John C. Shaw, Jr., President of Jefferies.

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Conference Call

A conference call with management discussion of financial results for the first quarter ended March 26, 2004 will be held April 13 at 11:00 AM (Eastern) and can be accessed at 617-801-9714 (code: 22871334). A replay of the call will be available two hours post-call at 617-801-6888 (code: 74311674). A live audio Webcast and delayed replay will also be available under "Investor Relations" at www.jefco.com. Questions for consideration by management can be submitted in advance through the "Contact Us" function at www.jefco.com or by calling 203-708-5975 by 9:30 AM Eastern on April 13.

About Jefferies

Jefferies Group, Inc. (NYSE: JEF) is a holding company whose affiliated companies, including its principal operating subsidiary, Jefferies & Company, Inc., offer a variety of services for institutional investors and middle-market companies. Subsidiaries of Jefferies Group, Inc., together, comprise a full-service investment bank and institutional securities firm focused on the middle market. Jefferies offers financial advisory, capital raising, mergers and acquisitions, and restructuring services to small and mid-cap companies. The firm provides outstanding trade execution in equity, high yield, convertible and international securities, as well as fundamental research and asset management capabilities, to institutional investors. Additional services include correspondent clearing, prime brokerage, private client services and securities lending. The firm's leadership in equity trading is recognized by numerous consulting and survey organizations, and Jefferies' subsidiary, Helfant Group, Inc., executes approximately ten percent of the daily reported volume of the NYSE.

Through its subsidiaries, Jefferies Group, Inc. employs more than 1,600 people in offices worldwide, including Atlanta, Boston, Chicago, Dallas, London, Los Angeles, New York, Paris, San Francisco, Tokyo, Washington and Zurich. Further information about Jefferies, including a description of investment banking, trading, research and asset management services, can be found at www.jefco.com.

-- financial tables follow --

JEFFERIES GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Amounts in Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended	
	Mar. 26, 2004	Mar. 28, 2003
Revenues:		
Commissions	\$ 72,303	\$ 56,657
Principal transactions.....	86,440	57,765
Investment banking.....	91,372	44,203
Asset management fees and investment income from managed funds.....	23,801	3,601
Interest	24,739	21,499
Other	4,439	1,574
Total revenues.....	<u>303,094</u>	<u>185,299</u>
Interest expense.....	<u>24,587</u>	<u>21,050</u>
Revenues, net of interest expense.....	<u>278,507</u>	<u>164,249</u>
Non-interest expenses:		
Compensation and benefits	158,938	95,397
Floor brokerage and clearing fees	13,755	10,812
Technology and communications.....	16,409	14,471
Occupancy and equipment rental	9,612	7,326
Business development.....	8,410	6,050
Other	10,164	6,936
Total non-interest expenses.....	<u>217,288</u>	<u>140,992</u>
Earnings before income taxes and minority interest.....	61,219	23,257
Income taxes.....	<u>21,257</u>	<u>9,072</u>
Earnings before minority interest.....	39,962	14,185
Minority interest in earnings of consolidated subsidiaries, net.....	8,053	—
Net earnings.....	<u>\$ 31,909</u>	<u>\$ 14,185</u>
Earnings per share:		
Basic.....	<u>\$ 0.57</u>	<u>\$ 0.27</u>
Diluted.....	<u>\$ 0.51</u>	<u>\$ 0.25</u>
Weighted average shares:		
Basic.....	56,298	52,054
Diluted.....	63,078	57,124

* All share and per share information has been restated to retroactively reflect the effect of the two-for-one stock split declared by the Board of Directors on July 14, 2003 and effected as a stock dividend on August 15, 2003.

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JEFFERIES GROUP, INC. AND SUBSIDIARIES
SELECTED STATISTICAL INFORMATION
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Quarters ended				
	3/26/2004	12/31/2003	9/26/2003	6/27/2003	3/28/2003
Statement of Earnings					
Revenues, net of interest expense.....	\$278,507	\$265,704	\$200,830	\$198,831	\$164,249
Non-interest expenses:					
Compensation and benefits	158,938	149,201	115,996	114,115	95,397
Non-personnel expenses	58,350	63,669	48,694	52,414	45,595
Earnings before income taxes and minority interest.....	61,219	52,834	36,140	32,302	23,257
Income taxes.....	21,257	19,233	12,906	11,640	9,072
Earnings before minority interest.....	39,962	33,601	23,234	20,662	14,185
Minority interest in earnings of consolidated subsidiaries, net.....	8,053	3,005	2,702	1,924	—
Net earnings.....	<u>\$31,909</u>	<u>\$30,596</u>	<u>\$20,532</u>	<u>\$18,738</u>	<u>\$14,185</u>
Diluted earnings per share.....	<u>\$0.51</u>	<u>\$0.50</u>	<u>\$0.35</u>	<u>\$0.32</u>	<u>\$0.25</u>
Financial Ratios					
Pretax operating margin	22.0%	19.9%	18.0%	16.2%	14.2%
Compensation and benefits / net revenues	57.1%	56.2%	57.8%	57.4%	58.1%
Effective tax rate	34.7%	36.4%	35.7%	36.0%	39.0%

* All per share information has been restated to retroactively reflect the effect of the two-for-one stock split declared by the Board of Directors on July 14, 2003 and effected as a stock dividend on August 15, 2003.

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JEFFERIES GROUP, INC. AND SUBSIDIARIES
SELECTED STATISTICAL INFORMATION
(Dollars and Shares in Thousands)
(Unaudited)

	Quarters ended				
	3/26/2004	12/31/2003	9/26/2003	6/27/2003	3/28/2003
Revenues by Source					
Commissions and principal transactions:					
Equities	\$92,879	\$92,021	\$85,142	\$85,047	\$69,993
International	25,713	21,507	21,951	25,618	16,231
High yield	12,217	13,866	9,216	7,897	9,312
Convertibles	7,578	6,899	5,146	8,570	8,184
Execution	8,570	6,493	6,209	5,946	5,089
Bonds Direct	11,152	8,600	8,066	6,038	4,538
Other proprietary	634	763	5,585	7,115	1,075
Total	<u>158,743</u>	<u>150,149</u>	<u>141,315</u>	<u>146,231</u>	<u>114,422</u>
Investment banking	91,372	98,689	42,000	44,716	44,203
Asset management fees and investment income from managed funds:					
Asset management fees	10,105	6,690	4,891	3,010	2,677
Investment income from managed funds	13,696	5,161	4,813	3,976	924
Total	<u>23,801</u>	<u>11,851</u>	<u>9,704</u>	<u>6,986</u>	<u>3,601</u>
Interest	24,739	26,621	23,582	30,701	21,499
Other	4,439	1,951	5,346	1,575	1,574
Total revenues	<u>\$303,094</u>	<u>\$289,261</u>	<u>\$221,947</u>	<u>\$230,209</u>	<u>\$185,299</u>

Other Data

Number of trading days	59	66	63	63	60
Average employees	1,612	1,432	1,384	1,364	1,359
Common shares outstanding	56,808	56,702	56,425	55,142	55,136
Weighted average shares:					
Basic	56,298	54,113	53,534	52,608	52,054
Diluted	63,078	61,039	59,502	58,077	57,124

* All share and per share information has been restated to retroactively reflect the effect of the two-for-one stock split declared by the Board of Directors on July 14, 2003 and effected as a stock dividend on August 15, 2003.

As of March 26, 2004, stockholders' equity amounted to \$903 million, resulting in a book value of \$15.90 per share.
