

LEUCADIA NATIONAL CORP
Form S-4
December 07, 2012

As filed with the Securities and Exchange Commission on December 6, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LEUCADIA NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

New York	2400	13-2615557
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number) 315 Park Avenue South New York, NY 10010 (212) 460-1900	(I.R.S. Employer Identification No.)

(Address, including ZIP code, and telephone number,
including area code, of registrant's principal executive offices)

Joseph A. Orlando
Leucadia National Corporation
315 Park Avenue South
New York, NY 10010
(212) 460-1900

(Name, address, including ZIP code, and telephone number,
including area code, of agent for service)

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(212) 403-2000 (fax)

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the transactions described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

- Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered*	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Shares, par value \$1.00 per share	239,012,590 (1)	N/A	\$4,946,970,449(2)	\$674,767(3)

* Pursuant to Rule 416, this registration statement also covers an indeterminate number of additional common shares of the Registrant as may be issuable as a result of stock splits, stock dividends or similar transactions and shares reserved and available for issuance pursuant to the various Jefferies equity plans.

- (1) Represents the maximum number of the Registrant's common shares estimated to be issuable pursuant to the transactions described in the enclosed joint proxy statement/prospectus.
- (2) The proposed maximum aggregate offering price of the Registrant's common shares was calculated based upon the market value of shares of Jefferies Group, Inc. common stock (the securities to be cancelled in the transactions) in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: the product of (i) \$16.765, the average of the high and low prices per share of the Jefferies Group, Inc. common stock as reported on the New York Stock Exchange on November 30, 2012 and (ii) 295,077,271, the estimated maximum number of shares of Jefferies Group, Inc. common stock that may be exchanged pursuant to the transactions.
- (3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$136.40 per \$1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this document is not complete and may be changed. Leucadia National Corporation may not issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION, DATED DECEMBER 6, 2012

**JOINT PROXY STATEMENT/PROSPECTUS
PROPOSED MERGER YOUR VOTE IS IMPORTANT**

We are very pleased to provide this document to you. It is a prospectus related to a proposed issuance by Leucadia National Corporation (referred to as "Leucadia"), of its common shares pursuant to an Agreement and Plan of Merger (referred to as the "second merger agreement") entered into by, among others, Leucadia and Jefferies Group, Inc. (referred to as "Jefferies"). Upon the terms and subject to the conditions set forth in the second merger agreement and the Agreement and Plan of Merger entered into among Jefferies and certain of its subsidiaries (referred to as the "first merger agreement"), if the requisite shareholder or stockholder approval, as applicable, and other approvals are obtained and the other closing conditions are satisfied or waived, through a series of transactions that are further described in this document, Jefferies will become a wholly-owned subsidiary of Leucadia. This document is also a proxy statement for Jefferies and Leucadia to use in soliciting proxies for their respective special meetings of stockholders or shareholders. At Leucadia's special meeting of shareholders, Leucadia shareholders will vote on, among other things, the proposal to issue Leucadia common shares and the proposal to amend Leucadia's certificate of incorporation with respect to its existing transfer restrictions. At Jefferies' special meeting of stockholders, Jefferies stockholders will vote on, among other things, the proposal to adopt the first merger agreement and to approve the transactions contemplated by the first merger agreement, which will be the only stockholder authorization required for Jefferies and its affiliates to consummate the merger with Leucadia.

This is an exciting and important event in each of our companies' histories. The board of directors of each of Leucadia and Jefferies has approved the proposed transactions by unanimous vote of all directors voting (Messrs. Cumming and Steinberg having recused themselves from consideration of the transactions on behalf of Jefferies because they are directors and officers of Leucadia). Under the General Corporation Law of the State of Delaware, the approval of Jefferies stockholders must be obtained before effecting the first merger agreement and, if not obtained, the second merger agreement and the transactions contemplated by the second merger agreement cannot be completed. Under the rules of the New York Stock Exchange (referred to as the "NYSE"), Leucadia is required to obtain shareholder approval prior to issuing its common shares in connection with the transactions contemplated by the second merger agreement.

The series of transactions described in this document include, among others, what are referred to as the first merger and the second merger. The first merger involves only Jefferies and two of its subsidiaries. Pursuant to the first merger agreement, at the effective time of the first merger, each outstanding share of Jefferies common stock will be converted into one share of common stock of JSP Holdings, Inc. (referred to as "New Jefferies"). The first merger will result in a holding company owning Jefferies but will not affect the merger consideration that Jefferies stockholders will receive at the effective time of the second merger with Leucadia pursuant to the second merger agreement. Pursuant to the second merger agreement, at the effective time of the second merger, each share of New Jefferies common stock issued and outstanding immediately prior to the effective time of the second merger (excluding shares held by New Jefferies in treasury or any shares held by Leucadia, which shall be cancelled and cease to exist for no consideration) will be cancelled and converted into the right to receive 0.81 common shares of Leucadia. The second merger will result in Jefferies becoming a wholly-owned subsidiary of Leucadia. The second merger agreement contemplates that prior to the effective date of the second merger, Leucadia will distribute to its shareholders all of the common stock of its wholly-owned subsidiary, Crimson Wine Group, Ltd. (referred to as "Crimson"), in a pro rata distribution that is intended to be tax-free to Leucadia and its shareholders. Crimson is engaged in the production and sale of premium, ultra-premium and luxury wines. After the distribution is complete, Crimson will be a separate publicly held company. Jefferies stockholders will not receive shares of Crimson in the distribution.

Jefferies common stock currently trades on the NYSE under the ticker symbol "JEF" and Leucadia common shares currently trade on the NYSE under the ticker symbol "LUK." The Leucadia common shares being registered pursuant to the registration statement on Form S-4 (of which the accompanying joint proxy statement/prospectus forms a part) will be listed on the NYSE.

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The special meeting of Jefferies stockholders will be held on [], 2013 at [] a.m., local time, at []. At the special meeting, Jefferies stockholders will be asked to vote on, among other things, the adoption of the first merger agreement and the approval of the transactions contemplated by the first merger agreement, which will be the only stockholder authorization required for Jefferies and its affiliates to consummate the merger with Leucadia. **Jefferies board of directors, upon recommendation of the Jefferies transaction committee comprised entirely of disinterested directors, has approved and declared advisable the first merger agreement and the transactions contemplated by the first merger agreement, including the first merger on the terms set forth in the first merger agreement. Jefferies board of directors recommends, upon recommendation of the Jefferies transaction committee, that Jefferies stockholders vote FOR the adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement; FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions; and FOR any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.**

The special meeting of Leucadia shareholders will be held on [], 2013, at [], local time, at []. At the special meeting, Leucadia shareholders will be asked to vote on, among other things, the issuance of Leucadia common shares and the approval of the charter amendment. **The Leucadia board of directors has unanimously approved the Leucadia share issuance and determined that the second merger agreement and the transactions contemplated thereby, including the Leucadia share issuance, are in the best interests of Leucadia and its shareholders. The Leucadia board of directors has further unanimously approved the charter amendment and has determined that the charter amendment is advisable and in the best interests of Leucadia and its shareholders. The Leucadia board of directors unanimously recommends that Leucadia shareholders vote FOR the proposal to approve the Leucadia share issuance; FOR the proposal to approve the charter amendment; FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise relates to the proposed transactions; and FOR the proposal to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or charter amendment.**

This joint proxy statement/prospectus is an important document containing answers to frequently asked questions and a summary description of the transactions, the first merger agreement and the second merger agreement, followed by more detailed information about Leucadia, Jefferies, the transactions, and the other matters to be voted upon by Leucadia shareholders and Jefferies stockholders as part of the special meetings. We urge you to read this document and the documents incorporated by reference into this document carefully and in its entirety. **In particular, you should consider the matters discussed under Risk Factors beginning on page 50.**

We look forward to the successful merger of Leucadia and Jefferies.

Jefferies Group, Inc.

Richard B. Handler
Chairman and Chief Executive
Officer

Brian P. Friedman
Chairman of the Executive
Committee and Director

Leucadia National Corporation

Ian M. Cumming
Chairman and Chief Executive
Officer

Joseph S. Steinberg
President and Director

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this document or determined that this document is accurate or complete. Any representation to the contrary is a criminal offense.

This document is dated [] and is first being mailed to shareholders of Leucadia and stockholders of Jefferies on or about [].

The Jefferies board of directors, upon recommendation of the Jefferies transaction committee comprised entirely of disinterested directors, has approved and declared advisable the first merger agreement and the transactions contemplated by the first merger agreement, including the first merger on the terms set forth in the first merger agreement. The Jefferies board of directors recommends, upon recommendation of the Jefferies transaction committee, that Jefferies stockholders vote **FOR** the adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement; **FOR** the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions; and **FOR** any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN. The merger between Jefferies and Leucadia cannot be completed without the affirmative vote in favor of adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement by the holders of at least a majority of the outstanding shares of Jefferies common stock entitled to vote as of the record date for the special meeting. If you do not vote, the effect will be the same as a vote against the proposal to adopt the first merger agreement and to approve the transactions contemplated by the first merger agreement. Without the affirmative vote for the first merger, the merger with Leucadia will not be able to be completed. You may submit a proxy for your shares electronically via the Internet or by telephone or by sending in an appropriately completed paper proxy card or vote in person by ballot at the special meeting.

If you have any questions concerning the transactions or this joint proxy statement/prospectus or would like additional copies, please contact:

Jefferies Group, Inc.
520 Madison Avenue
New York, New York 10022
(212) 284-2550
Attn: Michael J. Sharp, Secretary

For the Board of Directors,

Michael J. Sharp
Secretary

New York, New York
, 2012

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of Leucadia National Corporation:

The board of directors of Leucadia National Corporation (referred to as "Leucadia") has unanimously approved a strategic combination with Jefferies Group, Inc. (referred to as "Jefferies") pursuant to the Agreement and Plan of Merger, dated as of November 11, 2012 (as it may be amended from time to time, referred to as the "second merger agreement"), by and among Leucadia, Limestone Merger Sub, LLC, a wholly-owned subsidiary of Leucadia, Jefferies, JSP Holdings, Inc., a wholly-owned subsidiary of Jefferies (referred to as "New Jefferies"), and Jasper Merger Sub, Inc., a wholly-owned subsidiary of New Jefferies, pursuant to which, through a series of steps, Jefferies will become a wholly-owned subsidiary of Leucadia.

We are pleased to invite you to attend the special meeting of shareholders of Leucadia which will be held at [], on [], 2013, at [], local time, to consider and vote on the following:

Proposal 1: to approve the issuance of shares, \$1.00 par value per share, of Leucadia (referred to as the "Leucadia share issuance") to stockholders of Jefferies to be issued as the merger consideration in connection with the second merger as contemplated by the second merger agreement;

Proposal 2: to approve an amendment to the transfer restrictions already contained in Leucadia's certificate of incorporation to prevent any person from becoming a 5% shareholder or being treated as owning more than 5% of the Leucadia common shares for purposes of Section 382 of the Internal Revenue Code of 1986, as amended, as a result of the receipt of Leucadia shares in an acquisition transaction, and technical clarifications to the definition of 5% shareholder contained in the transfer restrictions (referred to as the "charter amendment");

Proposal 3: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transactions; and

Proposal 4: to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve Proposal 1 or 2.

Completion of the merger is conditioned on, among other things, approval of the Leucadia share issuance. Approval of Proposals 2, 3 and 4 at the special meeting is not a condition to the obligation of Leucadia to consummate the transactions contemplated by the second merger agreement. Accordingly, if all of the conditions to the transactions set forth in the second merger agreement are satisfied or waived, Leucadia intends to complete the transactions, whether or not Proposals 2, 3 and 4 have been approved.

Leucadia will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the special meeting.

The accompanying joint proxy statement/prospectus describes the proposals listed above in more detail. Please refer to the attached document, including the second merger agreement, the first merger agreement and all other Annexes and including any documents incorporated by reference, for further information with respect to the business to be transacted at the special meeting. You are encouraged to read the entire document carefully before voting. **In particular, see the section entitled "Risk Factors" beginning on page 50.**

The Leucadia board of directors has unanimously approved the Leucadia share issuance and determined that the second merger agreement and the transactions contemplated thereby, including the Leucadia share issuance, are advisable and in the best interests of Leucadia and its shareholders. The Leucadia board of directors has further unanimously approved the charter amendment and has determined that such charter amendment is advisable and in the best interests of Leucadia and its shareholders. The Leucadia board of directors unanimously recommends that Leucadia shareholders vote FOR the proposal to approve the Leucadia share issuance; FOR the proposal to approve the charter amendment; FOR the

approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or the charter amendment.

The Leucadia board of directors has fixed the close of business on [] as the record date for determination of Leucadia shareholders entitled to receive notice of, and to vote at, the Leucadia special meeting or any adjournments or postponements thereof. Only Leucadia shareholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the Leucadia special meeting.

YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN. The merger between Leucadia and Jefferies cannot be completed without the approval of the Leucadia share issuance by the affirmative vote of holders of Leucadia common shares representing a majority of the votes cast at the special meeting in favor of the Leucadia share issuance, provided that the total votes cast on the proposal represent over fifty percent of the Leucadia common shares entitled to vote on such proposal. Without approval of the Leucadia share issuance, the second merger will not be completed. You may submit a proxy for your shares electronically via the Internet, or by telephone, by sending in an appropriately completed paper proxy card or in person by ballot at the special meeting.

The enclosed joint proxy statement/prospectus provides a detailed description of the second merger agreement and the transactions contemplated by the second merger agreement, including the Leucadia share issuance, the charter amendment, as well as a description of the Leucadia common shares. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions concerning the transactions or this joint proxy statement/prospectus, would like additional copies or need help voting your Leucadia common shares, please contact Leucadia's proxy solicitor:

**Innisfree M&A Incorporated
501 Madison Avenue
New York, NY 10022
Tel +1 212 750 5833
Fax +1 212 750 5799**

By Order of the Board of Directors of
Leucadia National Corporation,

Laura E. Ulbrandt
Assistance Vice President and Secretary

New York, New York
, 2012

REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Jefferies and Leucadia from documents that are not included in or delivered with this joint proxy statement/prospectus. **This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:**

**Jefferies Group, Inc.
520 Madison Avenue
New York, New York 10022
(212) 284-2550**

Attn: Michael J. Sharp, Secretary

If you would like to request any documents, please do so by [

**Leucadia National Corporation
315 Park Avenue South
New York, NY 10010
(212) 460-1900**

Attn: Laura E. Ulbrandt, Secretary

] in order to receive them before the special meetings.

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see *Where You Can Find More Information* beginning on page 165.

ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (referred to as the *SEC*) by Leucadia, constitutes a prospectus of Leucadia under the Securities Act of 1933, as amended (referred to as the *Securities Act*), with respect to the Leucadia common shares to be issued to Jefferies stockholders pursuant to the second merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Jefferies and Leucadia under the Securities Exchange Act of 1934, as amended (referred to as the *Exchange Act*). It also constitutes a notice of meeting with respect to the special meeting of Leucadia shareholders and a notice of meeting with respect to the special meeting of Jefferies stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [], and you should assume that the information contained in this joint proxy statement/prospectus is accurate only as of such date. You should assume that the information incorporated by reference into this joint proxy statement/prospectus is only accurate as of the date of such information. Neither the mailing of this joint proxy statement/prospectus to Jefferies stockholders or Leucadia shareholders nor the issuance by Leucadia of the common shares pursuant to the second merger will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/prospectus regarding Jefferies has been provided by Jefferies and information contained in this joint proxy statement/prospectus regarding Leucadia has been provided by Leucadia.

All references in this joint proxy statement/prospectus to *Jefferies* refer to Jefferies Group, Inc., a Delaware corporation, or, immediately following the LLC conversion, as described herein, the *Jefferies Converted LLC*, as applicable; all references to *New Jefferies* refer to JSP Holdings, Inc., a Delaware corporation and a wholly-owned subsidiary of Jefferies formed for the purpose of effecting the first merger, all references to *Merger Sub One* refer to Jasper Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of New Jefferies formed for the purpose of effecting the transactions, all references in this joint proxy statement/prospectus to *Leucadia* refer to Leucadia National Corporation, a New York corporation; all references to *Merger Sub Two* refer to Limestone Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Leucadia formed for the purpose of effecting the second merger, all references to *Crimson* refer to Crimson Wine Group, Ltd., a Delaware corporation that is a wholly-owned subsidiary of Leucadia to be distributed, on a pro rata basis, to Leucadia shareholders prior to the effective date of the second merger (referred to as the *Leucadia winery business spin out*) and, unless otherwise indicated or as the

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context requires, all references to the first merger agreement refer to the Agreement and Plan of Merger, dated as of November 11, 2012, by and among Jefferies, New Jefferies and Merger Sub One, as it may be amended from time to time, a copy of which is included as Annex B to this joint proxy statement/prospectus, and all references to the second merger agreement refer to the Agreement and Plan of Merger, dated as of November 11, 2012, by and among Jefferies, New Jefferies, Merger Sub One, Leucadia and Merger Sub Two, as it may be amended from time to time, a copy of which is included as Annex A to this joint proxy statement/prospectus.

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QUESTIONS AND ANSWERS

The following are some questions that you, as a shareholder of Leucadia or a stockholder of Jefferies, may have regarding the first merger, the second merger, the Leucadia share issuance, the charter amendment and the other matters being considered at the special meetings and the answers to those questions. Jefferies and Leucadia urge you to carefully read the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the transactions, the Leucadia share issuance and the other matters being considered at the special meetings. Additional important information is also contained in the Annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.

Frequently Used Terms

A few frequently used terms may be helpful for you to have in mind at the outset. This document refers to:

Leucadia National Corporation, a New York corporation, as Leucadia ;

Limestone Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Leucadia, as Merger Sub Two ;

BEI Jeffvest, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Leucadia, as BEI Jeffvest ;

Jefferies Group, Inc., a Delaware corporation, as Jefferies ;

JSP Holdings, Inc., a Delaware corporation, and a wholly-owned subsidiary of Jefferies, as New Jefferies ;

Jasper Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of New Jefferies, as Merger Sub One ;

Crimson Wine Group, Ltd., a Delaware corporation and a wholly-owned subsidiary of Leucadia, as Crimson ;

the distribution, on a pro rata basis, of Crimson to Leucadia shareholders prior to the effective date of the second merger, as the Leucadia winery business spin out ;

the merger of Merger Sub One with and into Jefferies with Jefferies being the surviving corporation, as the first merger ;

the surviving entity from the first merger, as the Jefferies Surviving Corporation ;

the conversion of the Jefferies Surviving Corporation into a Delaware limited liability company, as the LLC conversion ;

the converted entity after the LLC conversion, as the Jefferies Converted LLC ;

the merger of New Jefferies with and into Merger Sub Two with Merger Sub Two being the surviving entity, as the second merger or the merger with Leucadia ;

the surviving entity from the second merger, as the New Jefferies Surviving LLC ;

the first merger, the second merger and the LLC conversion, as the transactions ;

Leucadia common shares, par value \$1.00 per share, as Leucadia common shares ;

the holders of Leucadia common shares, as Leucadia shareholders ;

Leucadia s restated certificate of incorporation, as amended from time to time, as Leucadia s certificate of incorporation ;

the certificate of amendment to Leucadia s certificate of incorporation to be voted on by Leucadia shareholders pursuant to this joint proxy statement/prospectus, as the charter amendment ;

the shares of Jefferies common stock, par value \$0.0001 per share, as Jefferies common stock ;

the holders of Jefferies common stock, as Jefferies stockholders ;

the shares of 3.25% Series A Cumulative Convertible Preferred Stock of Jefferies, par value \$0.0001 per share, as Jefferies preferred stock ;

the shares of New Jefferies common stock, par value \$0.0001 per share, as New Jefferies common stock ;

the shares of New Jefferies preferred stock, par value \$0.0001 per share, as New Jefferies preferred stock ;

the cancellation and conversion of each share of New Jefferies common stock into the right to receive 0.81 of a Leucadia common share pursuant to the second merger, as the exchange ratio ;

the Agreement and Plan of Merger, dated November 11, 2012, by and among, Leucadia, Merger Sub Two, Jefferies, New Jefferies and Merger Sub One, as it may be amended from time to time, as the second merger agreement ;

the Agreement and Plan of Merger, dated November 11, 2012, by and among Jefferies, New Jefferies and Merger Sub One, as it may be amended from time to time, as the first merger agreement ;

the Voting Agreement, dated as of November 11, 2012, by and among Leucadia, BEI Jeffvest, and Jefferies, as the Leucadia voting agreement ;

the Voting Agreement, dated as of November 11, 2012, by and between Ian M. Cumming and Jefferies, as the Cumming voting agreement ;

the Voting Agreement, dated as of November 11, 2012, by and between Joseph S. Steinberg and Jefferies, as the Steinberg voting agreement ;

the Cumming voting agreement and the Steinberg voting agreement together, as the Leucadia executive voting agreements ;

the Voting Agreement, dated as of November 11, 2012, by and between Richard B. Handler and Jefferies, as the Handler voting agreement ;

the Voting Agreement, dated as of November 11, 2012, by and between Brian P. Friedman and Jefferies, as the Friedman voting agreement ;

the Handler voting agreement and the Friedman voting agreement together, as the Jefferies executive voting agreements ;

the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as the HSR Act or the Hart-Scott-Rodino Act ;

the New York Stock Exchange, as the NYSE ;

the General Corporation Law of the State of Delaware, as the DGCL ;

the Business Corporation Law of the State of New York, as the NYBCL ;

the Delaware Limited Liability Company Act, as the DLLCA ; and

the Internal Revenue Code of 1986, as amended, as the Code .

Q: Why am I receiving this joint proxy statement/prospectus?

A: You are receiving this document because you were a stockholder of record of Jefferies or a shareholder of record of Leucadia on the record date for the Jefferies special meeting or the Leucadia special meeting, respectively. Jefferies and Leucadia have agreed to a merger pursuant to the terms of the second merger agreement that is described in this joint proxy statement/prospectus. A copy of the second merger agreement is included in this joint proxy statement/prospectus as Annex A. See The Second Merger Agreement. The second merger agreement provides that the strategic combination of Jefferies and Leucadia will occur through a series of steps, which are referred to in this document as the first merger, the LLC conversion, and the second merger . These transactions are also described in more detail elsewhere in this document. See The Second Merger Agreement Transactions. Upon completion of the transactions, Jefferies stockholders will be entitled to receive 0.81 of a Leucadia common share for each share of Jefferies common stock held immediately prior to the first merger (referred to as the merger consideration). As a result, following the satisfaction of certain conditions, Jefferies will become a wholly-owned subsidiary of

Leucadia. The merger consideration is described in more detail in the section entitled "The Second Merger Agreement - Merger Consideration".

This joint proxy statement/prospectus serves as the proxy statement through which Jefferies and Leucadia will solicit proxies to obtain the necessary approvals for the proposed transactions. It also serves as the prospectus by which Leucadia will issue its common shares as the merger consideration. This joint proxy statement/prospectus contains important information and you should read it carefully and in its entirety.

In order to complete the transactions contemplated by the second merger agreement, among other things:

Jefferies stockholders must adopt the first merger agreement and approve the transactions contemplated by the first merger agreement, which is the only stockholder authorization required for Jefferies and its affiliates to consummate the merger with Leucadia pursuant to which Jefferies will become a wholly-owned subsidiary of Leucadia; and

Leucadia shareholders must approve the issuance of Leucadia common shares to Jefferies stockholders pursuant to the second merger.

Jefferies and Leucadia will hold separate special meetings of their stockholders and shareholders, respectively, to obtain these approvals. This joint proxy statement/prospectus, including its Annexes, contains and incorporates by reference important information about Leucadia and Jefferies, the transactions, the Leucadia share issuance, the charter amendment and the shareholder and stockholder meetings of Leucadia and Jefferies, respectively. You should read all the available information carefully and in its entirety. The enclosed proxy card and instructions allow you to submit a proxy for your shares without attending the special meeting in person.

Your vote is important. You are encouraged to submit your proxy as soon as possible.

Q: What matters are to be voted on at the special meeting?

A: *Jefferies Stockholders:* The special meeting of Jefferies stockholders is being held for the following purposes:

Proposal 1: to consider and vote upon a proposal to adopt the first merger agreement (which is attached as Annex B) and to approve the transactions contemplated by the first merger agreement;

Proposal 2: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions; and

Proposal 3: to consider and vote upon any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

Leucadia Shareholders: The special meeting of Leucadia shareholders is being held for the following purposes:

Proposal 1: to approve the issuance of Leucadia common shares to the stockholders of Jefferies in connection with the second merger agreement;

Proposal 2: to approve an amendment to the transfer restrictions already contained in Leucadia's certificate of incorporation to prevent any person from becoming a 5% shareholder or being treated as owning more than 5% of the Leucadia common shares for purposes of Section 382 of the Code as a result of the receipt of Leucadia shares in an acquisition transaction, and technical clarifications to the definition of 5% shareholder contained in the transfer restriction;

Proposal 3: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transactions; and

Proposal 4: to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or the charter amendment at the time of the special meeting.

Q: How does Jefferies board of directors recommend that Jefferies stockholders vote?

A: The Jefferies board of directors, upon the recommendation of the Jefferies transaction committee, has determined by the unanimous vote of all directors voting (Messrs. Cumming and Steinberg having recused themselves from consideration of the transaction on behalf of Jefferies because they are directors and officers of Leucadia) that the first merger agreement and the transactions contemplated by the first merger agreement, including the first merger, are advisable and in the best interests of Jefferies and its stockholders. The Jefferies board of directors has also determined by the unanimous vote of all directors voting (Messrs. Cumming and Steinberg having recused themselves from consideration of the transaction on behalf of Jefferies) that the merger with Leucadia is advisable and in the best interests of Jefferies and its stockholders. The merger with Leucadia has already been approved by the board of directors of New Jefferies and by Jefferies, as the sole stockholder of New Jefferies, and, therefore, no vote of the Jefferies stockholders is required to accomplish the merger with Leucadia. The Jefferies board of directors (other than Messrs. Cumming and Steinberg), upon recommendation of the Jefferies transaction committee comprised entirely of disinterested directors, unanimously recommends that Jefferies stockholders vote **FOR** the proposal to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement, **FOR** the approval on an advisory (non-binding) basis that the compensation that may be paid or become payable Jefferies named executive officers that is based on or otherwise relates the proposed transactions and **FOR** the proposal to adjourn the Jefferies special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

Q: How does Leucadia s board of directors recommend that Leucadia shareholders vote?

A: The Leucadia board of directors has unanimously determined that the second merger agreement and the transactions contemplated by the second merger agreement, including the Leucadia share issuance and the charter amendment, are in the best interests of Leucadia and its shareholders. Leucadia s board of directors unanimously recommends that Leucadia shareholders vote **FOR** the proposal to approve the Leucadia share issuance, **FOR** the proposal to adopt the charter amendment, **FOR** the approval on an advisory (non-binding) basis that the compensation that may be paid or become payable Leucadia s named executive officers that is based on or otherwise relates the proposed transactions and **FOR** the proposal to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or the charter amendment.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. If you are a Jefferies stockholder or Leucadia shareholder of record, you may vote your shares in person at the applicable meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, it is recommended that you also submit your proxy as described above, so your vote will be counted if you later decide not to attend the meeting. If you submit your proxy and later decide to vote in person at the meeting, the vote you submit at the meeting will override your proxy. If you are a street name holder, you may vote your shares in person at the meeting only if you obtain and bring to the meeting a signed letter or other form of proxy from your broker, bank, trustee or other nominee giving you the right to vote the shares at the meeting.

Q: How can I attend the meeting?

A: *Jefferies Stockholders:* All Jefferies stockholders are invited to attend the Jefferies special meeting. You may be asked to present government-issued photo identification, such as a driver s license or passport, before being admitted to the meeting. If you hold your shares in street name, you also may be asked to present proof of beneficial ownership as of the record date to be admitted to the meeting. A brokerage account statement or the voting instruction form provided by the broker, or letter from your broker, bank, trustee or other nominee proving beneficial ownership of the shares on [], the record date for the Jefferies special meeting, are examples of proof of ownership. A person who holds a validly executed proxy entitling such person to vote on behalf of a record or beneficial owner of Jefferies shares who wishes to attend the special meeting in person should bring a validly executed proxy naming such person as the proxy holder, signed by the Jefferies stockholder, as well as proof of the signing stockholder s record or beneficial ownership as of the record date.

Leucadia Shareholders: All Leucadia shareholders are invited to attend the Leucadia special meeting. You may be asked to present valid photo identification, such as a driver s license or passport, before being admitted to the meeting. If you hold your shares in street name, you also may be asked to present proof of ownership to be admitted to the meeting. A brokerage statement or letter from your broker, bank, trustee or other nominee proving ownership of the shares on [], the record date for the Leucadia special meeting, are examples of proof of ownership.

Q: When and where will the special stockholders meetings be held?

A: *Jefferies Stockholders:* The special meeting of Jefferies stockholders will be held at the [], on [], 2013, at [], local time.

Leucadia Shareholders: The special meeting of Leucadia shareholders will be held at the [], on [], 2013, at [], local time.

Q: Who can attend the special meeting?

A: *Jefferies Stockholders:* You are entitled to attend the Jefferies special meeting only if you are a Jefferies stockholder of record or a beneficial owner as of the record date, if you hold a valid proxy for the special meeting or if you are an invited guest of Jefferies.

If your shares are registered directly in your name with Jefferies transfer agent, you are a stockholder of record, and stockholders of record who wish to attend the special meeting in person must bring government-issued photo identification to the special meeting.

If your shares are held in street name through a broker, bank, trustee or other nominee, you are a beneficial owner, and beneficial owners will need to show proof of beneficial ownership and government-issued photo identification in order to be admitted to the special meeting.

If you hold a valid proxy, you will need to show a validly executed proxy naming you as the proxy holder, signed by the Jefferies stockholder, proof of the signing stockholder's record or beneficial ownership and government-issued photo identification in order to be admitted to the special meeting.

Leucadia Shareholders: You are entitled to attend the Leucadia special meeting only if you are a Leucadia shareholder of record or a beneficial owner as of the record date, if you hold a valid proxy for the special meeting or if you are an invited guest of Leucadia.

If your shares are registered directly in your name with Leucadia's transfer agent, you are a shareholder of record, and shareholders of record who wish to attend the special meeting in person must bring government-issued photo identification to the special meeting.

If your shares are held in street name through a broker, bank, trustee or other nominee, you are a beneficial owner, and beneficial owners will need to show proof of beneficial ownership and photo identification, such as a driver's license or passport, in order to be admitted to the special meeting.

Q: How many shares of common stock were outstanding on the record date?

A: *Jefferies Stockholders:* There were [] shares of Jefferies common stock outstanding at the close of business on [], the record date for the determination of stockholders entitled to notice of and to vote at the special meeting. Each of the [] shares is entitled to one vote at the Jefferies special meeting. Common stock is the only class of stock entitled to vote, and holders of common stock are entitled to vote on each proposal presented at the Jefferies special meeting.

Leucadia Shareholders: There were [] Leucadia common shares outstanding at the close of business on [], the record date for the determination of shareholders entitled to notice of and to vote at the special meeting. Each of the [] shares is entitled to one vote at the Leucadia special meeting.

Q: What constitutes a quorum at the special stockholders meetings?

A: *Jefferies Stockholders:* Stockholders who hold shares representing at least a majority of the issued and outstanding stock entitled to vote at the Jefferies special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Jefferies special meeting. For purposes of determining whether there is a quorum, all shares that are present, including abstentions but not broker non-votes, will count towards the quorum.

Leucadia Shareholders: Shareholders who hold shares representing at least a majority of the issued and outstanding shares entitled to vote at the Leucadia special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Leucadia special meeting. For purposes of determining whether there is a quorum, all shares that are present, including abstentions, will count towards the quorum.

Q: What does it mean if I receive more than one set of proxy materials?

A: If you receive more than one set of proxy materials or multiple control numbers for use in submitting your proxy, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card or voting instruction card you receive or, if you submit your proxy by internet or telephone, submit your proxy once for each card or control number you receive.

Q: Who is the inspector of election?

A: *Jefferies Stockholders:* The board of directors of Jefferies has appointed a representative of American Stock Transfer & Trust Company, LLC to act as the inspector of election at the Jefferies special meeting.

Leucadia Shareholders: The board of directors of Leucadia has appointed two representatives, Joseph Veetal of Leucadia and Barry Rosenthal of American Stock Transfer & Trust Company, LLC, to act as the inspectors of election at the Leucadia special meeting.

Q: Where can I find the voting results of the special meeting?

A: *Jefferies Stockholders:* The preliminary voting results will be announced at the Jefferies special meeting. In addition, within four business days following certification of the final voting results, Jefferies intends to file the final voting results with the SEC on Form 8-K.

Leucadia Shareholders: The preliminary voting results will be announced at the Leucadia special meeting. In addition, within four business days following certification of the final voting results, Leucadia intends to file the final voting results with the SEC on Form 8-K.

Q: How do I vote if I am a stockholder of record?

A: *Jefferies Stockholders.* If you are a stockholder of record of Jefferies as of the close of business on the record date for the Jefferies special meeting, you may vote in person by attending the Jefferies special meeting or, to ensure your shares are represented at the Jefferies special meeting, you may authorize a proxy to vote by:

- accessing the internet site listed on the proxy card;
- calling the toll-free number listed on the proxy card; or
- signing and returning the enclosed proxy card by mail.

If you hold Jefferies common stock in street name you can provide your voting instructions for your shares of stock in the manner prescribed by your broker, bank, trustee or other nominee. Your broker, bank, trustee or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing such broker, bank, trustee or other nominee how to vote your shares. Without instructions from you, your broker, bank, trustee or other nominee cannot vote your shares of stock, which will have the effect described below.

Leucadia Shareholders. If you are a shareholder of record of Leucadia as of the close of business on the record date for the Leucadia special meeting, you may vote in person by attending the Leucadia special meeting or, to ensure your shares are represented at the Leucadia special meeting, you may authorize a proxy to vote in one of three ways:

- use the toll-free telephone number shown on your proxy card;
- visit the Internet website at www.voteproxy.com and follow the on-screen instructions; or
- Mail, date, sign and promptly return your proxy card in the enclosed postage prepaid envelope.

If you hold Leucadia shares in street name, you can vote your shares in the manner prescribed by your broker, bank, trustee or other nominee. Your broker, bank, trustee or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing such broker, bank, trustee or other nominee how to vote your shares. Without instructions from you, your broker, bank, trustee or other nominee cannot vote your shares, which will have the effect described below.

Q: What are my voting rights?

A: *Jefferies Stockholders:* Holders of Jefferies common stock are entitled to one vote per share. As of the close of business on the record date for the Jefferies special meeting, a total of [] votes are entitled to be cast at the Jefferies special meeting.

Leucadia Shareholders: Holders of Leucadia common shares are entitled to one vote per share. As of the close of business on the record date for the Leucadia special meeting, a total of [] votes are entitled to be cast at the Leucadia special meeting.

Q: What vote is required to approve each proposal?

A: *Jefferies Stockholders:*

Proposal 1: Adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of Jefferies common stock.

Proposal 2: Approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transaction requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Jefferies common stock present, in person or by proxy, at the special meeting and entitled to vote thereon.

Proposal 3: Approval of the proposal to adjourn the Jefferies special meeting, if necessary, to solicit additional proxies requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of Jefferies common stock present, in person or by proxy, at the Jefferies special meeting and entitled to vote thereon.

Simultaneously with execution of the first merger agreement and the second merger agreement, at the request of Jefferies, Leucadia (which, through its wholly-owned subsidiary, BEI Jeffvest, LLC, a Delaware limited liability company, holds approximately [28.52]% of the outstanding shares of common stock of Jefferies as of the record date for the Jefferies special meeting), entered into a Voting Agreement dated November 11, 2012 pursuant to which Leucadia has agreed to vote, and to cause its subsidiary to vote, its Jefferies common stock in favor of the first merger.

Jefferies has also entered into a separate voting agreements with each of Richard B. Handler, Chairman of the Board and Chief Executive Officer of Jefferies, and Brian P. Friedman, Chairman of the Executive Committee of Jefferies (who hold approximately [1.54]% and [1.41]%, respectively, of the outstanding shares of Jefferies common stock as of the record date for the Jefferies special meeting, pursuant to which, on a several basis, each has agreed to vote his Jefferies common stock in favor of Jefferies Proposals 1 and 3.

Pursuant to the Leucadia voting agreement and Jefferies executive voting agreements, approximately [31.47]% of the shares of Jefferies common stock outstanding as of the record date for the Jefferies special meeting are committed to be voted in favor of Jefferies Proposal 1. The approval of Jefferies Proposal 1 will, therefore, require that approximately an additional [18.53]% of the shares of Jefferies common stock outstanding as of the record date for the Jefferies special meeting are voted in favor of Jefferies Proposal 1. No other Jefferies director or executive officer has entered into any agreement obligating such director or executive officer to vote his Jefferies common stock in favor of the transactions or to retain his currently owned shares of Jefferies common stock.

Leucadia Shareholders:

Proposal 1: Under the NYSE rules, the Leucadia share issuance requires the affirmative vote of holders of a majority of the outstanding Leucadia common shares voted at the Leucadia special meeting, provided that the total votes cast including, pursuant to the rules of the NYSE, abstentions, represents over 50% in interest of all Leucadia common shares entitled to vote on the proposal.

Proposal 2: The charter amendment requires the affirmative vote of the majority of all outstanding Leucadia common shares entitled to vote thereon at the Leucadia special meeting.

Proposal 3: The proposal to approval, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Leucadia s named executive officers that is based on or otherwise related to the proposed transaction requires the affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast, in person or by proxy, at the special meeting and entitled to vote.

Proposal 4: The proposal to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies requires the affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast, in person or by proxy at the Leucadia special meeting and entitled to vote.

Approval of Proposals 2, 3 and 4 at the special meeting is not a condition to the obligation of Leucadia to consummate the transactions contemplated by the second merger agreement. Accordingly, if all of the conditions to the transactions set forth in the second merger agreement are satisfied or waived, Leucadia intends to complete the transactions, whether or not Proposals 2, 3 and 4 have been approved.

At the request of Jefferies, two of Leucadia's directors and officers have entered into voting agreements with Jefferies to vote their shares of Leucadia in favor of the transactions. Jefferies entered into a separate voting agreement with each of Ian M. Cumming, the Chairman and Chief Executive Officer of Leucadia, (with respect to [8.64]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) and Joseph S. Steinberg, a director and President of Leucadia, (with respect to [9.63]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) pursuant to which, on a several basis, each has agreed to vote such Leucadia common shares in favor of Proposals 1, 2 and 4 (such voting agreements, the Leucadia executive voting agreements).

Pursuant to the Leucadia executive voting agreements, approximately [18.27]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are committed to be voted in favor of Leucadia Proposal 1. The approval of Leucadia Proposal 1 will, therefore, require that approximately an additional [6.74]% (assuming only 50.1% of the outstanding Leucadia common shares vote) of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are voted in favor of Leucadia Proposal 1, assuming that the total votes cast (including those subject to the Leucadia executive voting agreements) represent over 50.1% in interest of all Leucadia common shares entitled to vote on Leucadia Proposal 1. Pursuant to the Leucadia executive voting agreements, approximately [18.27]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are committed to be voted in favor of Leucadia Proposal 2. The approval of Leucadia Proposal 2 will therefore require that approximately an additional [31.74]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are voted in favor of Leucadia Proposal 2.

Q: What will I receive in the transactions?

A: *Jefferies Stockholders:* If you are a Jefferies stockholder, after the transactions are completed, each share of Jefferies common stock you hold immediately prior to the first merger will ultimately be converted into the right to receive 0.81 of a Leucadia common share together with cash in lieu of any fractional shares, as applicable. In order to avert the possibility that the transactions could result in the application of tax law limitations on the use of certain of Leucadia's tax attributes, the second merger agreement limits the amount of Leucadia common shares that can be issued to certain persons if such issuance would otherwise cause a person or group of persons to become a 5% shareholder or own 5% or more of the combined Leucadia common shares by reason of the second merger. In addition, Jefferies stockholders will not receive any fractional Leucadia common shares pursuant to the second merger. Instead, they will receive cash in lieu of any fractional Leucadia common shares that a Jefferies stockholder would otherwise have been entitled to receive in the second merger.

Jefferies Award Holders: Each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated in Leucadia shares with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

Leucadia Shareholders: If the second merger is completed, Leucadia shareholders will not receive any merger consideration and will continue to hold their Leucadia common shares. However, provided that the Leucadia winery business spin out does not reduce Leucadia's book value by more than \$197,000,000 (referred to as the Crimson dividend amount), before the effective time of the second merger, in connection with the Leucadia winery business spin out, Leucadia shareholders will receive, as a pro rata distribution, one share of Crimson common stock for every ten Leucadia common shares owned by them on a record date to be established for the Leucadia winery business spin out (referred to as the Crimson record date), as contemplated under the second merger agreement. The Leucadia winery business spin out is intended to be tax-free to Leucadia and its shareholders.

Q: What is the value of the merger consideration?

A: Because Leucadia will issue a fixed amount, equal to 0.81 of a Leucadia common share, in exchange for the cancellation of each share of New Jefferies common stock as a result of the transactions, the value of the merger consideration that Jefferies stockholders receive will depend on the price per Leucadia common share at the effective time of the second merger. That price will not be known at the time of the special meetings and may be less than the current price or the price at the time of the special

meetings. Based on the closing price of Leucadia common shares on the NYSE on November 9, 2012, the last trading day before public announcement of the transactions, the exchange ratio represented approximately \$17.01 implied per share value of the merger consideration based on the exchange ratio and a \$20.99 per share value for Leucadia common shares, which represents the closing price of Leucadia common shares on November 9, 2012 of \$21.80, adjusted for the Crimson dividend amount, for each share of Jefferies common stock, which had a closing price of \$14.27 per share on November 9, 2012. Based on the closing price of [] per Leucadia common share on [], the latest practicable trading day before the date of this joint proxy statement/prospectus, adjusted for the Crimson dividend amount, the exchange ratio represented approximately \$[] in value for each share of Jefferies common stock, which had a closing price of \$[] per share on [], the latest practicable trading day before the date of this joint proxy statement/prospectus. Leucadia shareholders will continue to own their existing Leucadia common shares. Leucadia common shares are currently traded on the NYSE under the symbol LUK, and Jefferies common stock is currently traded on the NYSE under the symbol JEF. We urge you to obtain current market quotations of Leucadia common shares and Jefferies common stock.

Q: If I am a Jefferies stockholder, will I receive any shares of Crimson stock in the transactions?

A. No. Shares of Crimson stock will only be distributed to Leucadia shareholders of record on the Crimson record date.

Q: What are the material U.S. federal income tax consequences of the Leucadia winery business spin out?

A. The Leucadia winery business spin out is conditioned on the receipt by Leucadia of an opinion of Weil, Gotshal & Manges LLP (referred to as Weil) to the effect that no gain or loss will be recognized for U.S. federal income tax purposes in connection with the distribution by Leucadia or its shareholders, except to the extent that they receive cash in lieu of fractional shares of Crimson common stock. Leucadia has not requested, and does not intend to request, a private letter ruling from the Internal Revenue Service confirming that the Leucadia winery business spin out will be tax-free to Leucadia or its shareholders for U.S. federal income tax purposes. However, Leucadia does not expect that there would be significant gain, if any, recognized by it if the Leucadia winery business spin out were found to be taxable.

Q: What is the Leucadia charter amendment?

A: Leucadia is proposing to amend Leucadia's certificate of incorporation to include a provision that would limit the amount of Leucadia common shares or any other securities that would be treated as Leucadia's stock under the applicable tax regulations (referred to as Leucadia Shares) that can be issued in connection with an acquisition transaction (such as the second merger) to certain target shareholders if any person or group of persons would become a 5% shareholder of Leucadia or would be treated as owning 5% or more of Leucadia common shares as a result of the acquisition transaction. Under the proposed charter amendment, in such a circumstance, instead of delivering the Leucadia Shares to any such target shareholder, the Leucadia Shares would be sold into the market and the target shareholder would receive the lesser of the closing market price of the Leucadia Shares as of the day prior to the acquisition transaction and the net proceeds received from the sale of the shares. Any excess net sale proceeds would be donated to one or more charities selected by the Leucadia board of directors. The number of Leucadia Shares that would be sold instead of delivered to such a target shareholder is the minimum number of shares necessary to prevent the target shareholder, or any person or group of persons, from becoming a 5% shareholder of Leucadia or owning 5% or more of Leucadia common shares. The proposed amendment to the transfer restrictions would allow the Leucadia board of directors to approve a delivery of Leucadia Shares to a target shareholder that would otherwise be prohibited by the charter amendment. Issuances of Leucadia Shares by Leucadia in situations not in connection with an acquisition transaction, such as the grant of employee options to purchase Leucadia common shares, would continue to be unaffected by the transfer restrictions and the board of directors of Leucadia will continue to be able to permit or restrict any such issuance on a case-by-case basis.

In addition, the charter amendment will also expand the definition of a 5% shareholder for purposes of the current transfer restrictions to include any person who is treated as owning 5% or more of Leucadia common shares. This expansion is intended to clarify the manner in which the transfer restrictions will operate if and when Leucadia has more than one class of shares outstanding.

Q: Why is Leucadia proposing the charter amendment?

A: Currently, Leucadia's certificate of incorporation protects the use of its net operating loss carryforwards (referred to as NOLs) and other tax attributes by prohibiting the transfer of Leucadia Shares to the extent the transfer would result in the creation of a new 5% shareholder or would increase the amount of shares owned by an existing 5% shareholder. The current transfer restriction, however, does not apply to any issuances of shares by Leucadia. The proposed charter amendment is intended to avert unintended or unexpected ownership increases as calculated under the tax rules as a result of acquisition transactions. In an

acquisition transaction in which Leucadia Shares are issued, accumulation of shares in the target corporation, over which Leucadia has no control, could, in certain circumstances, result in the creation of a new 5% shareholder of Leucadia after the consummation of the acquisition transaction (such as the second merger), particularly if the target shareholder already owns Leucadia Shares. Failure to adopt the charter amendment, therefore, could possibly threaten to impair the value of Leucadia's tax attributes in acquisition transactions in which Leucadia Shares are delivered as part of the merger consideration, such as the merger with Jefferies.

Q: What is the effect of the charter amendment on the second merger?

A: Approval of the charter amendment is not a condition to the effectiveness of the second merger agreement. The second merger agreement contains a provision that would restrict the issuance of Leucadia common shares to certain Jefferies stockholders in a manner similar to the proposed charter amendment. If the charter amendment is not approved by Leucadia shareholders, Leucadia will rely upon the provisions of the second merger agreement to restrict the issuance of Leucadia common shares to Jefferies stockholders if needed to avoid the imposition of limitations on the use of its tax losses and other tax attributes.

Q: Why am I being asked to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Jefferies or Leucadia's respective named executive officers that is based on or otherwise relates to the proposed transactions?

A: In July 2010, the SEC adopted new rules that require Jefferies and Leucadia to each seek a non-binding, advisory vote with respect to certain compensation that may be paid or become payable to Jefferies and Leucadia's respective named executive officers that is based on or otherwise relates to the proposed transactions (such payments are referred to as change of control payments). See Proposals for the Jefferies Special Meeting Jefferies Proposal 2 Advisory (Non-Binding) Vote on Compensation and Proposals for the Leucadia Special Meeting Leucadia Proposal 3 Advisory (Non-Binding) Vote on Compensation.

Q: What will happen if Jefferies stockholders or Leucadia shareholders do not approve, on an advisory (non-binding) basis, the respective change of control payments of Jefferies or Leucadia?

A: The vote on the change of control payments is a vote separate and apart from the vote by Jefferies stockholders to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement and the votes by Leucadia shareholders to approve the issuance of Leucadia common shares to the stockholders of Jefferies pursuant to the second merger agreement and to approve the charter amendment. Accordingly, you may vote in favor of those proposals and not in favor of the advisory (non-binding) vote on the change of control payments, or vice-versa. Approval of the change of control payments on an advisory (non-binding) basis is not a condition to the completion of the proposed transactions, and it is advisory in nature only, meaning it will not be binding on either Jefferies or Leucadia. If the proposed transactions are completed, the compensation will be payable, subject only to the conditions applicable to such compensation payments, regardless of the outcome of the advisory vote.

Q: What is the difference between a stockholder of record and a street name holder?

A: If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trustee or other nominee, then the broker, bank, trustee or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In the latter case, your shares are said to be held in street name.

Q: My shares are held in street name by my broker, bank, trustee or other nominee. Will my broker, bank, trustee or other nominee automatically vote my shares for me?

A: No. Your broker cannot vote your shares on non-routine matters, as described below in the section entitled What will happen if I return my proxy card without indicating how to vote, beginning on page 26, below, without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker. If you do not provide voting instructions then, under the rules of the NYSE, the broker who holds shares in street name has the discretionary authority to vote on routine proposals. However, brokers are precluded from exercising discretionary authority to vote with respect to non-routine proposals. If the agenda items at a particular meeting consist of both routine proposals and non-routine proposals, brokers will exercise discretionary authority to vote with respect to routine proposals and will be precluded from exercising discretionary authority to vote with respect to non-routine proposals, referred to generally as broker non-votes. Presently, each of the proposals at the Jefferies special meeting and

Leucadia special meeting are considered non-routine under the rules and interpretations of the NYSE. As a result, absent specific voting instructions from the beneficial owner of shares, brokers will be precluded from exercising discretionary authority to vote your shares and your shares will not be counted for purposes of determining a quorum or be voted at the Jefferies special meeting and Leucadia special meeting. Please note that you may not vote shares held in street name by returning a proxy card directly to Jefferies or Leucadia or by voting in person at your special meeting unless you first obtain a proxy from your broker, bank, trustee or other nominee.

Q: What will happen if I fail to vote or I abstain from voting?

A: *Jefferies Stockholders:* If you do not vote, it will be more difficult for Jefferies to obtain the vote necessary to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement.

You may vote FOR, AGAINST or ABSTAIN on each of the proposals. An abstention, but not a broker non-vote, will be counted for purposes of determining a quorum. However, if you are the stockholder of record, and you fail to vote by proxy or by ballot at the special meeting, your shares will not be counted for purposes of determining a quorum. Abstentions, failures to submit a proxy card or vote in person and broker non-votes will be treated in the following manner with respect to determining the votes received for each of the proposals:

an abstention, failure to submit a proxy card or vote in person or a broker non-vote will be treated as a vote AGAINST the proposal to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement;

an abstention will be treated as a vote AGAINST the proposal to approve any adjournment of the Jefferies special meeting;

a failure to submit a proxy card or vote in person will have no effect on the proposal to approve any adjournment of the Jefferies special meeting;

an abstention will be treated as a vote AGAINST the proposal to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions; and

a failure to submit a proxy card or vote in person will have no effect on the proposal to approve on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions.

Leucadia Shareholders:

You may vote FOR, AGAINST or ABSTAIN on each of the proposals. An abstention will be counted for purposes of determining a quorum. However, if you are a record holder and fail to submit a vote at the Leucadia special meeting (i.e., by not submitting a proxy and not voting in person) or if you are a beneficial holder and fail to provide voting instructions to your broker, bank, trustee or other nominee, your shares will not be counted for purposes of determining a quorum or be voted at the Leucadia special meeting. Abstentions, failures to submit a proxy card or vote in person and failure to provide voting instructions to your broker, bank, trustee or other nominee will be treated in the following manner with respect to determining the votes received for each of the proposals:

Proposal 1: Under the NYSE rules abstentions are treated as a vote cast and, therefore, any abstention from voting by a Leucadia shareholder will have the same effect as a vote against Proposal 1. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) by a Leucadia shareholder will not be counted in determining the votes cast in connection with Proposal 1, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 1 and, therefore, will not be able to vote on Proposal 1 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have the effect of not being counted in determining the votes cast in connection with Proposal 1, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. In addition, the failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will reduce the number of shares counted towards the NYSE requirement that the total votes cast on Proposal 1 represent over 50% in interest of all Leucadia common shares entitled to vote on Proposal 1.

Proposal 2: The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will have the same effect as a vote AGAINST Proposal 2. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 2 and, therefore, will not be able to vote on Proposal 2 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have the same effect as a vote AGAINST Proposal 2.

Proposal 3 and Proposal 4: The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will not be counted in determining the votes cast in connection with Proposal 3 or 4, but do have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 3 or 4 and, therefore, will not be able to vote on Proposal 3 or 4 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have the effect of not being counted in determining the votes cast in connection with Proposal 3 or 4, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated.

Q: What will happen if I return my proxy card without indicating how to vote?

A: *Jefferies Stockholders:* If you are a stockholder of record and you submit your proxy by internet, telephone or mail but do not specify how you want to vote your shares on a particular proposal, Jefferies will vote your shares:

Proposal 1: **FOR** the proposal to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement;

Proposal 2: **FOR** the proposal to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions; and

Proposal 3: **FOR** the proposal to approve any adjournment of the Jefferies special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement.

If you are a street name holder and fail to instruct the broker, bank, trustee or other nominee that is the stockholder of record how you want to vote your shares on a particular proposal, those shares are considered to be uninstructed. Stockholders of record have the discretion to vote uninstructed shares on specified routine matters and do not have the authority to vote uninstructed shares on non-routine matters. The proposal to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement, the proposal to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions and the proposal to adjourn the Jefferies special meeting are all non-routine matters and, therefore, the broker, bank, trustee or other nominee does not have discretionary voting power with respect to such proposals.

Leucadia shareholders: If you are a shareholder of record and you submit your proxy by internet, telephone or mail but do not specify how you want to vote your shares on a particular proposal, Leucadia will vote your shares:

Proposal 1: **FOR** the proposal to approve the Leucadia share issuance;

Proposal 2: **FOR** the proposal to approve the charter amendment;

Proposal 3: **FOR** the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Leucadia named executive officers that is based on or otherwise related to the proposed transactions; and

Proposal 4: **FOR** the proposal to approve any adjournment of the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or the charter amendment.

If you are a street name holder and fail to instruct the broker, bank, trustee or other nominee that is the shareholder of record how you want to vote your shares on a particular proposal, those shares are considered to be uninstructed. Shareholders of record have the discretion to vote uninstructed shares on specified routine matters and do not have the authority to vote uninstructed shares on non-routine matters. The proposal to approve the Leucadia share issuance, the proposal to approve the charter

amendment, the proposal to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transactions and the proposal to adjourn the Leucadia special meeting are all non-routine matters and, therefore, the broker, bank, trustee or other nominee does not have discretionary voting power with respect to such proposals.

Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?

A: Yes. If you are the holder of record of either Jefferies common stock or Leucadia common shares, you can change or revoke your proxy at any time before your proxy is voted at your special meeting. You can do this in one of four ways:

by submitting a later-dated proxy by internet or telephone before the deadline stated on the enclosed proxy card;

by mailing a later-dated proxy card;

by sending a written notice of revocation to the Corporate Secretary of Jefferies or Leucadia, as applicable, which must be received before the time of such special meeting; or

by voting in person at the special meeting. Attendance at the special meeting in and of itself, without voting in person at the meeting, will not cause a previously granted proxy to be revoked.

If you are a street name holder, please refer to the voting instructions provided to you by your broker, bank, trustee or other nominee.

Any Jefferies stockholder or Leucadia shareholder entitled to vote in person at the Jefferies or Leucadia special meeting, respectively, may vote in person regardless of whether a proxy has been previously given, but simply attending such special meeting will not constitute revocation of a previously given proxy.

Q: Who pays for the cost of proxy preparation and solicitation?

A: In accordance with the terms of the second merger agreement, Jefferies will bear the entire cost of proxy solicitation for the Jefferies special meeting, Leucadia will bear the entire cost of proxy solicitation for the Leucadia special meeting, and Jefferies and Leucadia will share equally all expenses incurred in connection with the filing of the registration statement of which this document forms a part with the SEC and the printing and mailing of this document.

Q: Will Jefferies be required to submit the first merger agreement to its stockholders even if Jefferies' board of directors has withdrawn (or qualified or modified in a manner adverse to Leucadia) its recommendation?

A: Yes, Jefferies is required to submit the first merger agreement to its stockholders even if Jefferies' board of directors has withdrawn, qualified or modified its recommendation, consistent with the terms of the first merger agreement, unless Leucadia terminates the second merger agreement. For more information regarding the ability of Jefferies and Leucadia to terminate the second merger agreement, see the section entitled "The Second Merger Agreement - Termination Fees and Expenses; Liability for Breach," beginning on page 117.

Q: Will Leucadia be required to submit the Leucadia share issuance to its shareholders even if Leucadia's board of directors has withdrawn (or qualified or modified in a manner adverse to Jefferies) its recommendation?

A: Yes, Leucadia is required to submit the Leucadia share issuance to its shareholders even if Leucadia's board of directors has withdrawn, qualified or modified its recommendation, consistent with the terms of the second merger agreement, unless Jefferies terminates the second merger agreement. For more information regarding the ability of Jefferies and Leucadia to terminate the second merger agreement, see the section entitled "The Second Merger Agreement - Termination Fees and Expense; Liability for Breach," beginning on page 117.

Q: What are the material U.S. federal income tax consequences of the transactions to U.S. holders of Jefferies common stock?

A: Each of the first merger and the LLC conversion, taken together, and the second merger are intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Accordingly, a U.S. holder of Jefferies common stock generally will not recognize any gain or loss on the conversion of such holder's Jefferies common stock into New Jefferies common stock in the first merger and a U.S. holder of New Jefferies common stock who receives Leucadia common shares pursuant to the second merger generally will not recognize gain or loss on the exchange of such holder's New

Jefferies common stock for Leucadia common shares (other than gain or loss with respect to cash received in lieu of a fractional share).

The tax consequences of the transactions to each Jefferies stockholder may depend on such holder's particular facts and circumstances. Jefferies stockholders are urged to consult their tax advisors to understand fully the consequences to them of the transactions in their specific circumstances. A more detailed discussion of the material U.S. federal income tax consequences of the transactions can be found in the section entitled "The Transactions - Material U.S. Federal Income Tax Consequences".

Q: When do you expect the transactions to be completed?

A: Jefferies and Leucadia hope to complete the transactions as soon as reasonably practicable and currently expect the closing of the transactions to occur in the first calendar quarter of 2013, subject to receipt of required stockholder and shareholder approvals and regulatory approvals and to the satisfaction or waiver of the other conditions to the transactions set forth in the second merger agreement. However, the transactions are subject to various regulatory clearances and the satisfaction or waiver of other conditions, as described in the second merger agreement, and it is possible that factors outside the control of Jefferies and Leucadia could result in the transactions being completed at an earlier time, a later time or not at all. There can be no assurances as to when or if the transactions will close.

Q: Do I need to do anything with my shares other than voting for the proposals at the special meeting?

A: *Jefferies Stockholders:* If you are a Jefferies stockholder, after the transactions are completed, each share of Jefferies common stock you hold immediately prior to the first merger will ultimately be converted into the right to receive 0.81 of a Leucadia common share together with cash in lieu of any fractional shares, as applicable. You will receive instructions at that time regarding exchanging your shares of Jefferies common stock for Leucadia common shares. You do not need to take any action at this time. **Please do not send your Jefferies stock certificates with your proxy card.**

Leucadia Shareholders: If you are a Leucadia shareholder, after the transactions are completed, you are not required to take any action with respect to your Leucadia common shares.

Q: Are stockholders entitled to appraisal rights?

A: Neither the Leucadia shareholders nor the Jefferies stockholders are entitled to appraisal rights in connection with the transactions under New York law or Delaware law. Appraisal rights are available to holders of Jefferies preferred stock in connection with the first merger; however, the holders of Jefferies preferred stock have effectively waived their appraisal rights.

Q: What happens if I sell my shares of Jefferies common stock before the Jefferies special meeting?

A: The record date for the Jefferies special meeting is earlier than the date of the Jefferies special meeting and the date that the transactions are expected to be completed. If you transfer your Jefferies common stock after the Jefferies record date but before the Jefferies special meeting, you will retain your right to vote at the Jefferies special meeting, but will have transferred the right to receive the merger consideration pursuant to the second merger. In order to receive the merger consideration, you must hold your shares through the effective date of the second merger.

Q: What if I hold shares in both Jefferies and Leucadia?

A: If you are a stockholder of both Jefferies and Leucadia, you will receive two separate packages of proxy materials. A vote cast as a Leucadia shareholder will not count as a vote cast as a Jefferies stockholder, and a vote cast as a Jefferies stockholder will not count as a vote cast as a Leucadia shareholder. Therefore, please separately submit a proxy for each of your Jefferies and Leucadia shares.

Q: Who can help answer my questions?

A: Leucadia shareholders or Jefferies stockholders who have questions about the transactions, the other matters to be voted on at the special meetings, or how to submit a proxy or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

If you are a Leucadia shareholder:

Innisfree M&A Incorporated

501 Madison Avenue
New York, NY 10022
Tel +1 212 750 5833
Fax +1 212 750 5799
Banks and Brokers Call: []

or

Toll Free: []

or

Leucadia National Corporation

315 Park Avenue South
New York, NY 10010
(212) 460-1900
Attn: Investor Relations

If you are a Jefferies stockholder:

Jefferies Group, Inc.

520 Madison Avenue
New York, New York 10022
(212) 284-2550
Attn: Investor Relations

SUMMARY

This summary highlights selected information described in more detail elsewhere in this document and the documents incorporated herein by reference, and may not contain all of the information that is important to you. To understand the transactions and the matters being voted on by Leucadia shareholders and Jefferies stockholders at their respective special meetings more fully, and to obtain a more complete description of the legal terms of the first merger agreement and the second merger agreement, you should carefully read this entire document, including the Annexes, and the documents to which Leucadia and Jefferies refer you. See also the section entitled "Where You Can Find More Information" beginning on page 165. We have included page references in this summary to direct you to a more complete description of the topics presented below where appropriate.

The Companies

Jefferies Group, Inc.

Jefferies Group, Inc., a Delaware corporation, and its subsidiaries operate as a global investment banking firm providing insight, expertise and execution to investors, companies and governments. Jefferies provides a full range of investment banking, sales, trading and research across the spectrum of equities, fixed income, foreign exchange, futures and commodities, and also select asset and wealth management strategies, in the Americas, Europe and Asia.

Jefferies common stock is listed on the NYSE under the symbol JEF.

The principal executive offices of Jefferies are located at 520 Madison Avenue, New York, New York 10022, and its telephone number is (212) 284-2550.

JSP Holdings, Inc.

JSP Holdings, Inc., a Delaware corporation, is a wholly-owned subsidiary of Jefferies. JSP Holdings, Inc. was formed by Jefferies solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the second merger agreement and the first merger agreement. JSP Holdings, Inc. has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the second merger agreement.

The principal executive offices of JSP Holdings, Inc. are located at 520 Madison Avenue, New York, New York 10022, and its telephone number is (212) 284-2550.

Jasper Merger Sub, Inc.

Jasper Merger Sub, Inc., a Delaware corporation, is a wholly-owned subsidiary of New Jefferies and an indirect, wholly-owned subsidiary of Jefferies. Jasper Merger Sub, Inc. was formed by Jefferies solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the second merger agreement and the first merger agreement. Jasper Merger Sub, Inc. has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the second merger agreement.

The principal executive offices of Jasper Merger Sub, Inc. are located at 520 Madison Avenue, New York, New York 10022, and its telephone number is (212) 284-2550.

Leucadia National Corporation

Leucadia National Corporation, a New York corporation, is a diversified holding company engaged through its consolidated subsidiaries in a variety of businesses, including beef processing, manufacturing, gaming entertainment, real estate activities, medical product development and winery operations. Leucadia also has a significant investment in the common stock of Jefferies which is accounted for at fair value. Leucadia owns equity interests in operating businesses that are accounted for under the equity method of accounting, including, through a joint venture with Jefferies, a broker-dealer engaged in making markets and trading of high yield and special situation securities and a commercial mortgage origination and servicing business. Leucadia concentrates on return on investment and cash flow to maximize long-term shareholder value. Additionally, Leucadia continuously evaluates the retention and disposition of its existing operations and investigates possible acquisitions of new businesses. Changes in the mix of Leucadia's businesses and investments should be expected.

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Leucadia common shares are traded on the NYSE under the symbol LUK.

The principal executive offices of Leucadia are located at 315 Park Avenue South, New York, NY 10010 and its telephone number is (212) 460-1900.

Limestone Merger Sub, LLC

Limestone Merger Sub, LLC, a Delaware limited liability company, is a wholly-owned subsidiary of Leucadia. Limestone Merger Sub, LLC was formed by Leucadia solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the second merger agreement and the first merger agreement. Limestone Merger Sub, LLC has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the second merger agreement.

The principal executive offices of Limestone Merger Sub, LLC are located at 315 Park Avenue South, New York, NY 10010 and its telephone number is (212) 460-1900.

The Jefferies Special Meeting (see page 58)

The Jefferies special meeting will be held on [], 2013, beginning at [] a.m., local time, at [], unless postponed or adjourned to a later date.

The record date for the determination of stockholders entitled to notice of and to vote at the Jefferies special meeting is [], 2013. That means that all Jefferies stockholders who held shares of record at the close of business on [], 2013 are entitled to vote at the special meeting and any adjournment or postponement of the special meeting, provided that such shares remain outstanding on the date of the special meeting.

The special meeting of Jefferies stockholders is being held to consider and vote on the following proposals:

Proposal 1: to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated November 11, 2012 (as it may be amended from time to time, referred to as first merger agreement), by and among Jefferies, JSP Holdings, Inc. and Merger Sub One and to approve the transactions contemplated by the first merger agreement, including a merger of Merger Sub One with and into Jefferies;

Proposal 2: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions; and

Proposal 3: to consider and vote upon any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

As of the record date, there were [] shares of Jefferies common stock outstanding, held by [] holders of record. The affirmative vote of the holders of a majority of the outstanding shares of Jefferies common stock is required to adopt the first merger agreement and to approve the transactions contemplated by the first merger agreement (which will be the only stockholder authorization required for Jefferies and its affiliates to consummate the merger with Leucadia). Without the adoption of the first merger agreement and the approval of the transactions contemplated thereby by the Jefferies common stockholders, the second merger and the transactions contemplated thereby will not be able to be completed.

The Jefferies board of directors, upon the recommendation of the Jefferies transaction committee, has determined by the unanimous vote of all directors voting (Messrs. Cumming and Steinberg having recused themselves from consideration of the transaction on behalf of Jefferies because they are directors and officers of Leucadia) that the first merger agreement and the transactions contemplated by the first merger agreement, including the first merger, are advisable and in the best interests of Jefferies and its stockholders. The Jefferies board of directors has also determined by the unanimous vote of all directors voting (Messrs. Cumming and Steinberg having recused themselves from consideration of the transaction on behalf of Jefferies) that the merger with Leucadia is advisable and in the best interests of Jefferies and its stockholders. The merger with Leucadia has already been approved by the board of directors of New Jefferies and by Jefferies, as the sole stockholder of New Jefferies, and, therefore, no vote of the Jefferies stockholders is required to accomplish the merger with Leucadia. Jefferies board of directors (other than Messrs. Cumming and Steinberg), upon recommendation of the Jefferies transaction committee comprised entirely of disinterested directors, unanimously recommends that Jefferies stockholders vote **FOR** the proposal to adopt the first merger agreement and approve the

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transactions contemplated by the first merger agreement; **FOR** the approval on an advisory (non-binding) basis that the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions; and **FOR** the proposal to adjourn the Jefferies special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

As of the record date, Jefferies directors and executive officers, as a group, owned and were entitled to vote [] shares of Jefferies common stock, or approximately []% of the outstanding shares of Jefferies common stock. These directors and executive officers have informed Jefferies that they intend to vote their shares in favor of Jefferies Proposals 1 and 3. Messrs. Handler and Friedman have each entered into voting agreements pursuant to which, on a several basis, each has agreed to vote his shares of Jefferies common stock in favor of Jefferies Proposals 1 and 3. Jefferies has also entered into a voting agreement with Leucadia (who holds, through a wholly-owned subsidiary, approximately [28.52]% of the outstanding shares of Jefferies common stock as of the record date for the Jefferies special meeting) whereby Leucadia has agreed to vote its shares of Jefferies common stock in favor of Jefferies Proposals 1 and 3. Pursuant to the Leucadia voting agreement and Jefferies executive voting agreements, approximately [31.47]% of the shares of Jefferies common stock outstanding as of the record date for the Jefferies special meeting are committed to be voted in favor of Jefferies Proposal 1. The approval of Jefferies Proposal 1, will, therefore, require that approximately an additional [18.53]% of the shares of Jefferies common stock outstanding as of the record date for the Jefferies special meeting are voted in favor of Jefferies Proposal 1.

Proposal 1: Adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of Jefferies common stock.

Proposal 2: Approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transaction requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Jefferies common stock present, in person or by proxy, at the special meeting and entitled to vote thereon.

Proposal 3: Approval of the proposal to adjourn the Jefferies special meeting, if necessary, to solicit additional proxies requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of Jefferies common stock present, in person or by proxy, at the Jefferies special meeting and entitled to vote thereon.

Simultaneously with execution of the first merger agreement and the second merger agreement, at the request of Jefferies, Leucadia (which, through its wholly owned subsidiary, BEI Jeffvest, LLC, a Delaware limited liability company, holds approximately [28.6]% of the outstanding shares of common stock of Jefferies as of the record date for the Jefferies special meeting), entered into the Leucadia voting agreement pursuant to which Leucadia has agreed to vote, and to cause its subsidiary to vote, its Jefferies common stock in favor of the first merger.

Jefferies has also entered into the Jefferies executive voting agreements with each of Richard B. Handler, Chairman of the Board and Chief Executive Officer of Jefferies, and Brian P. Friedman, Chairman of the Executive Committee of Jefferies (who hold approximately [1.54]% and [1.41]%, respectively, of the outstanding shares of Jefferies common stock as of the record date for the Jefferies special meeting, pursuant to which, on a several basis, each has agreed to vote his Jefferies common stock in favor of Jefferies Proposals 1 and 3.

Pursuant to the Leucadia voting agreement and Jefferies executive voting agreements, approximately [31.47]% of the shares of Jefferies common stock outstanding as of the record date for the Jefferies special meeting are committed to be voted in favor of Jefferies Proposal 1. The approval of Jefferies Proposal 1, will, therefore, require that approximately an additional [18.53]% of the shares of Jefferies common stock outstanding as of the record date for the Jefferies special meeting are voted in favor of Jefferies Proposal 1. No other Jefferies director or executive officer has entered into any agreement obligating such director or executive officer to vote his Jefferies common stock in favor of the transactions or to retain his currently owned shares of Jefferies common stock.

For important information on the Jefferies special meeting, see [The Jefferies Special Meeting](#).

The Leucadia Special Meeting (see page 65)

The Leucadia special meeting will be held on [], 2013, beginning at [], local time, at [], unless postponed or adjourned to a later date.

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All Leucadia shareholders who held shares of record at the close of business on [], the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting and any adjournment or postponement of the special meeting, provided that such shares remain outstanding on the date of the special meeting.

The special meeting of Leucadia shareholders is being held to consider and vote on:

Proposal 1: to approve the Leucadia share issuance;

Proposal 2: to approve an amendment to the transfer restrictions already contained in Leucadia's certificate of incorporation to prevent any person from becoming a 5% shareholder or being treated as owning more than 5% of the Leucadia shares for purposes of Section 382 of the Code as a result of the receipt of Leucadia common shares in an acquisition transaction, and technical clarifications to the definition of 5% shareholder contained in the transfer restriction;

Proposal 3: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transactions; and

Proposal 4: to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve Proposal 1 or 2.

Completion of the second merger is conditioned on approval of the Leucadia share issuance but not the charter amendment. Approval of Leucadia Proposals 2, 3 and 4 at the special meeting is not a condition to the obligation of Leucadia to consummate the transactions contemplated by the second merger agreement. Accordingly, if all of the conditions to the transactions set forth in the second merger agreement are satisfied or waived, Leucadia intends to complete the transactions, whether or not Leucadia Proposals 2, 3 and 4 have been approved.

Leucadia's board of directors has unanimously approved the second merger agreement and the transactions it contemplates, including the Leucadia share issuance and unanimously recommends that Leucadia shareholders vote FOR the approval of the Leucadia share issuance, FOR the proposal to approve the charter amendment, FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Leucadia's named executive officer that is based on or otherwise relates to the proposed transaction, as disclosed in this joint proxy statement/prospectus and FOR the approval of the necessary adjournment of the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or charter amendment.

As of the record date, there were [] Leucadia common shares outstanding, held by [] holders of record.

Proposal 1: Under the NYSE rules, the Leucadia share issuance requires the affirmative vote of holders of a majority of the outstanding Leucadia common shares voted at the Leucadia special meeting, provided that the total votes cast including, pursuant to the rules of the NYSE, abstentions, represents over 50% in interest of all Leucadia common shares entitled to vote on the proposal.

Proposal 2: The charter amendment requires the affirmative vote of the majority of all outstanding Leucadia common shares entitled to vote thereon at the Leucadia special meeting.

Proposal 3: The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transaction requires that affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast, in person or by proxy, at the special meeting and entitled to vote.

Proposal 4: The proposal to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies requires the affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast, in person or by proxy, at the Leucadia special meeting and entitled to vote.

Simultaneously with the execution of the first merger agreement and the second merger agreement, Jefferies entered into the Leucadia executive voting agreements with each of Ian M. Cumming (with respect to [8.64]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) and Joseph S. Steinberg (with respect to [9.63]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) pursuant to which, on a several basis, each agreed to vote such Leucadia common shares in favor of the transactions. For more information on the Leucadia executive voting agreements, see Voting Agreements Leucadia Executive Voting Agreements. As of the record date, Leucadia directors and

executive officers and their affiliates, as a group, owned and were entitled to vote [] Leucadia common shares, or approximately []% of the outstanding Leucadia common shares. These directors and executive officers have informed Leucadia that they intend to vote their shares in favor of Leucadia Proposals 1, 2, and 4. Pursuant to the Leucadia executive voting agreements, approximately [18.27]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are committed to be voted in favor of Leucadia Proposal 1. The approval of Leucadia Proposal 1, will, therefore, require that approximately an additional [6.74]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are voted in favor of Leucadia Proposal 1, assuming that the total votes cast (including those subject to the Leucadia executive voting agreements) represent 50.1% in interest of all Leucadia common shares entitled to vote on Leucadia Proposal 1. Pursuant to the Leucadia executive voting agreements, approximately [18.27]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are committed to be voted in favor of Leucadia Proposal 2. The approval of Leucadia Proposal 2, will, therefore, require that approximately an additional [31.74]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are voted in favor of Leucadia Proposal 2.

For important information on the Leucadia special meeting, see The Leucadia Special Meeting.

The Transactions (see page 71)

Leucadia and Jefferies, among others, have entered into the second merger agreement pursuant to which, through a series of transactions including the first merger, Jefferies will become a wholly owned subsidiary of Leucadia and Jefferies stockholders will become shareholders of Leucadia. Jefferies and certain of its subsidiaries have entered into the first merger agreement. Jefferies stockholders are receiving this document in connection with Jefferies solicitation of proxies for its special meeting of stockholders to vote on, among other things, the proposal to adopt the first merger agreement and to approve the transactions contemplated by the first merger agreement (which is the only stockholder authorization required for Jefferies and its affiliates to consummate the merger with Leucadia). Leucadia shareholders are receiving this document in connection with Leucadia's solicitation of proxies for its special meeting of shareholders to vote on, among other things, the proposal to issue Leucadia common shares as merger consideration and the charter amendment.

Effect of the Transactions (see page 71)

Upon the terms and subject to the conditions set forth in the second merger agreement and in accordance with the DGCL and the DLLCA: (i) at the effective time of the first merger, Merger Sub One will merge with and into Jefferies, with Jefferies being the surviving corporation; (ii) immediately thereafter, Jefferies, as the surviving company of the first merger and a wholly-owned subsidiary of New Jefferies, will be converted into a Delaware limited liability company; and (iii) immediately thereafter, New Jefferies will merge with and into Merger Sub Two, with Merger Sub Two being the surviving entity. The effect of the first merger will be that shares of Jefferies common stock will be converted into shares of New Jefferies common stock on a one-for-one basis. Similarly, each outstanding equity award with respect to Jefferies common stock will automatically convert into an equity award with respect to New Jefferies common stock. The effect of the second merger will be that New Jefferies will be acquired by Leucadia and shares of New Jefferies common stock will be cancelled and converted into the right to receive 0.81 of a Leucadia common share and each outstanding equity award with respect to Jefferies common stock will automatically convert into an equity award with respect to Leucadia common shares, giving effect to the exchange ratio of 0.81 of a Leucadia common share for each share of Jefferies common stock. For diagrams depicting the structure of the mergers described above, see The Transactions Effect of the Transactions.

Jefferies Reasons for the Transactions; Recommendation of the Board of Directors of Jefferies (see page 78)

The Jefferies transaction committee unanimously recommended that the Jefferies board of directors approve and adopt the transaction agreements, including the first merger agreement, and the transactions contemplated thereby. After considering the unanimous recommendation of the Jefferies transaction committee and other factors, the Jefferies board of directors, by unanimous vote of all directors voting (Messrs. Cumming and Steinberg having recused themselves from consideration of the transactions on behalf of Jefferies because they are directors and officers of Leucadia), approved, by the unanimous vote of all directors present (Messrs. Cumming and Steinberg having not participated in the deliberation on behalf of Jefferies) the transaction agreements, including the first merger agreement, and the transactions contemplated thereby. **Accordingly, the Jefferies board of directors recommends that Jefferies stockholders vote FOR the adoption of the first merger agreement and approval of the transactions contemplated thereby, FOR the approval on an advisory (non-binding) basis the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates the proposed transactions and FOR the proposal to adjourn the Jefferies special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.** For a discussion of the factors considered by the Jefferies transaction committee and the Jefferies

board in reaching their decision to approve the transactions, please see The Transactions Jefferies Reasons for the Transactions; Recommendation of Jefferies Board of Directors.

Opinion of Citigroup Global Markets Inc. (see page 81)

The Jefferies transaction committee has retained Citigroup Global Markets Inc. (referred to as Citi) as its financial advisor in connection with the transactions. In connection with this engagement, the Jefferies transaction committee requested that Citi evaluate the fairness, from a financial point of view, to holders of Jefferies common stock (other than Leucadia and its affiliates) of the exchange ratio provided for in the second merger agreement. On November 10, 2012, at a meeting of the Jefferies transaction committee at which the Jefferies transaction committee resolved to recommend that the Jefferies board of directors approve and adopt the transaction agreements, Citi rendered to the Jefferies transaction committee an oral opinion, confirmed by delivery of a written opinion dated November 11, 2012, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations and qualifications described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Jefferies common stock (other than Leucadia and its affiliates).

The full text of Citi's written opinion, dated November 11, 2012, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this joint proxy statement/prospectus as Annex I and is incorporated herein by reference. The description of Citi's opinion set forth below is qualified in its entirety by reference to the full text of Citi's opinion. Holders of Jefferies common stock are encouraged to read the opinion carefully in its entirety. **Citi's opinion was provided for the information of the Jefferies transaction committee in connection with its evaluation of the exchange ratio from a financial point of view and did not address any other aspects or implications of any of the transactions. Citi expressed no view as to, and its opinion did not address, the underlying business decision of Jefferies to effect any of the transactions, the relative merits of any of the transactions as compared to any alternative business strategies that might exist for Jefferies or the effect of any other transaction in which Jefferies might engage. Citi's opinion is not intended to be, and does not constitute, a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the transactions or otherwise.**

Interests of Jefferies Directors and Executive Officers in the Transactions (see page 91)

In considering the recommendation of Jefferies board of directors, upon recommendation of the Jefferies transaction committee, with respect to the transactions, you should be aware that Jefferies directors and executive officers have financial and other interests in the transactions that may be different from, or in addition to, those of Jefferies stockholders generally. The board of directors of Jefferies and the Jefferies transaction committee was aware of and considered these potential interests, among other matters, in evaluating and negotiating the second merger agreement and the first merger agreement, in adopting the second merger agreement and the first merger agreement and in recommending the approval of the first merger agreement and the transactions contemplated thereby by the stockholders of Jefferies.

Continuing Service. The second merger agreement provides that, following the completion of the second merger, Leucadia's board of directors will include six directors designated by Jefferies, who are Richard B. Handler, Brian P. Friedman, W. Patrick Campbell, Richard G. Dooley, Robert E. Joyal and Michael T. O'Kane. We expect that Mr. Handler, the current Chief Executive Officer of Jefferies, and Mr. Friedman, the current Executive Committee Chairman of Jefferies, will serve as the Chief Executive Officer and President, respectively, of Leucadia upon the completion of the merger, subject to their ability and willingness to serve. Mr. Handler and Mr. Friedman will each continue in their roles as Chief Executive Officer and Executive Committee Chairman of Jefferies, respectively.

Conversion of Equity Compensation Awards. All of Jefferies executive officers, as well as other Jefferies employees, hold restricted shares of Jefferies common stock and/or restricted stock units granted under Jefferies equity compensation plans. In addition, non-employee members of the board of directors of Jefferies hold restricted shares of Jefferies common stock and/or deferred shares granted under Jefferies director stock compensation plan. Upon the consummation of the second merger, each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio of 0.81 into an equivalent award denominated by Leucadia common shares, with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

Indemnification and Insurance. The second merger agreement provides that, following the completion of the second merger, Leucadia will honor all of Jefferies obligations to indemnify the current and former directors and officers of Jefferies and all of its subsidiaries for any acts or omissions by such indemnified parties that occurred prior to the second merger. Leucadia will also maintain the directors' and officers' liability (and fiduciary) insurance policies maintained by Jefferies as of the time of the second merger agreement for six years following the completion of the second merger.

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Ownership of Equity Interests in Leucadia and Affiliates. Messrs. Cumming and Steinberg, each of whom is a member of the board of directors of Jefferies, as of the date of board approval of the proposed transactions, each held of record or may be deemed to have owned beneficially, and as of the date of mailing of this joint proxy statement/prospectus, each continued to hold of record or may be deemed to own beneficially, common shares of Leucadia, the value of which may be affected by the proposed transactions. Messrs. Cumming and Steinberg recused themselves from consideration of the proposed transaction on behalf of Jefferies.

Merger-Related Compensation.

Under Jefferies' compensation arrangements with its executive officers, no executive officer will receive any compensation solely on account of a change in control, including the completion of the second merger. Such compensation will be payable, however, if an executive officer's employment is terminated without cause following the second merger. As described above, outstanding awards of restricted stock and restricted stock units will be converted into Leucadia restricted shares and restricted share units. Each will remain subject to the original vesting requirements and performance criteria under the applicable Jefferies equity award plan and will not be accelerated solely on account of a change in control.

The outstanding annual incentive awards of the executive officers of Jefferies also will remain subject to the original vesting requirements and will remain subject to performance criteria.

Leucadia's Reasons for the Transactions; Recommendation of the Board of Directors of Leucadia (see page 93)

The Leucadia board of directors has unanimously approved the second merger agreement and determined that the second merger agreement and the transactions contemplated thereby, including the Leucadia share issuance and the charter amendment, are in the best interests of Leucadia and its shareholders. For more information regarding the factors considered by the Leucadia board of directors in reaching its decision to approve the second merger agreement and to authorize the Leucadia share issuance and the charter amendment, see the sections entitled "The Transactions," "Leucadia's Reasons for the Transactions; Recommendation of Leucadia's Board of Directors," and "Proposals for the Leucadia Special Meeting." "Leucadia's Reasons for the Transactions; Recommendation of Leucadia's Board of Directors" and "Proposals for the Leucadia Special Meeting." "Leucadia's Reasons for the Transactions; Recommendation of Leucadia's Board of Directors" and "Proposals for the Leucadia Special Meeting." **The Leucadia board of directors unanimously recommends that Leucadia shareholders vote FOR the proposal to approve the Leucadia share issuance; FOR the proposal to adopt the charter amendment; FOR the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to adjourn the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or the charter amendment.**

Opinion of UBS Securities LLC (see page 94)

On November 11, 2012, at a meeting of Leucadia's board of directors held to evaluate the proposed transaction, UBS Securities LLC (referred to as "UBS"), delivered to Leucadia's board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion, dated November 11, 2012, to the effect that, as of that date and based on and subject to various assumptions made, matters considered and limitations described in its opinion, the exchange ratio provided for in the transaction was fair, from a financial point of view, to Leucadia.

The full text of UBS' opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS. This opinion is attached as **Annex H** and is incorporated into this joint proxy statement/prospectus by reference. **Leucadia shareholders are encouraged to read UBS' opinion carefully in its entirety. UBS' opinion was provided for the benefit of Leucadia's board of directors (in its capacity as such) in connection with, and for the purpose of, its evaluation of the exchange ratio provided for in the transaction, from a financial point of view, and does not address any other aspect of the transaction or any related transaction. UBS' opinion does not address the relative merits of the transaction as compared to other business strategies or transactions that might be available with respect to Leucadia or Leucadia's underlying business decision to effect the transaction or any related transaction. The opinion does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the transaction or any related transaction.**

Interests of Leucadia Directors and Executive Officers in the Transactions (see page 100)

When considering the recommendation of the Leucadia board of directors with respect to the transactions, you should be aware that certain of Leucadia's directors and executive officers may be deemed to have interests in the transactions that are different from or in addition to those of Leucadia shareholders. These interests may present such persons with actual or potential conflicts of

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interest. The board of directors of Leucadia was aware of these interests during the deliberation of the merits of the transactions and in deciding to recommend that you vote for the Leucadia share issuance and the charter amendment.

Mr. Michael Sorkin, a director of Leucadia, is a Vice Chairman of N M Rothschild & Sons Limited, an affiliate of Rothschild, one of the investment banks engaged by Leucadia to advise the Leucadia board of directors in connection with the transactions. Although Mr. Sorkin does not expect to share in the fee received by Rothschild for its service to Leucadia, he could be deemed to have an interest in the transactions. Rothschild is not issuing a fairness opinion to Leucadia or the Leucadia board of directors in connection with the transactions.

Mr. Ian M. Cumming currently serves as Chairman of the Board and Chief Executive Officer of Leucadia. Upon consummation of the transactions, Mr. Cumming will retire from those positions, while remaining a member of the Leucadia board of directors. As a result of his retirement as an executive officer of Leucadia, Mr. Cumming and the board of directors of Leucadia have agreed to the financial and other terms of his retirement.

Three executive officers of Leucadia, Thomas E. Mara, Joseph A. Orlando and Justin R. Wheeler each have a retention agreement with Leucadia pursuant to which each of them is entitled to a cash payment in the event that prior to a specified date in 2015 (i) neither Ian M. Cumming nor Joseph S. Steinberg is the chief executive officer of Leucadia (which is considered a change of control for purposes of these retention agreements) and (ii) such executive resigns as an executive officer of Leucadia. To avoid the resignation of each of these executive officers, following the second merger, each of them will receive the contractual payment provided for under their respective retention agreement.

For a more detailed discussion of these interests, see The Transactions Interests of Leucadia Directors and Executive Officers in the Transactions .

Board of Directors and Management Following the Transactions (see page 102)

Effective as of, and subject to the occurrence of, the effective time of the second merger, the following will occur:

the size of the board of directors of Leucadia will be increased to fourteen;

Mr. Handler will become the Chief Executive Officer of Leucadia, as well as one of its directors, and also will remain Jefferies Chief Executive Officer and Chairman;

Mr. Friedman will become Leucadia's President and one of its directors, and also will remain Chairman of the Executive Committee of Jefferies;

Mr. Steinberg will become Chairman of the Board of Leucadia and will continue to work full time as an executive of Leucadia;

Mr. Cumming will retire as Chairman of the Board and Chief Executive Officer of Leucadia and will remain a Leucadia director;

the four independent members of the Jefferies board of directors (W. Patrick Campbell, Richard G. Dooley, Robert E. Joyal and Michael T. O Kane) will also join the board of directors of Leucadia;

the other six Leucadia directors will continue as directors of Leucadia; and

the other Jefferies and Leucadia officers will continue in their present positions.

Material U.S. Federal Income Tax Consequences (see page 102)

Each of the first merger and the LLC conversion, taken together, and the second merger are intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Accordingly, a U.S. holder of Jefferies common stock generally will not recognize any gain or loss on the conversion of such holder's Jefferies common stock into New Jefferies common stock in the first merger and a U.S. holder of New Jefferies common stock who receives Leucadia common shares pursuant to the second merger generally will not recognize gain or loss on the exchange of such holder's New Jefferies common stock for Leucadia common shares (other than gain or loss with respect to cash received in lieu of a fractional share).

The tax consequences of the transactions to each Jefferies stockholder may depend on such holder's particular facts and circumstances. Jefferies stockholders are urged to consult their tax advisors to understand fully the consequences to them of the transactions in their specific circumstances. A more detailed discussion of the material U.S. federal income tax consequences of the transactions can be found in the section entitled **The Transactions Material U.S. Federal Income Tax Consequences.**

Accounting Treatment (see page 105)

Leucadia prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (referred to as GAAP). The second merger will be accounted for by Leucadia using the acquisition method of accounting.

Regulatory Clearances Required for the Transactions (see page 105)

Jefferies and Leucadia have each agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the second merger agreement. These approvals include approval from the SEC, the Financial Industry Regulatory Authority (referred to as FINRA), the Department of Justice, the Federal Trade Commission and the Financial Services Authority in the United Kingdom and various other federal, state and foreign regulatory authorities and self-regulatory organizations.

Jefferies and Leucadia have completed, or will shortly complete, the filing of applications and notifications to obtain the required regulatory approvals. Although Jefferies and Leucadia believe that the transactions do not raise substantial regulatory concerns and that all requisite regulatory approvals can be obtained on a timely basis, Jefferies and Leucadia cannot be certain when or if these approvals will be obtained.

Exchange of Shares (see page 106)

Upon the completion of the first merger, each share of Jefferies common stock issued and outstanding immediately prior to the effective time of the first merger will be converted into one share of New Jefferies common stock.

Prior to the effective time of the second merger, Leucadia will appoint an exchange agent to handle the exchange of shares of New Jefferies common stock for Leucadia common shares. At the effective time of the second merger, each share of New Jefferies common stock (excluding shares held by New Jefferies in treasury or any shares held by Leucadia, which shall be cancelled and cease to exist for no consideration) will be converted into the right to receive 0.81 of a Leucadia common share (referred to as the exchange ratio) without the need for any action by the holders of New Jefferies common stock.

However, in order to avert the possibility that the transactions could result in the application of tax law limitations on the use of certain of Leucadia's tax attributes, the second merger agreement limits the amount of Leucadia common shares that can be issued to certain persons if such issuance would otherwise cause a person or group of persons to become a 5% shareholder or own 5% or more of the combined Leucadia common shares by reason of the second merger.

New Jefferies stockholders will not receive any fractional Leucadia common shares pursuant to the second merger. Instead, a stockholder of New Jefferies who otherwise would have received a fractional Leucadia common share will be entitled to receive, from the exchange agent, a cash payment in lieu of such fractional share representing such holder's proportionate interest in the proceeds from the sale by the exchange agent of the number of excess shares of Leucadia common shares represented by the aggregate amount of fractional shares that the stockholders of New Jefferies otherwise would have been entitled to receive upon the exchange of their New Jefferies common stock into Leucadia common shares.

Leucadia shareholders need not take any action with respect to their share certificates. Prior to the effective time of the second merger in connection with the Leucadia winery business spin out, Leucadia shareholders of record on the Crimson record date will have become entitled to receive shares of Crimson common stock pursuant to the Leucadia winery business spin out without the taking of any action on their part.

Treatment of Jefferies Awards (see page 107)

Upon the effective time of the first merger, each outstanding award or benefit measured in whole or in part by the value of a number of Jefferies common stock will be converted, on a transitional basis, into an equivalent award denominated in shares of common stock of New Jefferies with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

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As a result of the transactions, each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated in Leucadia shares with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion. At or prior to the effective time of the second merger, Jefferies and Leucadia will make such amendments and take other actions with respect to the Jefferies award plans as necessary to effect the adjustment, including notifying all participants in Jefferies award plans.

Treatment of Jefferies Preferred Stock (see page 107)

If Jefferies preferred stock is not redeemed, Jefferies anticipates that the holders of Jefferies preferred stock will agree to exchange, prior to the first merger, all of their shares of the Jefferies preferred stock for a new series of convertible preferred stock of Jefferies, which will have the same terms, except that the terms of the new preferred stock will specifically provide that it will be converted into a series of convertible preferred stock of New Jefferies in the first merger. The terms of the New Jefferies preferred stock will provide that it will be converted into the right to receive a newly created series of preferred shares of Leucadia in the second merger. The terms of the new series of Leucadia preferred shares are currently being negotiated. They are now expected to be generally comparable to the current terms of the Jefferies preferred stock, although the Leucadia preferred shares will be convertible into Leucadia common shares and, accordingly, will have economic and other terms geared to such common shares and may otherwise reflect prevailing market conditions.

Listing of Leucadia Common Shares; Delisting of Shares of Jefferies Common Stock (see page 107)

It is a condition to the completion of the second merger that the Leucadia common shares to be issued to New Jefferies stockholders pursuant to the second merger be authorized for listing on the NYSE (or any successor inter-dealer quotation system or stock exchange thereto) at the effective time of the second merger. As a result of the transactions, Jefferies common stock currently listed on the NYSE will cease to be listed on the NYSE.

Appraisal Rights (see page 107)

Appraisal rights are statutory rights that enable stockholders to dissent from an extraordinary transaction, such as a significant business combination, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. The holders of Jefferies common stock are not entitled to appraisal rights in connection with the first merger or the second merger. Appraisal rights are available to holders of Jefferies preferred stock in connection with the first merger; however, the holders of Jefferies preferred stock have effectively waived their appraisal rights.

Because the Leucadia shareholders will continue to hold their Leucadia shares, the Leucadia shareholders will not be entitled to appraisal rights in connection with the merger.

See the section entitled "The Transactions - Appraisal Rights" beginning on page 107.

Litigation Related to the Transactions

Five putative class action lawsuits challenging the proposed transactions have been filed on behalf of Jefferies stockholders (referred to collectively as the "Actions"). Each Action is brought by a purported holder of Jefferies common stock, both individually and on behalf of a putative class of Jefferies stockholders. The Actions allege that the directors of Jefferies breached their fiduciary duties to Jefferies stockholders by engaging in a flawed process for selling the company and agreeing to sell Jefferies for inadequate consideration pursuant to a merger agreement that contains improper deal protection terms. The Actions also allege that Jefferies and Leucadia aided and abetted the Jefferies directors' breach of fiduciary duties. The Actions seek, among other things, an injunction barring the proposed transactions.

The First Merger and the First Merger Agreement (see page 109)

The first merger is one of the transactions contemplated by the second merger agreement and is the first in a series of steps through which Jefferies will become a wholly-owned subsidiary of Leucadia. Jefferies stockholders who vote in favor of Proposal 1 are voting in favor of, among other things, adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement, which is the only stockholder authorization required for Jefferies and its affiliates to consummate the merger with Leucadia.

For additional details on the first merger and the terms of the first merger agreement, see the section entitled "The First Merger Agreement" and refer to the full text of the agreement, a copy of which is attached as Annex B.

The Second Merger and the Second Merger Agreement (see page 111)

The second merger is the merger pursuant to which Jefferies will become a wholly-owned subsidiary of Leucadia. Leucadia shareholders who vote in favor of Leucadia Proposal 1 are voting in favor of the issuance of Leucadia common shares as merger consideration for the second merger. Leucadia and Jefferies encourage you to read the entire second merger agreement carefully because it is the principal document governing the transactions.

For additional details on the second merger and the second merger agreement, see the section entitled **The Second Merger Agreement** and refer to the full text of the agreement, a copy of which is attached as Annex A.

Conditions to Completion of the Second Merger (see page 112)

The obligations of each of Jefferies and Leucadia to effect the second merger are subject to the satisfaction, or waiver, of the following conditions:

the adoption of the first merger agreement by holders of a majority of the outstanding shares of Jefferies common stock at the Jefferies special meeting;

the approval of the Leucadia share issuance by holders of a majority of the votes cast at the Leucadia special meeting; provided that the total votes cast on such proposal represent a majority of the Leucadia common shares entitled to vote on such proposal;

the absence of any law, judgment, injunction, order or decree by a court or other governmental entity that prohibits the consummation of any of the transactions;

the waiting period (and any extension thereof) applicable to the second merger under the HSR Act must have expired or been earlier terminated;

the registration statement of which this joint proxy statement/prospectus forms a part must have been declared effective by the SEC and must not be subject to any stop order or proceedings initiated or threatened by the SEC;

the Leucadia common shares to be issued pursuant to the second merger must have been authorized for listing on the NYSE, subject to official notice of issuance;

the receipt of certain regulatory approvals; and

the certificate of merger for the first merger must have been filed with the Delaware Secretary of State and become effective and the certificate of conversion for the Jefferies Surviving Corporation must have been filed immediately thereafter with the Secretary of State of the State of Delaware and become effective.

In addition, the obligations of Jefferies to effect the second merger are subject to the satisfaction, or waiver, of the following additional conditions:

(i) the representations and warranties of Leucadia (other than certain representations related to Leucadia's capitalization and there having not occurred an event having a material adverse effect on Leucadia), being true and correct in all respects both when made and at and as of the date of the closing of the second merger (or, if made as of a specific date, as of such date) except where the failure of such representations and warranties to not be so true and correct (without giving effect to any limitation as to material adverse effect or materiality contained in each representation or warranty) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Leucadia and (ii) the representations of Leucadia related to its capitalization and there having not occurred an event having a material adverse effect on Leucadia being true and correct (other than inaccuracies that are *de minimis* in the aggregate) both when made and at and as of the closing of the second merger (or, if made as of a specific date, as of such date);

Leucadia having performed or complied, in all material respects, with all of its agreements and obligations under the second merger agreement at or prior to the closing date;

receipt by Jefferies of a certificate, dated as of the closing date, executed by the chief executive officer or another senior officer of Leucadia certifying as to the satisfaction of the conditions described in the preceding two bullets;

receipt by Jefferies from Morgan, Lewis & Bockius LLP, tax counsel to Jefferies, of a written opinion, dated as of the closing date, to the effect that (i) the first merger and the LLC conversion, taken together, and (ii) the second merger will each be treated for U.S. federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code; and

receipt by Jefferies of evidence in form and substance reasonably satisfactory to Jefferies of the spin out of the Leucadia winery business to Leucadia shareholders as contemplated by the second merger agreement.

In addition, the obligations of Leucadia and Merger Sub Two to effect the second merger are subject to the satisfaction, or waiver, of the following additional conditions:

(i) the representations and warranties of Jefferies (other than certain representations related to Jefferies' capitalization and there having not occurred an event having a material adverse effect on Jefferies), being true and correct in all respects both when made and at and as of the date of the closing of the second merger (or, if made as of a specific date, as of such date) except where the failure of such representations and warranties to not be so true and correct (without giving effect to any limitation as to material adverse effect or materiality contained in each representation or warranty) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Jefferies; and (ii) the representations of Jefferies related to its capitalization and there having not occurred an event having a material adverse effect on Jefferies being true and correct (other than inaccuracies that are *de minimis* in the aggregate) both when made and at and as of the closing of the second merger (or, if made as of a specific date, as of such date);

Jefferies having performed or complied, in all material respects, with all of its agreements and obligations under the second merger agreement at or prior to the closing date;

receipt of a certificate, dated as of the closing date, executed by the chief executive officer or another senior officer of Jefferies certifying as to the satisfaction of the conditions described in the preceding two bullets; and

receipt by Leucadia from Weil, tax counsel to Leucadia, of a written opinion, dated as of the closing date, to the effect that (i) the first merger and the LLC conversion, taken together, and (ii) the second merger will each be treated for U.S. federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code.

No Solicitation of Alternative Proposals (see page 113)

The second merger agreement precludes Jefferies and Leucadia from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal for a competing transaction, including the acquisition of a significant interest in Leucadia common shares or assets or Jefferies common stock or assets. However, if Jefferies or Leucadia receives an unsolicited proposal from a third party for a competing transaction that Leucadia's or Jefferies' board of directors, as applicable, among other things, determines in good faith constitutes, or is reasonably likely to result in, a proposal that is superior to the transactions contemplated by the second merger agreement, Jefferies or Leucadia, as applicable, may furnish non-public information to and enter into discussions with, and only with, that third party regarding such competing transaction.

Change of Board Recommendation (see page 114)

Prior to obtaining the relevant stockholder or shareholder approval, the board of directors of each of Jefferies and Leucadia is permitted to withdraw or to qualify or modify in a manner adverse to the other party its recommendation with respect to the transactions (i) in response to an intervening event (other than the receipt of a superior takeover proposal) or development that affects in a material respect the business, financial condition or result of operations of Jefferies or Leucadia, respectively, and that was unknown to the board of directors and not reasonably foreseeable as of the date of the second merger agreement, and becomes known to the board of directors before receipt of the applicable stockholder or shareholder approval or (ii) if the board of directors of Jefferies or Leucadia, as applicable, among other things, determines in good faith that a takeover proposal constitutes a superior proposal and in the case of (i) and (ii) above, the board of directors of Jefferies or Leucadia, as applicable, determines that the failure to take such action would be inconsistent with its fiduciary duties under applicable law.

If the board of directors of either party withdraws (or qualifies or modifies in a manner adverse to the other party) its recommendation, such party will nonetheless continue to be obligated to hold its stockholder or shareholder meeting and submit the proposals as set forth herein to its stockholders or shareholders.

Merger Consideration (see page 115)

Jefferies stockholders will have the right to receive 0.81 of a Leucadia common share for each share of New Jefferies common stock they hold at the effective time of the second merger. The exchange ratio is fixed and will not be adjusted for changes in the market value of the Jefferies common stock or Leucadia common shares. As a result, the implied value of the consideration to Jefferies stockholders will fluctuate between the date of this joint proxy statement/prospectus and the effective date of the second merger. Based on the closing price of Leucadia common shares on the NYSE on November 9, 2012, the last trading day before public announcement of the transactions, the exchange ratio represented approximately a \$17.01 implied per share value of the merger consideration based on the exchange ratio and a \$20.99 per share value for Leucadia common shares, which represents the closing price of a Leucadia common share on November 9, 2012 of \$21.80, adjusted for the Crimson dividend amount as a result of the Leucadia winery business spin out contemplated under the second merger agreement. Based on the closing price of \$[] per Leucadia common share on the NYSE on [], 2012, the latest practicable trading day before the date of this joint proxy statement/prospectus, adjusted for Crimson dividend amount, the exchange ratio represented approximately \$[] in value for each share of Jefferies common stock, which had a closing price of \$[] per share on [], 2012, the latest practicable trading day before the date of this joint proxy statement/prospectus. However, in order to avert the possibility that the transactions could result in the application of tax law limitations on the use of certain of Leucadia's tax attributes, the second merger agreement limits the amount of Leucadia common shares that can be issued to certain persons if such issuance would otherwise cause a person or group of persons to become 5% shareholders or own 5% or more of the combined Leucadia common shares by reason of the second merger.

Termination of the Second Merger Agreement (see page 116)

The second merger agreement may be terminated at any time prior to the effective time of the second merger, and, except as described below, whether before or after the receipt of the required stockholder approvals, under the following circumstances:

by mutual written consent of Jefferies and Leucadia;

by either Jefferies or Leucadia (subject to certain exceptions, as described in the section entitled "The Second Merger Agreement - Termination of the Second Merger Agreement");

if the second merger is not consummated by June 1, 2013 (referred to as the "termination date");

if an injunction, order, decree or ruling of a governmental entity of competent jurisdiction has been entered permanently restraining, enjoining or otherwise prohibiting the consummation of any of the transactions and such injunction is final and non-appealable; or

if (a) the Jefferies stockholders fail to adopt the first merger agreement at the Jefferies special meeting or (b) the Leucadia shareholders fail to approve the Leucadia share issuance at the Leucadia special meeting;

by each party, if prior to the other party's special meeting (i) the board of directors of the other party withdraws or qualifies or modifies in a manner adverse to the other party its recommendation, (ii) the other party fails to include the recommendation of its board of directors in this joint proxy statement/prospectus, (iii) the other party's board of directors has approved a competing transaction proposal, (iv) the other party's board of directors has failed to publicly reaffirm its recommendation to vote in favor of the transaction within ten business days following receipt of a written request to provide such reaffirmation following a competing transaction proposal or (v) the other party breaches any of its obligations under the second merger agreement regarding third-party takeover proposals, as described in the section entitled "The Second Merger Agreement - No Solicitation of Alternative Proposals"; or

by each party upon a breach of any representation, warranty, covenant or agreement on the part of other party contained in the second merger agreement such that the conditions to the terminating party's obligations to complete the transactions are not satisfied and that either (i) the breach is not reasonably capable of being cured or (ii) if such breach is reasonably capable of being cured, such breach has not been cured prior to the earlier of (a) 30 days following notice of such breach or (b) the termination date.

Termination Fees and Expenses; Liability for Breach (see page 117)

Generally, all fees and expenses incurred in connection with the negotiation and completion of the transactions contemplated by the second merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in the second merger agreement. Upon termination of the second merger agreement under qualifying circumstances, Jefferies or Leucadia, as

the case may be, will be required to pay the other party a termination fee of \$90,000,000 in certain circumstances and/or expenses of the other party up to \$3,000,000. See the section entitled "The Second Merger Agreement - Termination Fees and Expenses; Liability for Breach" beginning on page 117 for a more complete discussion of the circumstances under which Jefferies or Leucadia may be required to pay the termination fee and expenses.

Leucadia Winery Business Spin Out (see page 122)

Prior to the effective date of the second merger, Leucadia has agreed to cause the spin out of Leucadia's winery operations owned by Crimson to Leucadia shareholders, provided that it will not reduce Leucadia's book value by more than \$197,000,000 and that Leucadia will not retain any material liability with respect to the winery operations. The Leucadia winery business spin out will be affected pursuant to documentation that is reasonably acceptable to Jefferies. The Leucadia winery business spin out will be implemented as a dividend of all of the shares of Crimson common stock on a pro rata basis to Leucadia shareholders of record on the Crimson record date in a manner that is intended to be tax-free. Each Leucadia shareholder of record on the Crimson record date will receive one share of Crimson common stock for every 10 Leucadia common shares. Prior to the distribution of Crimson common stock in the Leucadia winery business spin out, there has been no public market for Crimson common stock and there can be no guarantee that an active trading market will develop or the market prices at which Crimson common stock will trade. Following the Leucadia winery business spin out, Leucadia will not own any shares of Crimson common stock.

The Voting Agreements (see page 126)

Simultaneously with execution of the second merger agreement, at the request of Jefferies, Leucadia (which, through its wholly-owned subsidiary, BEI Jeffvest, LLC, a Delaware limited liability company, holds approximately [28.52]% of the outstanding shares of common stock of Jefferies as of the record date for the Jefferies special meeting), entered into a Voting Agreement dated November 11, 2012 pursuant to which Leucadia has agreed to vote, and to cause its subsidiary to vote, its Jefferies common stock in favor of the transactions (referred to as the Leucadia voting agreement).

Jefferies has also entered into the Leucadia executive voting agreements with each of (i) Ian M. Cumming, the Chairman and Chief Executive Officer of Leucadia, as well as a director of Jefferies (with respect to [8.64]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) and Joseph S. Steinberg, a director and President of Leucadia, as well as a director of Jefferies (with respect to [9.63]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) pursuant to which, on a several basis, each has agreed to vote such Leucadia common shares in favor of the transactions and the Jefferies voting agreements with each of (ii) Richard B. Handler, Chairman of the Board and Chief Executive Officer of Jefferies, (with respect to [1.54]% of the outstanding shares of common stock of Jefferies) and Brian P. Friedman, Chairman of the Executive Committee of Jefferies, (with respect to [1.41]% of the outstanding shares of common stock of Jefferies) pursuant to which, on a several basis, each has agreed to vote his Jefferies common stock in favor of the transactions.

The Leucadia voting agreement, the Leucadia executive voting agreements and the Jefferies executive voting agreements will each terminate upon the earliest of (i) the date on which the second merger becomes effective, (ii) the termination of the second merger agreement in accordance with its terms and (iii) the mutual agreement of the parties to the voting agreement.

For additional details on the terms of the voting agreements, see the section entitled "Voting Agreements", beginning on page 126, and refer to the full text of the agreements, copies of which are attached as Annexes C, D, E, F and G.

On the record date for the Jefferies special meeting, the directors and executive officers of Jefferies and their affiliates owned and were entitled to vote [] shares of Jefferies common stock, representing []% of the outstanding Jefferies common stock.

On the record date for the Leucadia special meeting, the directors and executive officers of Leucadia and their affiliates owned and were entitled to vote [] Leucadia common shares, representing []% of the outstanding Leucadia common shares.

Charter Amendment (see page 129)

The Leucadia board of directors has unanimously approved a proposal to extend the transfer restrictions already contained in its restated certificate of incorporation to prohibit any person from becoming a 5% shareholder or being treated as owning more than 5% of Leucadia common shares for purposes of Section 382 of the Code in connection with an acquisition transaction, and to expand the definition of a 5% shareholder to clarify the manner in which the transfer restrictions operate when Leucadia has more than one class of shares outstanding.

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In order to avert the possibility that the merger with Jefferies or any future acquisition transaction would result in the application of limitations under Section 382 of the Code to the use of Leucadia's NOLs and other tax attributes, inasmuch as the existing transfer restrictions do not apply to issuances by Leucadia of its own shares, Leucadia proposes to amend its restated certificate of incorporation to include a provision that would restrict the issuance of Leucadia shares to a target shareholder in connection with an acquisition transaction (such as the second merger) if the delivery of such shares would otherwise cause a person or group of persons to become a 5% shareholder or would be treated as owning 5% or more of Leucadia common shares as a result of an acquisition transaction. Instead the exchange agent would be required to deliver all or a portion of the cash proceeds of the sale of Leucadia shares otherwise deliverable to the target shareholder. However, other issuances of Leucadia shares by Leucadia will continue to be unaffected by the transfer restrictions, such as the grant of employee options to purchase common shares, and the board of directors of Leucadia will continue to be able to permit or restrict any such issuance on a case by case basis.

In addition, the charter amendment will also expand the definition of a 5% shareholder for purposes of the current transfer restrictions to include any person who is treated as owning 5% or more of Leucadia common shares. This expansion is intended to clarify the manner in which the transfer restrictions will operate if and when Leucadia has more than one class of shares outstanding.

Comparison of Stockholder Rights and Corporate Governance Matters (see page 152)

Jefferies stockholders receiving merger consideration will have different rights once they become shareholders of Leucadia due to differences between Delaware and New York law and the governing corporate documents of Jefferies and the governing corporate documents of Leucadia. These differences are described in detail under the section entitled *Comparative Rights of Leucadia Shareholders and Jefferies Stockholder* beginning on page 152.

Selected Historical Consolidated Financial Data

Selected Historical Consolidated Financial Data of Jefferies

The selected historical consolidated financial data of Jefferies for the twelve months ended November 30, 2011, eleven months ended November 30, 2010, and each of the twelve months ended December 31, 2009, 2008 and 2007 and as of November 30, 2011 and 2010, and December 31, 2009, 2008 and 2007 have been derived from Jefferies' audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended November 30, 2011, which is incorporated by reference in this joint proxy statement/prospectus. The selected financial data of Jefferies as of and for the nine months ended August 31, 2012 and August 31, 2011 are derived from Jefferies' unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2012, which is incorporated by reference in this joint proxy statement/prospectus.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Jefferies or the combined company, and you should read the following information together with Jefferies' audited consolidated financial statements, the related notes and the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in Jefferies Annual Report on Form 10-K for the year ended November 30, 2011, which is incorporated by reference in this joint proxy statement/prospectus. For more information, see the section entitled *Where You Can Find More Information* beginning on page 165.

	Nine Months Ended August 31,		Twelve Months Ended November 30,	Eleven Months Ended November 30,	Twelve Months Ended December 31,		
	2012	2011	2011	2010	2009	2008	2007
(In Thousands, Except Per Share Amounts)							
SELECTED INCOME STATEMENT DATA:							
Total revenues	\$ 2,897,935	\$ 2,730,898	\$ 3,529,638	\$ 2,797,346	\$ 2,632,059	\$ 1,674,434	\$ 2,718,524
Interest expense	668,000	736,068	980,825	605,096	468,798	660,448	1,150,779
Net revenues	2,229,935	1,994,830	2,548,813	2,192,250	2,163,261	1,013,986	1,567,745
Interest on mandatorily redeemable preferred interest of consolidated subsidiaries	34,604	6,183	3,622	14,916	37,248	(69,077)	4,257
Net revenues, less mandatorily redeemable preferred interest	2,195,331	1,988,647	2,545,191	2,177,334	2,126,013	1,083,063	1,563,488
Total non-interest expenses	1,817,511	1,639,993	2,125,857	1,780,663	1,618,266	1,971,223	1,322,374
Earnings (loss) before income taxes	377,820	348,654	419,334	396,671	507,747	(888,160)	241,114
Income tax expense (benefit)	134,403	107,899	132,966	156,404	195,928	(293,359)	93,032
Net earnings (loss)	243,417	240,755	286,368	240,267	311,819	(594,801)	148,082
Net earnings (loss) to noncontrolling interest	32,612	4,523	1,750	16,601	36,537	(53,884)	3,634
Net earnings (loss) to common	\$ 210,805	\$ 236,232	\$ 284,618	\$ 223,666	\$ 275,282	\$ (540,917)	\$ 144,448
Per share:							
Basic earnings (loss) per common share	\$ 0.92	\$ 1.07	\$ 1.28	\$ 1.10	\$ 1.36	\$ (3.30)	\$ 0.93
Diluted earnings (loss) per common share	\$ 0.91	\$ 1.07	\$ 1.28	\$ 1.09	\$ 1.35	\$ (3.30)	\$ 0.92
Weighted average number of common shares:							
Basic	216,509	209,544	211,056	196,393	200,446	166,163	141,515
Diluted	220,621	213,661	215,171	200,511	204,572	166,163	141,903
Cash dividends per common share	\$ 0.225	\$ 0.225	\$ 0.30	\$ 0.30		\$ 0.25	\$ 0.50

	At August 31,	At November 30,		At December 31,		
	2012	2011	2010	2009	2008	2007

(In thousands, except per share amount)

SELECTED BALANCE SHEET DATA:							
Total assets	\$ 34,407,358	\$ 34,971,422	\$ 36,726,543	\$ 28,121,023	\$ 19,978,685	\$ 29,793,817	

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Long-term debt	4,860,917	4,608,926	3,778,681	2,729,117	1,764,274	1,764,067
Mandatorily redeemable convertible preferred stock	125,000	125,000	125,000	125,000	125,000	125,000
Mandatorily redeemable preferred interest of consolidated subsidiaries	339,825	310,534	315,885	318,047	280,923	354,316
Total common stockholders' equity	3,368,977	3,224,312	2,477,989	2,298,140	2,115,583	1,760,645
Shares outstanding	203,070	197,160	171,694	165,638	163,216	124,453
Book value per common share	\$ 16.59	\$ 16.35	\$ 14.43	\$ 13.87	\$ 12.96	\$ 14.15

Selected Historical Consolidated Financial Data of Leucadia

The selected historical consolidated financial data of Leucadia for each of the five years ended December 31, 2011, 2010, 2009, 2008 and 2007 and as of December 31, 2011, 2010, 2009, 2008 and 2007 have been derived from Leucadia's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference in this joint proxy statement/prospectus, as updated by the Form 8-K dated December 5, 2012, which is incorporated by reference in this joint proxy statement/prospectus, that, among other things, reflected Leucadia's subsidiary, Keen Energy Services, LLC (referred to as "Keen"), as a discontinued operation as a result of the sale of Keen (referred to as the "December 8-K"). The selected financial data of Leucadia as of and for the nine months ended September 30, 2012 and September 30, 2011 are

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derived from Leucadia's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012, which is incorporated by reference in this joint proxy statement/prospectus.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Leucadia or the combined company, and you should read the following information together with Leucadia's audited consolidated financial statements, the related notes and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the December 8-K. For more information, see the section entitled "Where You Can Find More Information" beginning on page 165.

	Nine Months Ended September 30,		Year Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
(In thousands, except per share amounts)							
SELECTED INCOME STATEMENT DATA: (a)							
Revenues and other income (b)	\$ 6,682,549	\$ 1,173,023	\$ 1,434,622	\$ 1,203,444	\$ 514,749	\$ 490,540	\$ 714,762
Expenses	6,107,969	561,684	757,167	820,504	802,641	862,046	785,687
Income (loss) from continuing operations before income taxes and income (losses) related to associated companies	574,580	611,339	677,455	382,940	(287,892)	(371,506)	(70,925)
Income tax provision (benefit) (c)	231,021	242,069	270,316	(1,136,968)	7,200	1,672,313	(561,753)
Income (loss) from continuing operations before income (losses) related to associated companies	343,559	369,270	407,139	1,519,908	(295,092)	(2,043,819)	490,828
Income (losses) related to associated companies, net of taxes	72,236	(470,656)	(394,041)	380,766	780,236	(539,068)	(21,875)
Income (loss) from continuing operations (c)	415,795	(101,386)	13,098	1,900,674	485,144	(2,582,887)	468,953
Income (loss) from discontinued operations, including gain (loss) on disposal, net of taxes	(1,994)	7,278	11,858	39,562	63,451	46,075	11,319
Net income (loss) attributable to Leucadia National Corporation common shareholders	400,300	(94,206)	25,231	1,939,312	550,280	(2,535,425)	484,294
Per share:							
Basic earnings (loss) per common share attributable to Leucadia National Corporation common shareholders:							
Income (loss) from continuing operations	\$ 1.64	\$ (.42)	\$.05	\$ 7.82	\$ 2.02	\$ (11.20)	\$ 2.17
Income (loss) from discontinued operations, including gain (loss) on disposal		.03	.05	.15	.26	.20	.05
Net income (loss)	\$ 1.64	\$ (.39)	\$.10	\$ 7.97	\$ 2.28	\$ (11.00)	\$ 2.22
Diluted earnings (loss) per common share attributable to Leucadia National Corporation common shareholders:							
Income (loss) from continuing operations	\$ 1.62	\$ (.42)	\$.05	\$ 7.70	\$ 1.99	\$ (11.20)	\$ 2.05
Income (loss) from discontinued operations, including gain (loss) on disposal		.03	.05	.15	.26	.20	.05
Net income (loss)	\$ 1.62	\$ (.39)	\$.10	\$ 7.85	\$ 2.25	\$ (11.00)	\$ 2.10

	At September 30,		At December 31,			
	2012	2011	2010	2009	2008	2007
(In thousands, except per share amounts)						
SELECTED BALANCE SHEET						
DATA: (a)						
Cash and investments	\$ 2,608,825	\$ 2,545,500	\$ 4,538,571	\$ 2,343,420	\$ 1,602,769	\$ 4,168,439
Total assets	8,740,184	9,263,189	9,350,298	6,762,364	5,198,493	8,126,622
Indebtedness, including current maturities	1,751,530	2,321,132	2,081,227	1,967,000	2,080,891	2,135,161
Shareholders' equity	6,191,942	6,174,396	6,956,758	4,361,647	2,676,797	5,570,492
Book value per common share	\$ 25.32	\$ 25.24	\$ 28.53	\$ 17.93	\$ 11.22	\$ 25.03
Cash dividends per common share	\$.25	\$.25	\$.25	\$.25	\$.25	\$.25

- (a) Subsidiaries are reflected above as consolidated entities from the date of acquisition. National Beef was acquired on December 30, 2011; however, since its operating activities subsequent to the acquisition during 2011 were not significant they were not included in the 2011 consolidated statement of operations. Premier Entertainment Biloxi LLC is reflected as a consolidated subsidiary beginning in August 2007.
- (b) Includes net securities gains (losses) of \$581,669,000 and \$539,215,000 for the nine months ended September 30, 2012 and 2011, respectively, and \$641,476,000, \$179,494,000, \$(21,106,000), \$(144,547,000) and \$95,641,000 for the years ended December 31, 2011, 2010, 2009, 2008 and 2007, respectively. Net securities gains (losses) are net of impairment charges of \$2,461,000 and \$1,595,000 for the nine months ended September 30, 2012 and 2011, respectively, and \$3,586,000, \$2,474,000, \$31,420,000, \$143,416,000 and \$36,834,000 for the years ended December 31, 2011, 2010, 2009, 2008 and 2007, respectively.
- (c) At December 31, 2010, Leucadia concluded that it was more likely than not that it would be able to realize a portion of the net deferred tax asset; accordingly, \$1,157,111,000 of the deferred tax valuation allowance was reversed as a credit to income tax expense. During 2008, Leucadia recorded a charge to income tax expense of \$1,672,138,000 to reserve for substantially all of its net deferred tax asset due to the uncertainty about Leucadia's ability to generate sufficient taxable income to realize the net deferred tax asset. During 2007, Leucadia concluded that it was more likely than not that it would be able to realize a portion of the net deferred tax asset; accordingly, \$542,686,000 of the deferred tax valuation allowance was reversed as a credit to income tax expense.

Selected Historical and Unaudited Pro Forma Condensed Combined Financial Information

The selected unaudited pro forma condensed combined balance sheet information of Leucadia assumes the second merger was completed as of September 30, 2012. The selected unaudited pro forma condensed combined statement of operations information for the nine month period ended September 30, 2012 and for the year ended December 31, 2011 assumes the second merger was completed on January 1, 2011. For purposes of the selected unaudited pro forma condensed combined statement of operations information for the year ended December 31, 2011, the acquisition of a majority interest in National Beef, by Leucadia on December 30, 2011, is also assumed to have been completed on January 1, 2011. The selected unaudited pro forma condensed combined financial information should be read in conjunction with the section "Unaudited Pro Forma Condensed Combined Financial Information" and related notes included in this joint proxy statement/prospectus beginning on page 134.

The unaudited pro forma condensed combined financial information reflects the second merger using the acquisition method of accounting, based upon a preliminary purchase price allocation for Jefferies. Differences between the preliminary and final purchase price allocation could result in significant adjustments. The unaudited pro forma condensed combined financial statements should be read in conjunction with the unaudited interim and audited annual historical consolidated financial statements and notes thereto of Leucadia, Jefferies and National Beef incorporated by reference herein. The unaudited pro forma condensed combined financial statements are presented for informational purposes only and are not necessarily indicative of actual results had the foregoing transactions occurred at the times described above, nor does it purport to represent results of future operations.

**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL INFORMATION OF JEFFERIES AND LEUCADIA**

	Leucadia Historical	Unaudited Pro Forma Combined with National Beef	Unaudited Pro Forma Combined with Jefferies and National Beef
(In thousands)			
Year ended December 31, 2011:			
Net revenues	\$ 1,434,622	\$ 8,473,158	\$ 10,996,097
Expenses	757,167	7,599,851	9,731,907
Income from continuing operations	13,098	144,345	844,379
Income from continuing operations attributable to common shareholders	13,373	103,524	801,808

	Leucadia Historical	Unaudited Pro Forma Combined with Jefferies
(In thousands)		
Nine months ended September 30, 2012:		
Net revenues	\$ 6,682,549	\$ 8,879,031
Expenses	6,107,969	7,926,324
Income from continuing operations	415,795	665,275
Income from continuing operations attributable to common shareholders	402,294	619,162

	Leucadia Historical	Unaudited Pro Forma Combined with Jefferies
(In thousands, except per share amounts)		
Balance sheet information at September 30, 2012:		
Financial instruments owned	\$ 1,832,395	\$ 15,749,401
Total assets	8,740,184	42,613,180
Long-term debt	1,357,241	6,436,232
Total shareholders' equity	6,191,942	9,148,308
Shares outstanding	244,583	362,116
Book value per share	\$ 25.32	\$ 25.26

Selected Historical and Unaudited Pro Forma Combined Per Share Data

The following table sets forth selected historical earnings per share information of Leucadia and Jefferies, unaudited pro forma combined earnings per share information of Leucadia reflecting the acquisition of National Beef as of January 1, 2011, and unaudited pro forma combined earnings per share information of Leucadia reflecting the second merger and the acquisition of National Beef as though each had occurred on January 1, 2011. The historical earnings per share information should be read in conjunction with the unaudited interim and audited annual historical consolidated financial statements and notes thereto of Leucadia, Jefferies and National Beef incorporated by reference herein. The unaudited Leucadia pro forma combined earnings per share information is derived from, and should be read in conjunction with, the section

Unaudited Pro Forma Condensed Combined Financial Information and related notes included in this joint proxy statement/prospectus beginning on page 134.

UNAUDITED COMPARATIVE SHARE DATA

	<u>Leucadia Historical</u>	<u>Unaudited Pro Forma Combined with National Beef</u>	<u>Unaudited Pro Forma Combined with Jefferies and National Beef</u>
Year ended December 31, 2011:			
Basic earnings per common share	\$ 0.05	\$ 0.42	\$ 2.14
Diluted earnings per common share	0.05	0.42	2.11
	<u>Leucadia Historical</u>	<u>Unaudited Pro Forma Combined with Jefferies and National Beef</u>	
Nine months ended September 30, 2012:			
Basic earnings per common share	\$ 1.64	\$ 1.63	
Diluted earnings per common share	1.62	1.60	

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain a number of forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect Jefferies and Leucadia's current beliefs, expectations or intentions regarding future events. Words such as may, will, could, should, expect, plan, project, intend, anticipate, believe, estimate, predict, potential, similar expressions are intended to identify such forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Consequently, all forward-looking statements made in this joint proxy statement/prospectus are qualified by those risks, uncertainties and other factors.

These factors include, but are not limited to, (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the second merger agreement; (2) the outcome of any legal proceedings that have been or may be instituted against Jefferies, Leucadia or others following announcement of the transactions contemplated therein; (3) the inability to complete the transactions due to the failure to obtain the required stockholder or shareholder approvals; (4) the inability to obtain necessary regulatory approvals required to complete the transactions; (5) the risk that the transactions disrupt current plans and operations and the potential difficulties in employee retention as a result of the announcement and consummation of the transactions; (6) the ability to recognize the anticipated benefits of the transaction for Jefferies and Leucadia; and (7) the possibility that Jefferies or Leucadia may be adversely affected by other economic, business, and/or competitive factors. These risks and uncertainties also include those set forth under Risk Factors, below.

Actual results may differ materially and reported results should not be considered an indication of future performance. Please reference the SEC filings of Jefferies and Leucadia, which are available on their respective web sites, for detailed descriptions of factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements.

Jefferies and Leucadia caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Leucadia's and Jefferies' most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings, as such filings may be amended from time to time. All subsequent written and oral forward-looking statements concerning Jefferies, Leucadia, the proposed transactions or other matters and attributable to Jefferies or Leucadia or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Neither Leucadia nor Jefferies undertakes any obligation to update publicly any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

RISK FACTORS

In addition to the other information included and incorporated by reference in this joint proxy statement/prospectus, including the matters addressed in the section entitled Cautionary Statement Regarding Forward-Looking Statements, you should carefully consider the following risk factors before deciding whether to vote for the proposal to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement, in the case of Jefferies stockholders, or for the proposal to approve the Leucadia share issuance and the charter amendment, in the case of Leucadia shareholders. In addition, you should read and consider the risks associated with each of the businesses of Jefferies and Leucadia because these risks will relate to Leucadia following the completion of the transactions. Descriptions of some of these risks can be found in the Annual Reports of Leucadia and Jefferies on Form 10-K for the fiscal year ended December 31, 2011 and November 30, 2011, respectively, and any amendments thereto, for each of Leucadia and Jefferies, as such risks may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this joint proxy statement/prospectus. You should also consider the other information in this document and the other documents incorporated by reference into this document. See the section entitled Where You Can Find More Information beginning on page 165.

Risk Factors Relating to the Transactions

The transactions are subject to conditions, including certain conditions that may not be satisfied, or completed on a timely basis, if at all. Failure to complete the transactions could have material and adverse effects on Jefferies and Leucadia.

The completion of the transactions is subject to a number of conditions, including the adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement by the Jefferies stockholders and the approval of the Leucadia share issuance by the Leucadia shareholders, which make the completion and timing of the completion of the transactions uncertain. See the section entitled The Second Merger Agreement Conditions to Completion of the Second Merger beginning on page 112 for a more detailed discussion. Also, either Jefferies or Leucadia may terminate the second merger agreement if the transactions have

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not been completed by June 1, 2013, unless the failure of the transactions to be completed has resulted from the failure of the party seeking to terminate the second merger agreement to perform its obligations.

If the transactions are not completed on a timely basis, or at all, Leucadia's and Jefferies' respective ongoing businesses may be adversely affected and, without realizing any of the benefits of having completed the transactions, Jefferies and Leucadia will be subject to a number of risks, including the following:

Jefferies and Leucadia will be required to pay their respective costs relating to the transactions, such as legal, accounting, financial advisory and printing fees, whether or not the transactions are completed;

Time and resources committed by Leucadia's and Jefferies' respective management to matters relating to the transactions could otherwise have been devoted to pursuing other beneficial opportunities;

The market price of Leucadia common shares or Jefferies common stock could decline to the extent that the current market price reflects a market assumption that the transactions will be completed; and

If the second merger agreement is terminated and the board of directors of Jefferies or Leucadia seeks another business combination, stockholders of Jefferies and shareholders of Leucadia cannot be certain that Jefferies or Leucadia will be able to find a party willing to enter into a merger agreement on terms equivalent to or more attractive than the terms that the other party has agreed to in the second merger.

The second merger agreement contains provisions that limit each party's ability to pursue alternatives to the transactions, could discourage a potential competing acquirer of either Jefferies or Leucadia from making a favorable alternative transaction proposal and, in specified circumstances, and could require either party to pay a termination fee of \$90,000,000 and/or incurred expenses up to \$3,000,000 to the other party.

The second merger agreement contains no shop provisions that, subject to limited exceptions, restrict each of Leucadia's and Jefferies' ability to solicit, initiate, encourage, facilitate or discuss competing third party proposals for the acquisition of all or a significant portion of their company's assets or capital stock. Further, even if the board of directors of Leucadia or Jefferies withdraws (or qualifies or modifies in a manner adverse to the other party) its recommendation, it will still be required to submit the matter to a vote of such parties' stockholders at a special meeting. In addition, each party generally has an opportunity to offer to modify the terms of the second merger in response to any competing acquisition proposals before the board of directors of the company that has received a third-party proposal may withdraw (or qualify or modify in a manner adverse to the other party) its recommendation with respect to the transactions. In some circumstances, upon termination of the second merger agreement, a party will be required to pay a termination fee of \$90,000,000 and/or expenses up to \$3,000,000 to the other party. See the sections entitled "The Second Merger Agreement - No Solicitation of Alternative Proposals" beginning on page 113, "Termination of the Second Merger Agreement" beginning on page 115 and "Termination Fees and Expenses; Liability for Breach" beginning on page 117.

These provisions could discourage a potential third-party acquiror that might have an interest in acquiring all or a significant portion of Jefferies or Leucadia from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the transactions or might result in a potential third-party acquiror proposing to pay a lower price to the stockholders than it might otherwise have proposed to pay because of the added expense of the termination fee or expenses of the other party that may become payable in certain circumstances.

If the second merger agreement is terminated and either Jefferies or Leucadia determines to seek another business combination, it may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the transactions.

The opinions rendered to the board of directors of Leucadia and the Jefferies transaction committee by their respective financial advisors were based on the respective financial analyses they performed, which considered factors such as market and other conditions then in effect, and other information made available to them, as of the date of the respective opinions. As a result, these opinions do not reflect changes in events or circumstances after the date of these opinions. The board of directors of Leucadia and the Jefferies transaction committee have not obtained, and do not expect to obtain, updated opinions from their respective financial advisors reflecting changes in circumstances that may have occurred since the signing of the second merger agreement.

The opinion rendered to the board of directors of Leucadia by UBS as to the fairness, from a financial point of view, to Leucadia of the exchange ratio and the opinion rendered to the Jefferies transaction committee by Citi as to the fairness, from a financial point of view, to holders of Jefferies common stock (other than Leucadia and its affiliates) of the exchange ratio, were each provided in

connection with, and at the time of, the board of directors or committees, as applicable, respective evaluations of the transactions. These opinions were based on the respective financial analyses performed, which considered market and other conditions then in effect, and other information made available to them, as of the date of the respective opinions, which may have changed, or may change, after the date of the opinions. The board of directors of Leucadia and the Jefferies transaction committee have not obtained updated opinions as of the date of this joint proxy statement/prospectus from UBS or Citi, respectively. They do not expect to obtain updated opinions prior to completion of the transactions. Changes in the operations and prospects of Leucadia and Jefferies, general market and economic conditions and other factors which may be beyond the control of Leucadia, Jefferies, UBS or Citi and on which the opinions were based, may have altered the value of Leucadia and Jefferies or the prices of Leucadia common shares or Jefferies common stock since the dates of such opinions, or may alter such values and prices by the time the transactions are completed. The opinions do not speak as of any date other than the dates of those opinions. For a description of the opinions that the Leucadia board of directors and the Jefferies transaction committee received from UBS and Citi, respectively, please refer to The Transactions Opinion of Citigroup Global Markets Inc. and Opinion of UBS Securities LLC.

Certain directors and executive officers of Leucadia may be deemed to have certain interests that are different from, or in addition to, those of Leucadia shareholders.

Mr. Michael Sorkin, a director of Leucadia, is a Vice Chairman of N M Rothschild & Sons Limited, the U.K. arm of the family controlled Rothschild banking group, which is an affiliate of Rothschild, one of the investment banks engaged by Leucadia to advise the Leucadia board of directors in connection with the transactions. Mr. Sorkin will not share in the fee received by Rothschild for its service to Leucadia.

Mr. Ian M. Cumming currently serves as Chairman of the Board and Chief Executive Officer of Leucadia. Upon consummation of the transactions, Mr. Cumming will retire from those positions, while remaining a member of the Leucadia board of directors. As a result of his retirement as an executive officer of Leucadia in connection with the transactions, Mr. Cumming and the board of directors of Leucadia have agreed to the financial and other terms of his resignation. Mr. Joseph S. Steinberg will become Chairman of the Board of Leucadia and will continue to work full time as an executive of Leucadia. In addition, the other officers of Jefferies and Leucadia will continue in their present positions, and certain Leucadia executive officers will receive a payment pursuant to retention agreements in effect since 2010.

Leucadia's board of directors was aware of these interests at the time the second merger agreement and the transactions contemplated by the second merger agreement were approved. These interests may cause certain of Leucadia's directors and executive officers to view the transaction proposal differently and more favorably than you may view it. These interests are described in greater detail in the section entitled The Transactions Interests of Leucadia Directors and Executive Officers in the Transactions beginning on page 100.

Directors and executive officers of Jefferies have financial interests in the merger that may be different from, or in addition to, those of Jefferies stockholders generally.

In considering whether to approve the proposals at the special meeting, Jefferies stockholders should recognize that directors and executive officers of Jefferies have interests in the transactions that may differ from, or that are in addition to, their interests as stockholders of Jefferies. These interests include, among others, continued service as a director or an executive officer of the combined company, arrangements that provide for severance benefits if certain executive officers' employment is terminated under certain circumstances following the completion of the transactions and rights to indemnification and directors' and officers' liability insurance that will survive the completion of the transactions. Jefferies' board of directors and the Jefferies transaction committee were aware of these interests at the time they recommended approval and approved, as applicable, the first merger agreement and the second merger agreement. These interests may cause Jefferies and executive officers to view the first merger and the second merger differently than you may view it as a stockholder of Jefferies. See the section entitled The Transactions Interests of Jefferies Directors and Executive Officers in the Transactions beginning on page 91.

Each party is subject to business uncertainties and contractual restrictions while the proposed transactions are pending, which could adversely affect each party's business and operations.

In connection with the pending transactions, it is possible that some customers, suppliers and other persons with whom Jefferies or Leucadia has a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with Jefferies or Leucadia, as the case may be, as a result of the proposed transactions, which could negatively affect Jefferies or Leucadia's respective revenues, earnings and cash flows, as well as the market price of its common stock, regardless of whether the transactions are completed.

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Under the terms of the second merger agreement, each of Leucadia and Jefferies is subject to certain restrictions on the conduct of its business prior to completing the proposed transactions, which may adversely affect its ability to execute certain of its business strategies, including the ability in certain cases to enter into contracts or incur capital expenditures to grow its business. Such limitations could negatively affect each party's businesses and operations prior to the completion of the proposed transactions.

The exchange ratio is fixed and will not be adjusted in the event of any change in either Leucadia's or Jefferies' stock price.

Upon closing of the second merger, each share of New Jefferies common stock will be converted into the right to receive 0.81 of a Leucadia common share. This exchange ratio will not be adjusted for changes in the market price of either Leucadia common shares or Jefferies common stock between the date of signing the second merger agreement and completion of the transactions. Changes in the price of Leucadia common shares prior to the second merger will affect the value of Leucadia common shares that Jefferies common stockholders will be entitled to receive on the closing date of the second merger.

The prices of Leucadia common shares and Jefferies common stock at the closing of the second merger may vary from their prices on the date the second merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of each stockholder meeting. As a result, the value represented by the exchange ratio will also vary.

These variations could result from changes in the business, operations or prospects of Jefferies or Leucadia prior to or following the second merger, regulatory considerations, general market and economic conditions and other factors both within and beyond the control of Jefferies or Leucadia. At the time of the special stockholders meetings, Jefferies stockholders will not know with certainty the value of the Leucadia common shares that they will be entitled to receive upon completion of the second merger.

If the transactions are approved, the date that Jefferies stockholders will receive the merger consideration is uncertain.

If the proposed transactions are approved, the date that Jefferies stockholders will receive the merger consideration depends on the completion date of the transactions, which is uncertain.

Five lawsuits have been filed against Jefferies and Leucadia challenging the transactions and an adverse ruling may prevent the transactions from being completed.

Jefferies and Leucadia, as well as the members of Jefferies' board of directors, have been named as defendants in five lawsuits brought by Jefferies stockholders challenging the proposed transactions. These lawsuits seek as relief, among other things, an injunction barring the defendants from completing the transactions on the agreed-upon terms. Additional lawsuits may be filed against Jefferies, Leucadia and the directors of Jefferies in connection with the transactions. See "The Transactions Litigation Related to the Transactions" beginning on page 108 for more information about the lawsuits that have been filed related to the transactions.

One of the conditions to the closing of the transactions is that no order, injunction, decree or other legal restraint or prohibition shall be in effect that prevents completion of the transactions. Consequently, if the actions are not resolved in the lawsuits referenced above and the plaintiffs secure injunctive or other relief prohibiting, delaying or otherwise adversely affecting the defendants' ability to complete the transactions, that injunctive or other relief may prevent the transactions from becoming effective within the expected time frame or at all. There can be no assurance that Jefferies, Leucadia or any of the other defendants will prevail in the pending lawsuits or in any future lawsuits.

The unaudited pro forma combined financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and may not be reflective of the operating results and financial condition of the combined company following completion of the proposed transactions.

The unaudited pro forma combined financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the transactions been completed on the dates indicated. Further, Leucadia's actual results and financial position after the transactions may differ materially and adversely from the unaudited pro forma combined financial data that is included in this joint proxy statement/prospectus. The unaudited pro forma combined financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Jefferies' net assets. The final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Jefferies as of the date of the completion of the transactions. In addition, subsequent to the closing date, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase allocations may differ materially from preliminary allocations assumed in the preparations of the pro forma combined financial information reflected in this document. See "Unaudited Pro Forma Condensed Combined Financial Information" for more information.

Risk Factors Relating to the Combined Company Following the Transactions

Although Leucadia expects that Leucadia's strategic combination with Jefferies will result in benefits to Leucadia, Leucadia may not realize those benefits.

Leucadia may fail to realize the anticipated benefits of the transactions, including additional investment opportunities generated by Jefferies or the ability to accelerate the use of Leucadia's NOLs. Additionally, Leucadia's operations could be adversely affected by the disruption of ongoing business activity and distraction of its management from ongoing business concerns, the failure to retain key employees and potential unknown liabilities associated with the transactions.

The transactions are subject to the receipt of consents and approvals from government entities that may impose conditions that could have an adverse effect on Leucadia following the transactions.

Before the transactions may be completed, approvals or consents must be obtained from various domestic and foreign securities, antitrust and other authorities. In deciding whether to grant these approvals, the relevant governmental entity will make a determination of whether, among other things, the transactions are in the public interest. Regulatory entities may impose conditions on the completion of the transactions or require changes to the terms of the transactions or could impose restrictions on the conduct of business(es) of Leucadia following consummation of the second merger. Although the parties do not currently expect that any such material conditions, restrictions or changes would be imposed, there can be no assurance that they will not be, and such conditions, restrictions or changes could have the effect of delaying completion of the transactions or imposing additional costs on or limiting the revenues of the combined company following the transactions, any of which might have a material adverse effect on Leucadia following the transactions. See the section entitled "The Transactions Regulatory Clearances Required for the Transactions" beginning on page 105.

Future initiatives at Leucadia may be constrained by certain operational limitations agreed to with the various rating agencies.

Leucadia intends to maintain certain operating and investing limitations upon completion of the transactions, and the failure to adhere to these limitations could result in credit ratings downgrades for Leucadia or Jefferies or both. These limitations include the maintenance of minimum liquidity to parent company debt and net worth ratios, maximum parent company debt to equity ratios and maximum investment concentration. Adherence to these limitations could result in Leucadia foregoing investment opportunities that it might otherwise have been able to consider.

Leucadia shareholders and Jefferies stockholders will have a reduced ownership and voting interest after the transactions and will exercise less influence over management.

Leucadia shareholders presently have the right to vote in the election of Leucadia's board of directors and on other matters affecting Leucadia. Jefferies common stockholders presently have the right to vote in the election of Jefferies' board of directors and on other matters affecting Jefferies. Immediately after the transactions are completed, it is expected that current Leucadia shareholders will own approximately []% of Leucadia's outstanding common shares and current Jefferies common stockholders (excluding Leucadia) will own approximately []% of Leucadia's outstanding common shares, respectively.

As a result, current Leucadia shareholders and current Jefferies stockholders will have less influence on the management and policies of Leucadia than they now have on the management and policies of Leucadia and Jefferies, respectively.

The market price of Leucadia common shares may decline in the future as a result of the transactions.

The market price of Leucadia common shares may decline in the future as a result of the transactions for a number of reasons, including the failure of Leucadia to achieve the perceived benefits of the transactions, including financial results, as rapidly as or to the extent anticipated by financial or industry analysts. These factors are, to some extent, beyond the control of Leucadia.

The market price of Leucadia common shares after the transactions will be affected by factors different from those currently affecting the market price of Jefferies common stock.

Each of Jefferies and Leucadia operates across a range of services and asset classes in which the other party has not historically operated. Accordingly, the operations and the market price of Leucadia common shares and Jefferies common stock (in each case until the completion of the transactions), may be affected by factors different from those currently affecting the operations and the market price of Jefferies common stock, respectively. For a discussion of Leucadia's businesses and the businesses of Jefferies, see the sections entitled "The Companies" beginning on page 56 and "Where You Can Find More Information" beginning on page 165.

Leucadia's future results will suffer if the combined company does not effectively manage its expanded operations following the transactions.

Following the transactions, Leucadia may continue to expand its operations through additional strategic investments, acquisitions or joint ventures. Leucadia's future success depends, in part, upon its ability to manage its investments, which may pose numerous risks and uncertainties different from those posed by its current investments. In addition, future acquisitions or joint ventures after completion of the transactions may involve the issuance of additional Leucadia common shares, which may dilute Leucadia shareholders' and Jefferies stockholders' ownership of Leucadia.

Leucadia cannot assure its shareholders and Jefferies cannot assure its stockholders that Leucadia's future expansion or acquisition opportunities will be successful.

The change in principal executive officers of Leucadia as a result of the strategic combination of Jefferies and Leucadia may cause Leucadia's investment results to be less successful than in the past.

Leucadia has been dependent upon the services of its current principal executive officers, Ian M. Cumming and Joseph S. Steinberg, for more than 32 years. As a result of the strategic combination of Jefferies and Leucadia, Richard B. Handler will become the chief executive officer of Leucadia and Brian P. Friedman will become the President of Leucadia, while continuing their current positions as the principal executive officers of Jefferies after the transactions are consummated. Leucadia's financial condition, results of operations and the trading price of its shares may be adversely affected if future investments under the new leadership are not successful.

A credit-rating agency downgrade could significantly impact Jefferies' business.

Maintaining an investment grade credit rating is important to Jefferies' business and profitability. On October 16, 2012, Moody's announced that it downgraded Jefferies' credit rating from Baa2 to Baa3. Jefferies intends to continue to issue debt securities not guaranteed by Leucadia. There can be no assurance that the credit rating of Jefferies will not be downgraded. A further credit-rating agency downgrade of Jefferies' long-term debt rating could negatively impact Jefferies' financing costs and could have a material adverse effect on Jefferies' business, financial condition, liquidity and profitability.

Volatility in the value of Jefferies' investment portfolio or other assets and liabilities accounted for at fair value could adversely affect the financial condition or results of operations of Leucadia following the merger.

Jefferies has elected the fair value option to account for its investment portfolio and certain other assets and liabilities, as a result of which changes in fair value are reflected in the statement of operations at each reporting date. Under GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP has established a framework for measuring fair value and a valuation hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Volatility in the value of Jefferies' investment portfolios or other assets and liabilities accounted for at fair value will result in volatility of the combined firm's operating results. Declines in fair values may have a material adverse effect on financial condition or results of operations in the future.

Other Risk Factors of Jefferies and Leucadia

Leucadia's and Jefferies' businesses are and will be subject to the risks described above. In addition, Jefferies and Leucadia are, and will continue to be, subject to the risks described in Leucadia's and Jefferies' Annual Reports on Form 10-K for the fiscal years ended December 31, 2011 and November 30, 2011, respectively, as updated by subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 165 for the location of information incorporated by reference in this joint proxy statement/prospectus.

THE COMPANIES

Jefferies Group, Inc.

Jefferies Group, Inc., a Delaware corporation, and its subsidiaries operate as a global investment banking firm providing insight, expertise and execution to investors, companies and governments. Jefferies provides a full range of investment banking, sales, trading and research across the spectrum of equities, fixed income, foreign exchange, futures and commodities, and also select asset and wealth management strategies, in the Americas, Europe and Asia.

Jefferies common stock is traded on the NYSE under the symbol JEF.

Its global headquarters and executive offices are located at 520 Madison Avenue, New York, New York 10022. Jefferies also has regional headquarters offices in London and Hong Kong. Its primary telephone number is (212) 284-2550 and its Internet address is jefferies.com. Information contained on, linked to or linked from Jefferies website is not part of this joint proxy statement/prospectus. You should read carefully the business and financial information contained in this document and the documents incorporated by reference into this document. See Where You Can Find More Information on page 165.

JSP Holdings, Inc.

JSP Holdings, Inc., a Delaware corporation, is a direct, wholly-owned subsidiary of Jefferies. JSP Holdings, Inc. was formed by Jefferies solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the second merger agreement and the first merger agreement. JSP Holdings, Inc. has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the second merger agreement.

The principal executive offices of JSP Holdings, Inc. are located at 520 Madison Avenue, New York, New York 10022, and its telephone number is (212) 284-2550.

Jasper Merger Sub, Inc.

Jasper Merger Sub, Inc., a Delaware corporation, is a direct, wholly-owned subsidiary of New Jefferies and an indirect, wholly-owned subsidiary of Jefferies. Jasper Merger Sub, Inc. was formed by Jefferies solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the second merger agreement and the first merger agreement. Jasper Merger Sub, Inc. has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the second merger agreement.

The principal executive offices of Jasper Merger Sub, Inc. are located at 520 Madison Avenue, New York, New York 10022, and its telephone number is (212) 284-2550.

Leucadia National Corporation

Leucadia National Corporation, a New York corporation, is a diversified holding company engaged through its consolidated subsidiaries in a variety of businesses, including beef processing, manufacturing, real estate activities, medical product development and winery operations. Leucadia also has a significant investment in the common stock of Jefferies. Leucadia owns equity interests in operating businesses which are accounted for under the equity method of accounting, including, through a joint venture with Jefferies, a broker-dealer engaged in making markets and trading of high yield and special situation securities and a commercial mortgage origination and servicing business. Leucadia concentrates on return on investment and cash flow to maximize long-term shareholder value. Additionally, Leucadia continuously evaluates the retention and disposition of its existing operations and investigates possible acquisitions of new businesses. Changes in the mix of Leucadia's businesses and investments should be expected.

Leucadia common shares are traded on the NYSE under the symbol LUK.

The principal executive offices of Leucadia are located at 315 Park Avenue South, New York, NY 10010 and its telephone number is (212) 460-1900. Additional information about Leucadia and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information on page 165.

Limestone Merger Sub, LLC

Limestone Merger Sub, LLC, a Delaware limited liability company, is a wholly-owned subsidiary of Leucadia. Limestone Merger Sub, LLC was formed by Leucadia solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the second merger agreement and the first merger agreement. Limestone Merger Sub, LLC has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the second merger agreement.

The principal executive offices of Limestone Merger Sub, LLC are located at 315 Park Avenue South, New York, NY 10010 and its telephone number is (212) 460-1900.

THE JEFFERIES SPECIAL MEETING

General

This joint proxy statement/prospectus is being provided to Jefferies stockholders as part of a solicitation of proxies by the board of directors of Jefferies for use at the special meeting of Jefferies stockholders and at any adjournments or postponements of such special meeting. This joint proxy statement/prospectus provides Jefferies stockholders with the information they need to know to be able to vote or instruct their vote to be cast at the special meeting of Jefferies stockholders.

Purposes of the Jefferies Special Meeting

The special meeting of Jefferies stockholders is being held to consider and vote upon the following proposals:

Proposal 1: to consider and vote upon a proposal to adopt the first merger agreement (which is attached as Annex B) and to approve the transactions contemplated by the first merger agreement;

Proposal 2: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions; and

Proposal 3: to consider and vote upon any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

Recommendation of Jefferies Board of Directors

The board of directors of Jefferies, upon recommendation of the Jefferies transaction committee comprised entirely of disinterested directors, recommends that the stockholders of Jefferies vote:

Proposal 1: FOR adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement;

Proposal 2: FOR the approval on an advisory (non-binding) basis that the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions; and

Proposal 3: FOR any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

Jefferies board of directors has approved and declared advisable, upon recommendation of the Jefferies transaction committee comprised entirely of disinterested directors, the first merger agreement and the transactions contemplated by the first merger agreement, including the first merger on the terms set forth in the first merger agreement. See The Transactions Jefferies Reasons for the Transactions; Recommendation of Jefferies Board of Directors. Jefferies board of directors has approved, and no further action by Jefferies stockholders is required to approve, the second merger agreement and the transactions contemplated by the second merger agreement, including the second merger on the terms set forth in the second merger agreement.

In considering the recommendation of the Jefferies board of directors with respect to the first merger agreement and the transactions contemplated by the first merger agreement, Jefferies stockholders should be aware that some of Jefferies directors and executive officers may have interests that are different from, or in addition to, the interests of Jefferies stockholders more generally. See The Transactions Interests of Jefferies Directors and Executive Officers in the Transactions .

This joint proxy statement/prospectus contains important information regarding these proposals and factors that Jefferies stockholders should consider when deciding how to cast their votes. Jefferies stockholders are encouraged to read the entire document carefully, including the annexes and documents incorporated by reference into this document, for more detailed information regarding the first merger agreement and the transactions contemplated by the first merger agreement and the second merger agreement.

Date, Time and Place of the Jefferies Special Meeting

The Jefferies special meeting will be held on [], 2013, beginning at [] a.m., local time, at [], unless postponed or adjourned to a later date.

Attendance at the Jefferies Special Meeting

Only Jefferies stockholders of record as of the record date, beneficial owners as of the record date, holders of valid proxies for the special meeting and invited guests of Jefferies may attend the special meeting.

All attendees should be prepared to present government-issued photo identification (such as a driver's license or passport) for admittance. The additional items, if any, that attendees must bring depend on whether they are stockholders of record, beneficial owners or proxy holders.

A Jefferies stockholder who holds shares directly registered in such stockholder's name with Jefferies' transfer agent, American Stock Transfer & Trust Company, LLC (referred to as a stockholder of record), who wishes to attend the special meeting in person should bring government-issued photo identification.

A stockholder who holds shares in street name through a broker, bank, trustee or other nominee (referred to as a beneficial owner) who wishes to attend the special meeting in person should bring:

government-issued photo identification; and

proof of beneficial ownership as of the record date (e.g., a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner's shares, a brokerage account statement or the voting instruction form provided by the broker).

A person who holds a validly executed proxy entitling such person to vote on behalf of a record or beneficial owner of Jefferies common stock (referred to as a proxy holder) who wishes to attend the special meeting in person should bring:

government-issued photo identification;

the validly executed proxy naming such person as the proxy holder, signed by the Jefferies stockholder; and

proof of the signing stockholder's record or beneficial ownership as of the record date.

No cameras, recording equipment or other electronic devices will be allowed in the meeting room. Failure to provide the requested documents at the door or failure to comply with the procedures for the special meeting may prevent stockholders from being admitted to the Jefferies special meeting.

Jefferies is able to provide reasonable assistance to help persons with disabilities participate in the special meeting if Jefferies is notified in advance of requested accommodations. Please write to Jefferies' principal executive offices at 520 Madison Avenue, New York, New York, 10022, Attention: Michael J. Sharp.

Record Date

The record date for the determination of stockholders entitled to notice of and to vote at the Jefferies special meeting is [], 2013. Only Jefferies common stockholders who held shares of record at the close of business on [], 2013 are entitled to vote at the special meeting and any adjournment or postponement of the special meeting, provided that such shares remain outstanding on the date of the special meeting.

Outstanding Shares as of Record Date

As of the record date, there were [] shares of Jefferies common stock outstanding, held by [] holders of record. Each of the [] shares entitles its holder of record to one vote at the Jefferies special meeting. Common stock is the only class of stock entitled to vote on the first merger, and holders of common stock of record on the record date are entitled to vote on each proposal presented at the Jefferies special meeting.

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A complete list of registered Jefferies stockholders entitled to vote at the Jefferies special meeting will be available for inspection at the principal place of business of Jefferies during regular business hours for a period of no less than 10 days before the special meeting and at the place of the Jefferies special meeting during the meeting.

Shares and Voting of Jefferies Directors and Executive Officers

As of the record date, Jefferies directors and executive officers, as a group, owned and were entitled to vote [] shares of Jefferies common stock, or approximately []% of the outstanding shares of Jefferies common stock as of the record date for the Jefferies special meeting. These directors and executive officers have informed Jefferies that they intend to vote their shares in favor of Proposals 1 and 3. Messrs. Handler and Friedman have each entered into voting agreements pursuant to which, on a several basis, each has agreed to vote his shares of Jefferies common stock in favor of Proposals 1 and 3. No other Jefferies director or executive officer has entered into any agreement obligating such director or executive officer to do so or to retain their currently owned shares of Jefferies common stock. Jefferies has also entered into a voting agreement with Leucadia (who holds through a wholly-owned subsidiary, approximately [28.52]% of the outstanding shares of Jefferies common stock as of the record date for the Jefferies special meeting) whereby Leucadia has agreed to vote its shares of Jefferies common stock in favor of Proposals 1 and 3.

Quorum

In order for business to be conducted at the special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of the outstanding Jefferies common stock entitled to vote at the special meeting. For purposes of determining whether there is a quorum, all shares that are present, including abstentions but not broker non-votes, will count towards the quorum.

Vote Required

The votes required for each proposal are as follows:

Proposal 1. The affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of Jefferies common stock is required to adopt the first merger agreement and to approve the transactions contemplated by the first merger agreement. The required vote on Proposal 1 is based on the number of outstanding shares not the number of shares actually voted. The failure of any Jefferies stockholder to cause its shares to be voted (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Jefferies stockholder will have the same effect as a vote against Proposal 1. Likewise, broker non-votes will have the same effect as voting against Proposal 1. Broker non-votes occur when a beneficial owner holding shares in street name does not instruct the broker, bank, trustee or other nominee that is the record owner of such stockholder's shares on how to vote those shares on a particular proposal, and the broker, bank, trustee or other nominee does not have discretionary voting power with respect to such proposal. In this case, brokers, banks and other nominees do not have discretionary authority to vote on Proposal 1. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have the same effect as a vote against Proposal 1. Pursuant to the Leucadia voting agreement and Jefferies executive voting agreements, approximately [31.47]% of the shares of Jefferies common stock outstanding as of the record date for the Jefferies special meeting are committed to be voted in favor of Jefferies Proposal 1. The approval of Jefferies Proposal 1 will therefore require that approximately an additional [18.53]% of the shares of Jefferies common stock outstanding as for the record date for the Jefferies special meeting are voted in favor of Jefferies Proposal 1.

Proposal 2. The affirmative vote, in person or by proxy, of the holders of a majority of the shares of Jefferies common stock present, in person or by proxy, at the special meeting and entitled to vote on the matter is required to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions. The required vote on Proposal 2 is based on the number of shares present and entitled to vote on the matter not the number of outstanding shares. However, while the Jefferies board of directors intends to consider the vote resulting from this proposal, the vote is advisory only and therefore not binding on Jefferies or Leucadia, and, if the proposed transactions with Leucadia are approved by Jefferies stockholders and consummated, the compensation will be payable even if Proposal 2 is not approved. Brokers, banks, trustees and other nominees do not have discretionary authority with respect to Proposal 2; however, broker non-votes or the failure to otherwise submit a proxy will not affect the outcome of Proposal 2. Abstentions from voting on Proposal 2 will have the same effect as a vote against Proposal 2.

Proposal 3. The affirmative vote, in person or by proxy, of the holders of a majority of the shares of Jefferies common stock present, in person or by proxy, at the special meeting and entitled to vote on the matter is required to approve any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting. The required vote on Proposal 3 is based on the number of shares present and entitled to vote on the matter not the number of outstanding shares. Abstentions from voting will therefore have the same effect as a vote against Proposal 3. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 3 and therefore will not be able to vote on Proposal 3 absent instructions from the beneficial owner. Accordingly, broker non-votes or the failure to otherwise submit a proxy will have no effect on the outcome of Proposal 3.

Other Matters of Business

At this time, Jefferies is not aware of any other matters that will be presented for a vote at the Jefferies special meeting. If any other matters properly come before the special meeting, the proxies will have the discretion to vote upon such matters in accordance with their best judgment. To the extent Jefferies receives proper notice of a stockholder's intent to bring a matter before the special meeting, Jefferies will in advance of the special meeting advise stockholders as to how the proxies intend to vote on such matter.

How to Vote

Jefferies stockholders as of the record date may vote in person by ballot at the special meeting or cause their shares of stock to be voted at the special meeting by proxy by following the instructions provided on the enclosed proxy card. Jefferies recommends that Jefferies stockholders entitled to vote submit a proxy even if they plan to attend the special meeting.

Jefferies stockholders who hold their shares beneficially in street name and wish to submit a proxy must provide instructions to the broker, bank, trustee or other nominee that holds their shares of record as to how to vote their shares with respect to Proposals 1, 2 and 3. Jefferies stockholders who hold their shares beneficially and wish to vote in person at the special meeting must obtain proxies issued in their own names (known as a legal proxy).

Jefferies stockholders of record may submit a proxy in one of three ways or in person at the special meeting:

Internet: Jefferies stockholders may submit their proxy over the Internet by going to www.voteproxy.com and following the on-screen instructions. Internet proxy submission is available 24 hours a day and will be accessible until 11:59 p.m., Eastern time, on [], 2013. Stockholders will be given an opportunity to confirm that their voting instructions have been properly recorded. Jefferies stockholders who submit a proxy this way should NOT send in their proxy card.

Telephone: Jefferies stockholders may submit their proxy by calling 1-800-PROXIES (1-800-776-9437). Telephone proxy submission is available 24 hours a day and will be accessible until 11:59 p.m., Eastern time, on [], 2013. Easy-to-follow voice prompts will guide stockholders and allow them to confirm that their instructions have been properly recorded. Jefferies stockholders who submit a proxy this way should NOT send in their proxy card.

Mail: Jefferies stockholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this joint proxy statement/prospectus. Jefferies stockholders who submit a proxy this way should mail the proxy card early enough so that it is received before the date of the special meeting.

In Person: Jefferies stockholders may vote in person at the special meeting or by sending a representative with an acceptable proxy that has been signed and dated. Jefferies will provide a ballot for voting at the special meeting. Attendance at the special meeting will not, in and of itself, constitute a vote or a revocation of a prior proxy, however.

Jefferies stockholders are encouraged to submit a proxy promptly. Each valid proxy received in time will be voted at the special meeting according to the choice specified, if any. Executed but uninstructed proxies (i.e., proxies that are properly signed, dated and returned but are not marked to tell the proxies how to vote) will be voted in accordance with the recommendations of Jefferies' board of directors.

Revocability of Proxies

Jefferies stockholders of record may change their proxy at any time before their shares are voted at the Jefferies special meeting in any of the following ways:

sending a written notice of revocation to Jefferies' principal executive offices at 520 Madison Avenue, New York, New York, 10022, Attention: Michael J. Sharp, which must be received before their shares are voted at the special meeting;

properly submitting a new proxy card, which must be received before their shares are voted at the special meeting (in which case only the later-submitted proxy is counted and the earlier proxy is revoked);

submitting a proxy via Internet or by telephone at a later date (in which case only the later-submitted proxy is counted and the earlier proxy is revoked); or

attending the Jefferies special meeting and voting by ballot in person. Attendance at the special meeting will not, in and of itself, constitute a vote or revocation of a prior proxy, however.

Jefferies' beneficial owners may change their voting instruction only by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record.

Inspector of Election

The board of directors of Jefferies will appoint a representative of American Stock Transfer & Trust Company, LLC to act as the inspector of election at the Jefferies special meeting.

Proxy Solicitations

Jefferies will pay for the proxy solicitation costs related to the Jefferies special meeting, except that Jefferies and Leucadia will share equally the expenses incurred in connection with the printing, filing and mailing of the Form S-4 and the joint proxy statement/prospectus. In addition to sending and making available these materials, some of Jefferies' directors, officers and other employees may solicit proxies by contacting Jefferies stockholders by telephone, by mail, by e-mail or in person. Jefferies stockholders may also be solicited by press releases issued by Jefferies and/or Leucadia, postings on Jefferies' or Leucadia's websites and advertisements in periodicals. None of Jefferies' directors, officers or employees will receive any extra compensation for their solicitation services. Jefferies will also reimburse brokers, banks and other nominees for their expenses in sending proxy solicitation materials to the beneficial owners of Jefferies common stock and obtaining their proxies.

Results of the Jefferies Special Meeting

The preliminary voting results will be announced at the Jefferies special meeting. In addition, within four business days following certification of the final voting results, Jefferies intends to file the final voting results with the SEC on Form 8-K.

Adjournments

The Jefferies special meeting may be adjourned in the absence of a quorum by the affirmative vote of the holders of a majority of the outstanding shares having voting power represented at the special meeting either in person or by proxy.

Even if a quorum is present, the Jefferies special meeting could also be adjourned in order to provide more time to solicit additional proxies in favor of adoption of the first merger agreement and approval of the transactions contemplated the first merger agreement, provided sufficient votes are cast in favor of Proposal 3.

If the adjournment is for more than 30 days or if a new record date is set, a notice of the adjourned meeting must be given to each stockholder of record entitled to vote at the special meeting. However, no notice must be given if the adjournment is for 30 days or less and the time and place and the means of remote communication, if any, of the adjourned meeting is announced at the special meeting being adjourned.

Questions

Jefferies stockholders may contact Michael J. Sharp, 520 Madison Avenue, New York, New York, 10022 with any questions about the proposals or how to vote or to request additional copies of any materials.

Proposal No. 1 Adoption of the First Merger Agreement and Approval of the Transactions Contemplated by the First Merger Agreement

(Item 1 on the Jefferies proxy card)

This joint proxy statement/prospectus is being furnished to you as a stockholder of Jefferies as part of the solicitation of proxies by Jefferies' board of directors for use at the Jefferies special meeting to consider and vote upon a proposal to adopt the first merger agreement (which is attached as Annex B to this joint proxy statement/prospectus) and to approve the transactions contemplated by the first merger agreement, including the first merger on the terms set forth in the first merger agreement. As a result of the approval by the Jefferies' board of directors and by Jefferies as the sole stockholder of New Jefferies of the merger with Leucadia, adoption by the Jefferies stockholders of the first merger agreement and approval of the transactions contemplated by the first merger agreement will be the only stockholder authorization required for Jefferies and its affiliates to consummate the merger with Leucadia.

The merger between Merger Sub One and Jefferies cannot be completed without the affirmative vote of the holders of at least a majority of the outstanding shares of Jefferies common stock entitled to vote as of the record date for the special meeting. Without the approval of the first merger, the second merger will not be able to be completed. If you do not vote, the effect will be the same as a vote against the proposal to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement.

Jefferies urges you to read this entire joint proxy statement/prospectus carefully, including the first merger agreement, second merger agreement and other annexes and any documents incorporated by reference into this document. For a list of documents incorporated by reference into this document and information on how to obtain them, see the section entitled "Where You Can Find More Information."

Jefferies' board of directors has approved and declared advisable, upon recommendation of the Jefferies transaction committee comprised entirely of disinterested directors, the first merger agreement and the transactions contemplated by the first merger agreement, including the first merger on the terms set forth in the first merger agreement.

JEFFERIES' BOARD OF DIRECTORS RECOMMENDS, UPON RECOMMENDATION OF THE JEFFERIES TRANSACTION COMMITTEE COMPRISED ENTIRELY OF DISINTERESTED DIRECTORS, A VOTE FOR THE ADOPTION OF THE FIRST MERGER AGREEMENT AND APPROVAL OF THE TRANSACTIONS CONTEMPLATED BY THE FIRST MERGER AGREEMENT.

Proposal No. 2 Advisory Vote on Change of Control Payments to Jefferies' Named Executive Officers

(Item 2 on the Jefferies proxy card)

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires that Jefferies provide stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of Jefferies' named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed in this joint proxy statement/prospectus, including the compensation table and the related narrative named executive officer compensation disclosures set forth in "The Transactions' Interests of Jefferies Directors and Executive Officers in the Transactions" (referred to as the "change of control payments"). This vote is commonly referred to as a "golden parachute say on pay" vote. Accordingly, Jefferies stockholders are being provided with the opportunity to cast an advisory vote on such change of control payments.

As an advisory vote, this proposal is not binding upon Jefferies or the board of directors of Jefferies, and approval of this proposal is not a condition to completion of the proposed transactions. The plans and arrangements pursuant to which the change of control payments are payable were, except with respect to any new arrangements entered into in connection with the proposed transactions, previously disclosed to Jefferies stockholders as part of the Compensation Discussion and Analysis and related sections of Jefferies' annual proxy statements. The change of control payments are a part of Jefferies' comprehensive executive compensation program and are intended to align Jefferies' named executive officers' interests with yours as stockholders by ensuring their continued retention and commitment during critical events such as the proposed transactions, which may create significant personal uncertainty for them.

Accordingly, Jefferies asks you to vote on the following resolution:

RESOLVED, that Jefferies stockholders approve, on an advisory (non-binding) basis, the compensation of Jefferies named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading The Transactions Interests of Jefferies Directors and Executive Officers in the Transactions (which disclosure includes the compensation table and related narrative named executive officer compensation disclosures required pursuant to Item 402(t) of Regulation S-K).

JEFFERIES BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL ON AN ADVISORY (NON-BINDING) BASIS OF THE COMPENSATION THAT MAY BE PAID OR BECOME PAYABLE TO JEFFERIES NAMED EXECUTIVE OFFICERS THAT IS BASED ON OR OTHERWISE RELATES TO THE PROPOSED TRANSACTIONS, AS DISCLOSED IN THIS JOINT PROXY STATEMENT/PROSPECTUS.

Proposal No. 3 Any Adjournment to Solicit Additional Proxies, if Necessary

(Item 3 on the Jefferies proxy card)

The Jefferies special meeting may be adjourned to another time and place, if necessary, to permit further solicitation of proxies if necessary to obtain additional votes in favor of adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement.

Jefferies is asking you to authorize the holder of any proxy solicited by Jefferies board of directors to vote in favor of any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement at the time of the special meeting.

JEFFERIES BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR ANY ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE NOT SUFFICIENT VOTES TO ADOPT THE FIRST MERGER AGREEMENT AND APPROVE THE TRANSACTIONS CONTEMPLATED BY THE FIRST MERGER AGREEMENT.

THE LEUCADIA SPECIAL MEETING

This section contains information about the special meeting of Leucadia shareholders that has been called to consider and approve the Leucadia share issuance.

Together with this document you will be sent a notice of the special meeting and a form of proxy that is solicited by Leucadia's board of directors. The Leucadia special meeting will be held on [], at [] a.m., local time, at [].

Matters to Be Considered

The special meeting of Leucadia shareholders is being held for the following purposes:

Proposal 1: to approve the Leucadia share issuance;

Proposal 2: to approve an amendment to the transfer restrictions already contained in Leucadia's certificate of incorporation to prevent any person from becoming a 5% shareholder or being treated as owning more than 5% of the Leucadia common shares for purposes of Section 382 of the Code as a result of the receipt of Leucadia shares in an acquisition transaction, and technical clarifications to the definition of 5% shareholder contained in the transfer restrictions;

Proposal 3: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise relates to the proposed transactions; and

Proposal 4: to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, if there are not sufficient votes at the time of the special meeting to approve Proposal 1 or 2.

Recommendation of Leucadia's board of directors

Leucadia's board of directors has unanimously approved the second merger agreement and the transactions it contemplates, including the Leucadia share issuance. Leucadia's board of directors has determined that the second merger agreement, and the transactions contemplated by it, including the Leucadia share issuance and charter amendment are advisable and in the best interests of Leucadia and its shareholders and unanimously recommends that Leucadia shareholders vote

Proposal 1: FOR the approval of the Leucadia share issuance;

Proposal 2: FOR the approval of the charter amendment;

Proposal 3: FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Leucadia's named executive officer that is based on or otherwise relates to the proposed transaction, as disclosed in this joint proxy statement/prospectus, as disclosed in this joint proxy statement/prospectus; and

Proposal 4: FOR the approval of the necessary adjournment of the Leucadia special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve Proposal 1 or 2.

See the section entitled "The Transactions Leucadia's Reasons for the Transactions; Recommendation of Leucadia's Board of Directors" beginning on page 93 for a more detailed discussion of Leucadia's Board of Directors' recommendations.

Date, Time and Place of the Leucadia Special Meeting

The Leucadia special meeting will be held on [], 2013, beginning at [] a.m., local time, at [], unless postponed or adjourned to a later date.

Attendance at the Leucadia Special Meeting

All holders of Leucadia common shares, including shareholders of record and shareholders who hold their shares through banks, brokers or other nominee, are invited to attend the Leucadia special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting,

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you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you to be admitted. Leucadia reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Record Date

The close of business on [] has been fixed as the record date for determining the Leucadia shareholders entitled to receive notice of and to vote at the Leucadia special meeting. At that time, [] Leucadia common shares were outstanding, held by approximately [] holders of record. Only Leucadia shareholders who held shares of record at the close of business on [], 2013 are entitled to vote at the special meeting and any adjournment or postponement of the special meeting, provided that such shares remain outstanding on the date of the special meeting.

Outstanding Shares as of Record Date

As of the record date, there were [] Leucadia common shares outstanding, held by [] holders of record. Each of the [] shares entitles its holder of record to one vote at the Leucadia special meeting. Common shares is the only class of shares entitled to vote on the Leucadia share issuance and charter amendment, and holders of common stock of record on the record date are entitled to vote on each proposal presented at the Leucadia special meeting.

A complete list of registered Leucadia shareholders entitled to vote at the Leucadia special meeting will be available for inspection at the principal place of business of Leucadia during regular business hours for a period of no less than 10 days before the special meeting and at the place of the Leucadia special meeting during the meeting.

Shares and Voting of Leucadia's Directors and Executive Officers

On the record date for the Leucadia special meeting, the directors and executive officers of Leucadia and their affiliates owned and were entitled to vote [] of Leucadia common shares, representing []% of the outstanding Leucadia common shares. We currently expect that Leucadia's directors and executive officers will vote their shares in favor of the proposal to approve the Leucadia share issuance to Jefferies stockholders pursuant to the second merger, in favor of the charter amendment, and in favor, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise relates to the proposed transactions, although other than Messrs. Cumming and Steinberg, none of them has entered into any agreement obligating them to do so.

Simultaneously with the execution of the second merger agreement, Jefferies entered into a voting agreement with each of (i) Ian M. Cumming, (with respect to [8.64]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) and Joseph S. Steinberg (with respect to [9.63]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting) pursuant to which, on a several basis, each has agreed to vote such Leucadia common shares in favor of the transactions. For more information on the Leucadia executive voting agreements, see Voting Agreements Leucadia Executive Voting Agreements. Pursuant to the Leucadia executive voting agreements, approximately [18.27]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are committed to be voted in favor of Leucadia Proposal 1. The approval of Leucadia Proposal 1 will therefore require that approximately an additional [6.74]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are voted in favor of Leucadia Proposal 1, assuming that the total votes cast (including those subject to the Leucadia executive voting agreements) represent 50.1% in interest of all Leucadia common shares entitled to vote on Proposal 1. Pursuant to the Leucadia executive voting agreements, approximately [18.27]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are committed to be voted in favor of Leucadia Proposal 2. The approval of Leucadia Proposal 2 will therefore require that approximately an additional [31.74]% of Leucadia common shares outstanding as of the record date for the Leucadia special meeting are voted in favor of Leucadia Proposal 2.

Quorum

Shareholders who hold shares representing at least a majority of the issued and outstanding shares entitled to vote at the Leucadia special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Leucadia special meeting. The holders of a majority of the shares entitled to vote and present in person or represented by proxy at the Leucadia special meeting, whether or not a quorum is present, may adjourn the Leucadia special meeting to another time and place. At any adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. Notice of any adjourned meeting need not be given except by announcement at the meeting.

Abstentions and broker non-votes will be included in the calculation of the number of Leucadia common shares represented at the special meeting for purposes of determining whether a quorum has been achieved.

Vote Required

Each Leucadia common share outstanding on the record date for the Leucadia special meeting entitles the holder to one vote on each matter to be voted upon at the Leucadia special meeting. Each of the proposals has the following vote requirement in order to be approved:

Proposal 1: The affirmative vote, in person or by proxy, of the holders of a majority of the outstanding Leucadia common shares voted on Proposal 1 is required to approve the Leucadia share issuance, provided that the total votes cast on Proposal 1 represents over 50% in interest of all Leucadia common shares entitled to vote on Proposal 1. Under the NYSE rules, abstentions are treated as a vote cast and therefore any abstention from voting by a Leucadia shareholder will have the same effect as a vote against Proposal 1. The required vote on Proposal 1 is based on the number of shares voted - not the number of outstanding shares. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) will not be counted in determining the votes cast in connection with Proposal 1, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 1 and, therefore, will not be able to vote on Proposal 1 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have effect of not being counted in determining the votes cast in connection with Proposal 1, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. In addition, the failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee make it more difficult to satisfy the NYSE requirement that the total votes cast on Proposal 1 represent over 50% in interest of all Leucadia common shares entitled to vote on Proposal 1.

Proposal 2: The affirmative vote, in person or by proxy, of the holders of a majority of the outstanding Leucadia common shares is required to adopt the charter amendment. The required vote on Proposal 2 is based on the number of outstanding shares - not the number of shares actually voted. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will have the same effect as a vote against Proposal 2. Brokers, banks and other nominees do not have discretionary authority to vote on Proposal 2 and, therefore, will not be able to vote on Proposal 2 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have the same effect as a vote against Proposal 2.

Proposal 3: The affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast and entitled to vote on Proposal 3 is required to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transactions. The required vote on Proposal 3 is based on the number of votes cast by holders of shares entitled to vote - not the number of outstanding shares. However, while the Leucadia board of directors intends to consider the vote resulting from this proposal, the vote is advisory only and therefore not binding on Leucadia, and, if the proposed transactions with Jefferies is consummated, the compensation will be payable even if Proposal 3 is not approved. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will not be counted in determining the votes cast in connection with Proposal 3, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 3 and, therefore, will not be able to vote on Proposal 3 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have effect of not being counted in determining the votes cast in connection with Proposal 3, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated.

Proposal 4: The affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast and entitled to vote on Proposal 4 is required to approve any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or the charter amendment. The required vote on Proposal 4 is based on the number of votes cast by holders of shares entitled to vote - not the number of outstanding shares. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will not be counted in determining the votes cast in connection with

Proposal 4, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 4 and, therefore, will not be able to vote on Proposal 4 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have effect of not being counted in determining the votes cast in connection with Proposal 4, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated.

An abstention will be counted for purposes of determining a quorum. However, if you are a record holder and fail to submit a vote at the Leucadia special meeting (i.e., by not submitting a proxy and not voting in person) or if you are a beneficial holder and fail to provide voting instructions to your broker, bank, trustee or other nominee, your shares will not be counted for purposes of determining a quorum or be voted at the Leucadia special meeting.

Approval of Proposals 2, 3 and 4 at the special meeting is not a condition to the obligation of Leucadia to consummate the transactions contemplated by the second merger agreement. Accordingly, if all of the conditions to the transactions set forth in the second merger agreement are satisfied or waived, Leucadia intends to complete the transactions, whether or not Proposals 2, 3 and 4 have been approved.

Leucadia's board of directors urges Leucadia shareholders to promptly submit a proxy by completing, dating and signing the accompanying proxy card and returning it promptly in the enclosed postage-paid envelope; calling the toll-free number listed in the proxy card instructions if submitting a proxy by telephone; or accessing the internet site listed in the proxy card instructions if submitting a proxy through the internet. If you hold your shares in street name through a bank or broker, please follow the voting instructions of your bank or broker.

Shareholders may also vote at the Leucadia special meeting by ballot.

Proxies

Each copy of this document mailed to holders of Leucadia common shares is accompanied by a form of proxy with instructions for submitting a proxy in person at the Leucadia special meeting, by mail, by telephone or through the internet.

Shareholders are requested to vote by proxy in one of three ways:

Use the toll-free telephone number shown on your proxy card;

Visit the Internet website at www.voteproxy.com and follow the on-screen instructions; or

Mail, date, sign and promptly return your proxy card in the enclosed postage prepaid envelope.

If you hold your shares in street name through a bank, broker, trustee or other nominee, you must direct your bank, broker, trustee or other nominee to vote in accordance with the instructions you have received from your bank, broker, trustee or other nominee.

If you hold shares in your name as a shareholder of record, you may revoke any proxy at any time before it is voted at the special meeting by signing and returning a proxy card with a later date by internet or telephone before the deadline stated on the proxy card, by delivering a proxy card with a later date or a written notice of revocation to Leucadia's corporate secretary, which must be received by us before the time of the special meeting, or by voting in person at the special meeting.

Any shareholder entitled to vote in person at the Leucadia special meeting may vote in person regardless of whether or not a proxy has been previously given, but simply attending the Leucadia special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Leucadia National Corporation
315 Park Avenue South
New York, New York 10010
Attention: Laura E. Ulbrandt, Assistant Vice President and Secretary

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If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

All shares represented by valid proxies that are received through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via the internet or telephone. **If you make no specification on your proxy card as to how you want your shares voted, your proxy will be voted FOR the approval of the Leucadia share issuance; FOR the approval of charter amendment; FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Leucadia's named executive officer that is based on or otherwise relates to the proposed transaction, as disclosed in this joint proxy statement/prospectus, and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve Proposal 1 or 2.** Only such business that is specified in Leucadia's notice of the meeting may be conducted at a special meeting of shareholders.

Shares held by Brokers, Banks, Trustees or Other Nominees

If you hold shares indirectly in a stock brokerage account, bank, trust or other nominee you are considered to be the beneficial owner of units held in street name and these proxy materials are being forwarded to you by your broker, bank, trustee or other nominee. If your shares are held in street name, you will receive instructions from your broker, bank, trustee or other nominee that you must follow in order to have your shares voted. Your broker may have procedures that will permit you to provide voting instructions by telephone or electronically through the Internet. As the beneficial owner of the shares, you have the right to give voting instructions to the broker holding the shares. If the beneficial owner does not provide voting instructions then, under the rules of the NYSE, the broker who holds shares in street name has the discretionary authority to vote on routine proposals. However, brokers are precluded from exercising discretionary authority to vote with respect to non-routine proposals. If the agenda items at a particular meeting consist of both routine proposals and non-routine proposals brokers will exercise discretionary authority to vote with respect to routine proposals and will be precluded from exercising discretionary authority to vote with respect to non-routine proposals, referred to generally as broker non-votes. Each of the proposals at the Leucadia special meeting is considered non-routine under the rules and interpretations of the NYSE. As a result, absent specific voting instructions from the beneficial owner of shares, brokers will be precluded from exercising discretionary authority to vote your shares and your shares will not be counted for purposes of determining a quorum or be voted at the Leucadia special meeting.

Inspectors of Election

Votes cast at the meeting, in person or by proxy, will be tallied by Joseph Veetal of Leucadia and Barry Rosenthal of American Stock Transfer & Trust Company, LLC, Leucadia's two inspectors of election.

Solicitation of Proxies

In accordance with the second merger agreement, Leucadia will bear the entire cost of proxy solicitation for the Leucadia special meeting, except that Jefferies and Leucadia will share equally all expenses incurred in connection with the filing of the registration statement of which this document forms a part with the SEC and the printing and mailing of this document. Leucadia has retained Innisfree M&A Incorporated to aid in the solicitation of proxies for a fee of \$[] plus out-of-pocket expenses. If necessary, Leucadia may use several of its regular employees, who will not be specially compensated, to solicit proxies from Leucadia shareholders, either personally or by telephone, facsimile, letter or other electronic means. Leucadia will also request that banks, brokers, and other record holders forward proxies and proxy material to the beneficial owners of Leucadia common shares and secure their voting instructions and Leucadia will provide customary reimbursement to such firms for the cost of forwarding these materials.

Results of the Leucadia Special Meeting

The preliminary voting results will be announced at the Leucadia special meeting. In addition, within four business days following certification of the final voting results, Leucadia intends to file the final voting results with the SEC on Form 8-K.

Adjournments

The Leucadia special meeting may be adjourned in the absence of a quorum by the affirmative vote of the holders of a majority of the outstanding shares having voting power represented at the special meeting either in person or by proxy.

Even if a quorum is present, the Leucadia special meeting could also be adjourned in order to provide more time to solicit additional proxies in favor of adoption of the proposals, provided sufficient votes are cast in favor of Proposal 4.

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If the adjournment is for more than 30 days or if a new record date is set, a notice of the adjourned meeting must be given to each shareholder of record entitled to vote at the special meeting. However, no notice must be given if the time and place and the means of remote communication, if any, of the adjourned meeting is announced at the special meeting being adjourned.

Questions

If you have any questions concerning the transactions or this joint proxy statement/prospectus, would like additional copies or need help voting your Leucadia common shares, please contact Leucadia's proxy solicitor:

Innisfree M&A Incorporated
501 Madison Avenue
New York, NY 10022
Tel +1 212 750 5833
Fax +1 212 750 5799

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THE TRANSACTIONS

Effect of the Transactions

Leucadia and Jefferies, among others, have entered into the second merger agreement, pursuant to which, through a series of transactions including the first merger, Jefferies will become a wholly-owned subsidiary of Leucadia and Jefferies stockholders will become shareholders of Leucadia. Upon satisfaction or waiver of the conditions to closing in the first merger agreement, Merger Sub One will merge with and into Jefferies in the first merger. Jefferies will be the surviving corporation in the first merger as a wholly-owned subsidiary of New Jefferies. In the first merger, each share of Jefferies common stock issued and outstanding immediately prior to the effective time of the first merger will be converted into one share of New Jefferies common stock. Similarly, each outstanding award or benefit measured in whole or in part by the value of a number of Jefferies common stock will be converted into an equivalent award denominated in New Jefferies common stock with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion. Immediately after the consummation of the first merger, Jefferies will be converted into a Delaware limited liability company and will remain a wholly-owned subsidiary of New Jefferies. Set forth below is a diagram depicting the structure of the transactions described above.

* In the first merger, shares of Jefferies will be converted into shares of New Jefferies, so the former holders of Jefferies stock will, at the effective time of the first merger, own all of the outstanding shares of New Jefferies. Immediately following the effective time of the first merger, Jefferies will be converted into a limited liability company.

Upon satisfaction or waiver of the conditions to closing in the second merger agreement (including the consummation of the first merger) New Jefferies will merge with and into Merger Sub Two in the second merger. Merger Sub Two will be the surviving entity in the second merger and Jefferies will become an indirect, wholly-owned subsidiary of Leucadia. At the effective time of the second merger, each share of New Jefferies common stock issued and outstanding immediately prior to the effective time of the second merger (excluding shares held by New Jefferies in treasury or any shares held by Leucadia, which shall be cancelled and cease to exist for no consideration) will be converted into the right to receive 0.81 of a Leucadia common share. The exchange ratio is fixed and will not be adjusted for changes in the market value of Leucadia common shares or Jefferies common stock. However, in order to avert the possibility that the transactions could result in the application of tax law limitations on the use of certain of Leucadia's tax attributes, the second merger agreement limits the amount of Leucadia common shares that can be issued to certain persons if such issuance would otherwise cause a person or group of persons to become a 5% shareholder or own 5% or more of the combined Leucadia common shares by reason of the second merger.

Because the exchange ratio was fixed at the time the second merger agreement was executed and because the market value of Leucadia common shares and Jefferies common stock will fluctuate during the pendency of the transactions, Jefferies stockholders

cannot be sure of the value of the merger consideration they will receive relative to the value of their shares of Jefferies common stock. For example, decreases in the market value of Leucadia common shares will negatively affect the value of the merger consideration that holders of Jefferies common stock receive, and increases in the market value of Jefferies common stock may mean that the merger consideration that holders of Jefferies common stock receive will be worth less than the market value of the shares of Jefferies common stock such stockholders are exchanging. See Risk Factors Risk Factors Relating to the Transactions.

Set forth below is a diagram depicting the structure of the transactions described above.

The transactions have been structured as described and depicted above in order to preserve tax-free reorganization treatment.

In connection with the second merger, each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated in Leucadia shares with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

Leucadia will not assume or guarantee any of Jefferies' outstanding debt securities, but Jefferies' 3.875% Convertible Senior Debentures due 2029 will become convertible into common shares of Leucadia following the second merger, giving effect to the exchange ratio. Additionally, if not redeemed by Jefferies prior to the effective time of the second merger, Jefferies' 3.25% Series A Convertible Cumulative Preferred Stock will be exchanged for a comparable series of convertible preferred shares of Leucadia.

Background of the Transactions

The Jefferies board of directors regularly reviews and discusses at board meetings Jefferies' performance, risks, opportunities and strategy. Jefferies' board of directors and management team review and evaluate the possibility of pursuing various strategic alternatives and relationships as part of Jefferies' ongoing efforts to strengthen its businesses and enhance shareholder value, taking into account economic, regulatory, competitive and other conditions.

Leucadia continually evaluates strategic and investment opportunities, as well as various business scenarios, as a part of its ongoing evaluation of the market and opportunities to build value in its business. In connection with this ongoing evaluation, management of Leucadia regularly evaluates its investments and regularly updates its board of directors on potential acquisitions and investments. Additionally, the issue of succession planning has been considered for some time by Ian Cumming, Chief Executive Officer and Chairman of Leucadia, and Joseph Steinberg, President and a director of Leucadia, as well as the entire Leucadia board of directors, especially in light of Mr. Cumming's intention not to seek renewal of his existing employment contract as highlighted in Messrs. Cumming's and Steinberg's 2012 Letter to Shareholders.

Leucadia and Jefferies have had an active business relationship for over 20 years. During that time, Jefferies has served as Leucadia's investment banker, regularly executing securities transactions and acting as advisor or underwriter with respect to

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numerous acquisitions, divestitures and capital raising transactions. Beginning in 2000, Leucadia and Jefferies deepened their relationship through their respective investments in Jefferies Partners Opportunity Fund II, LLC, a broker-dealer managed by Jefferies, which in 2007 was contributed by the two companies to a newly formed, successor joint venture for the secondary trading of high yield and special situation securities through Jefferies High Yield Holdings, LLC and its subsidiary, Jefferies High Yield Trading, LLC.

This business relationship was further deepened in April 2008, when Leucadia acquired 26,585,310 shares of Jefferies common stock (representing an approximately 14% equity interest in Jefferies) plus \$100 million in cash in exchange for 10,000,000 Leucadia common shares. Leucadia thereafter bought additional shares of Jefferies common stock in the open market to increase its ownership to over 25%. Since 2008, Leucadia has owned over 25% of Jefferies, and Messrs. Cumming and Steinberg have served on Jefferies' board of directors. As a result of their long association with Jefferies, and in particular since joining the Jefferies board in 2008, Messrs. Cumming and Steinberg have developed a high regard for Richard Handler, Chief Executive Officer and Chairman of Jefferies, and Brian Friedman, Chairman of the Executive Committee of Jefferies, having observed first-hand their leadership of Jefferies.

In April 2012 members of Leucadia and Jefferies management had discussions regarding the possibility of a strategic transaction involving Jefferies and Leucadia, with Mr. Handler cautioning about the need to consider the reaction of the three rating agencies for Jefferies debt to any possible transaction. Those discussions led to a meeting on May 5, 2012 among Messrs. Handler and Friedman and Messrs. Cumming and Steinberg. The Leucadia executives and the Jefferies executives discussed the general parameters, possible structure and strategic rationale of a possible transaction involving the two companies. The Jefferies executives indicated that Jefferies might consider making a proposal to Leucadia for a combination of the entirety of the two companies, with Jefferies becoming a wholly owned subsidiary of Leucadia. The Jefferies executives, however, stated that no such proposal from Jefferies could be considered unless S&P, Moody's and Fitch, the rating agencies for Jefferies' debt securities, would maintain Jefferies' investment-grade credit rating immediately following any such transaction. The Leucadia executives noted that any proposal that included the Jefferies' executives assuming leadership of Leucadia would present a solution to Leucadia's succession concerns, and all subsequent discussions concerning a possible transaction between the companies, including those with the rating agencies, were premised on the assumption that the Jefferies executives would assume leadership of Leucadia. The Jefferies executives noted that while a transaction involving Leucadia stock as consideration would allow Jefferies stockholders to participate in the future growth of a combined company, they would need to learn more about Leucadia's portfolio of assets and would need to approach the rating agencies to determine whether a potential transaction would be viable. The meeting ended with the Leucadia executives stating that they would instruct Leucadia's Chief Operating Officer and its Chief Financial Officer to provide information about Leucadia to Jefferies so that Jefferies could evaluate Leucadia and the feasibility of a potential transaction, and prepare presentations to the rating agencies. Following the meeting, Leucadia instructed its regular outside counsel, Weil, to work with members of Leucadia's management to consider any potential tax structuring issues.

On May 14, 2012, at a dinner of the Leucadia board of directors prior to Leucadia's annual meeting the next day, Messrs. Cumming and Steinberg reported to the other members of Leucadia's board of directors about discussions with the Jefferies executives regarding a potential proposal by Jefferies for a transaction involving the two companies, noting that if Jefferies wanted to pursue a potential transaction, any impetus would have to come from Jefferies. Periodically thereafter, the board was kept informed by Leucadia management of the status of a potential proposal by Jefferies.

Following the May 5, 2012 meeting through mid-July 2012, Leucadia and Jefferies exchanged due diligence information concerning their respective businesses.

Based on its review of information publicly available or made available by Leucadia management subsequent to the May 5 meeting of the Jefferies and Leucadia executives, Jefferies determined that it would continue to explore the feasibility of a possible transaction with Leucadia, subject to various financial and structural considerations, including the reaction of the rating agencies, and would expand its review of due diligence information and other considerations related to a possible transaction. To that end, on July 19, 2012, Jefferies instructed its regular outside counsel, Morgan, Lewis & Bockius LLP, to work with members of Jefferies' management and review publicly available information regarding Leucadia and to consider structural issues, including each company's tax positions, debt covenants and other contractual obligations that could be affected if such a transaction were to occur.

In July, Jefferies' management briefed each of the independent members of the Jefferies board of directors (referred to as the Independent Directors), which excluded Messrs. Cumming and Steinberg who had recused themselves from involvement with the potential transaction process in their capacity as Jefferies directors, that Jefferies was seriously contemplating a potential transaction. On July 20, 2012, Jefferies management transmitted information regarding Leucadia to the Independent Directors.

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From mid-July to mid-September 2012, Jefferies' management periodically updated the Independent Directors regarding the status of a possible transaction, including its due diligence review of Leucadia and its major investments and operating companies and other strategic, financial and structural considerations, and discussions were held regarding the possibility of the Jefferies board of directors forming an independent transaction committee to evaluate any potential transaction with Leucadia.

From mid-July through early November 2012, representatives of Jefferies and Leucadia, including their respective legal counsel, exchanged information about their respective companies, prepared and consulted with each other on rating agency presentations, and discussed the impact a possible transaction would have on the capital structures of each company, as well as potential transaction structures.

On August 22, 2012, representatives of Jefferies met separately with S&P and Moody's to discuss engaging each of the rating agencies to provide an indicative credit rating of Jefferies reflecting the impact of a possible transaction on the credit ratings of both companies.

On August 28, 2012, representatives of Jefferies and Leucadia met with S&P to make a presentation and to have further discussions with S&P regarding the companies and a potential transaction.

In early September 2012, Moody's notified Jefferies that it would not provide an analysis on the credit rating impact of a possible transaction without first reviewing Jefferies' then-current stand-alone credit rating and that Moody's would commence such review promptly.

On September 7, 2012, representatives of Jefferies met with Fitch to discuss engaging Fitch to provide an indicative credit rating for each company reflecting a possible transaction. On September 14, 2012, representatives of Jefferies and Leucadia met again with Fitch to make a presentation and to have further discussions regarding the companies and a potential transaction.

On September 14, 2012, S&P indicated that it would rate each company in an acceptable manner, including investment grade rating for both Jefferies and Leucadia, after the closing of a transaction of the type presented.

At a regularly scheduled meeting on September 19, 2012, in light of the favorable reaction from S&P and in anticipation of the potential favorable reaction of the other two rating agencies, the Jefferies board of directors formed a transaction committee of the Independent Directors, to facilitate the determination of the feasibility of a transaction with Leucadia and the fairness of its proposed terms. The Jefferies transaction committee was co-chaired by Robert E. Joyal and Michael T. O'Kane, and included as well Richard G. Dooley and W. Patrick Campbell.

In October 2012, the Jefferies transaction committee engaged Wachtell, Lipton, Rosen & Katz (referred to as "Wachtell Lipton"), as its legal counsel.

On October 4, 2012, Fitch indicated that it would rate each company in an acceptable manner, including investment grade ratings for Jefferies and Leucadia, after the closing of a transaction.

On October 16, 2012, Moody's announced that it was downgrading Jefferies' stand-alone credit rating from Baa2 to Baa3 based on, according to Moody's, in its Credit Opinion issued on November 6, 2012, "some of the factors that led Moody's to downgrade the unsupported baseline credit assessments of many global investment banks into the Baa range in June 2012". Thereafter, Moody's commenced its analysis of indicative credit ratings for Jefferies and Leucadia reflecting a potential transaction. On October 19, 2012, representatives of Jefferies and Leucadia met with Moody's to make a presentation and to have further discussions with Moody's regarding the companies and a potential transaction.

On October 16, 2012, as part of their continuing due diligence review of Leucadia, Jefferies management, together with representatives of Leucadia management, met with management and visited the facilities of Leucadia's largest subsidiary, National Beef, in Kansas and Missouri.

On October 19, 2012, Jefferies management engaged J.P. Morgan Securities LLC (referred to as "J.P. Morgan"), in addition to Jefferies, to advise Jefferies in connection with a potential transaction to ensure Jefferies was thoroughly informed regarding a potential transaction.

On October 20, 2012, a telephonic meeting of the Jefferies transaction committee was held at which the Jefferies transaction committee received an update on the steps taken to date with respect to a possible transaction with Leucadia.

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On October 21, 2012, the Jefferies transaction committee engaged Citi, as its financial advisor and to provide its opinion as to the fairness from a financial point of view of the consideration to be received in a potential transaction.

On October 25, 2012, at a meeting of the Jefferies transaction committee, representatives of Citi presented to the members of the Jefferies transaction committee regarding their review to date of a potential transaction with Leucadia and provided a preliminary analysis of the metrics Citi might employ in a valuation analysis of Jefferies and Leucadia. The Citi representatives also provided a preliminary assessment of Leucadia, including a summary of its organizational structure, historical financials and portfolio holdings.

Also on October 25, 2012, at a meeting of Leucadia's board of directors, the Leucadia board discussed the ongoing information exchange between Leucadia and Jefferies with respect to a potential proposal by Jefferies and the positive response of the ratings agencies to date to a potential transaction, noting that Jefferies had yet to hear from Moody's on the impact of any transaction on the credit ratings of both Leucadia and Jefferies. Leucadia's board of directors noted that, if Jefferies were to make a proposal to Leucadia with respect to a potential transaction, Leucadia would want to have the ability to respond promptly. Therefore, the Leucadia board determined that it would be prudent to have financial advisors and legal counsel ready to respond to a proposal from Jefferies. As a result, Leucadia's board of directors authorized management to engage Rothschild and UBS as its financial advisors in connection with a potential transaction. In light of the fact known to the Leucadia board that Michael Sorkin, a Leucadia director, is a Vice Chairman of N M Rothschild & Sons Limited, an affiliate of Rothschild, only UBS was engaged to render an opinion as to the fairness, from a financial point of view, to Leucadia of the exchange ratio to be provided in a potential transaction. Leucadia's board of directors also authorized management to engage Proskauer Rose LLP (referred to as Proskauer), as legal counsel to Leucadia's board of directors and to work with Leucadia's regular legal counsel, Weil, on the execution of any transaction that might be proposed by Jefferies.

On October 26, 2012, Citi, J.P. Morgan, UBS, Rothschild and Wachtell Lipton participated in a due diligence meeting at the offices of Wachtell Lipton during which representatives of Jefferies and Leucadia management discussed various topics, including the respective businesses and assets of Jefferies and Leucadia.

On October 29, 2012, a telephonic meeting of the Jefferies transaction committee was held, and the Jefferies transaction committee expressed interest in meeting with representatives of Jefferies management and Leucadia management.

On October 31, 2012, UBS and Rothschild participated in a due diligence meeting at the offices of Jefferies with representatives of Jefferies management.

On November 1, 2012, Jefferies shared a preliminary draft second merger agreement with Leucadia's counsel that might be used if Jefferies decided to make a proposal to Leucadia; this draft did not include pricing terms and reflected input from the Jefferies transaction committee through its legal counsel, Wachtell Lipton. From November 1 through November 9, 2012, representatives of Jefferies and Leucadia, including their respective legal counsel, discussed issues related to the terms and structuring of a possible transaction. A draft of the form of voting agreement that certain stockholders of Jefferies (including Leucadia) and of Leucadia would be asked to execute was sent by Jefferies to Leucadia on November 3, 2012. Subsequent drafts of these agreements were exchanged by Jefferies and Leucadia's respective legal counsel through November 9, 2012.

On Friday, November 2, 2012, Moody's indicated that it would rate each company in an acceptable manner, including an investment grade rating for Jefferies, after a transaction.

Also on November 2, 2012, at a meeting of the Jefferies transaction committee, at the request of the Jefferies transaction committee, representatives of Jefferies management described to the members of the Jefferies transaction committee their expectations of the organizational structure and business plan of a combined company, which would combine investing and investment banking activities. They discussed the nature and composition of Leucadia's assets, including a detailed review of both its operating companies and investments, and the benefits and opportunities to Jefferies and its stockholders of a combination with Leucadia, including the consideration to be received, the composition of the Leucadia board of directors and management post-transaction, the ability to continue growth of Jefferies' businesses with Leucadia's support, the inherent value creation potential of Leucadia's existing asset portfolio, the ability to utilize Leucadia's NOLs, the greater balance sheet resilience and flexibility, and the potential to enhance Jefferies' credit profile over time. At the request of the Jefferies transaction committee, Leucadia's Chief Operating Officer, its Chief Financial Officer and counsel for Leucadia were then invited into the meeting to provide an overview of Leucadia, including a summary of its organizational structure, historical financials and portfolio holdings. In addition, the members of the Jefferies transaction committee and the representatives of Leucadia discussed the management of the combined company, including their shared views that a transaction with Jefferies would present an attractive solution to Leucadia's succession concerns. Following this discussion, the representatives of Leucadia left the meeting, and representatives of Citi were invited into the meeting, at

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which point they updated the Jefferies transaction committee on their preliminary analysis of Leucadia and a possible transaction, including potential exchange ratios.

On November 3, 2012, at a meeting of the Jefferies transaction committee, representatives of Wachtell Lipton reviewed with the members of the Jefferies transaction committee the material terms of the latest draft second merger agreement and reviewed with the Jefferies transaction committee applicable legal considerations with respect to a transaction. Following this discussion, the Jefferies transaction committee discussed potential exchange ratios. The Jefferies transaction committee was informed that the board of directors of Leucadia was meeting on Monday and Tuesday of the coming week and that, as part of that meeting, the Leucadia board of directors would meet with Messrs. Handler and Friedman, as well as Rothschild, UBS, Proskauer and Weil. The members of the Jefferies transaction committee instructed Messrs. Handler and Friedman to report back regarding the outcome of those meetings. In addition, the Jefferies transaction committee indicated that, if it were ultimately decided to make a proposal to Leucadia, Messrs. Handler and Friedman would convey such a proposal and discuss on the Jefferies transaction committee's behalf an exchange ratio with Leucadia in the range discussed at the November 3, 2012 meeting of the Jefferies transaction committee, subject in all cases to the Jefferies transaction committee's approval.

On November 5 and November 6, 2012, at a meeting of the Leucadia board of directors, the board discussed a potential transaction with Jefferies. At the meeting, representatives of Leucadia's legal counsel reviewed with the board its fiduciary duties with respect to a potential transaction with Jefferies and discussed with the board the latest draft second merger agreement, including the proposed charter amendment. Also at the meeting, at the request of the Leucadia board of directors, representatives of Rothschild and UBS discussed with the board their respective preliminary views of Jefferies, its executives, Leucadia and a potential transaction. Also at the meeting, legal counsel discussed with the Leucadia board the possible terms of Mr. Cumming's retirement as an executive with Leucadia if a transaction with Jefferies were to occur. In addition, at the request of the Leucadia board of directors, Messrs. Handler and Friedman were invited into the meeting and made a presentation to the board regarding their personal backgrounds and how they envisioned Leucadia would operate under their leadership if the companies were to be combined. Lastly, the board determined that in light of the desire to respond promptly to any proposal made by Jefferies, the Leucadia board appointed a negotiating committee, comprised of directors Ian Cumming, Joseph Steinberg, Jeffery Keil and James Jordan, with the authority to respond to any proposal from Jefferies, subject to the approval of the entire Leucadia board of directors.

On November 7, 2012, a telephonic meeting of the Jefferies transaction committee was held at which the Jefferies transaction committee discussed the transaction, including the composition of the Leucadia board of directors post-transaction, and received an update on developments since its prior meeting. The Jefferies transaction committee indicated that Messrs. Handler and Friedman should proceed on Friday, November 9, with the delivery of a formal proposal and then engage in any negotiations that might ensue in accordance with the views expressed by the Jefferies transaction committee, which took into account the preliminary analysis previously presented by Citi.

On November 9, 2012, in the mid-afternoon, at a telephonic meeting of the Jefferies transaction committee, the Jefferies transaction committee received an update on developments since its prior meeting. Messrs. Handler and Friedman informed the Jefferies transaction committee that they planned to meet with Messrs. Cumming and Steinberg later in the afternoon to make a proposal to Leucadia and then directly negotiate on the Jefferies transaction committee's behalf an exchange ratio with Leucadia, subject to the Jefferies transaction committee's approval. Also on November 9, 2012, Jefferies received confirmation from Mass Mutual that it would agree either to accept Leucadia mirror preferred stock, on terms to be determined, instead of its Jefferies preferred stock, or to redeem its Jefferies preferred stock.

On November 9, 2012, in the late afternoon, Messrs. Handler and Friedman (acting at the direction of the Jefferies transaction committee) met with Messrs. Cumming and Steinberg and discussed and agreed upon certain terms of a potential transaction, including the amount of the termination fees and expense reimbursements, and the post-transaction Leucadia board structure. Negotiations over the exchange ratio lasted into the night, with Messrs. Handler and Friedman and Messrs. Cumming and Steinberg (the two of whom acted in consultation with Messrs. Keil and Jordan, the rest of the Leucadia negotiating committee), negotiating, among other things, whether the exchange ratio should fully deduct the book value of Leucadia's winery business, which was to be spun off as part of the contemplated transactions. Messrs. Handler, Friedman, and the Leucadia negotiating committee ultimately agreed to an exchange ratio of 0.81 of a Leucadia common share for each outstanding share of Jefferies common stock, subject to the approval of the Jefferies transaction committee and the Jefferies and Leucadia boards of directors, as applicable, which ratio reflected the pre-merger spin out of Leucadia's winery business.

Leucadia's financial advisors were informed of the exchange ratio of 0.81 of a Leucadia common share for each outstanding share of Jefferies common stock, subject to the Leucadia board's approval, which was discussed on the morning of November 10, 2012, in a

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conference call among representatives of Rothschild and UBS, members of the Leucadia negotiating committee and counsel for Leucadia.

In the morning on November 10, 2012, at a telephonic meeting of the Jefferies transaction committee, the Jefferies transaction committee received an update on developments since its prior meeting, including that an agreement had been reached on an exchange ratio of 0.81 of a Leucadia common share for each outstanding share of Jefferies common stock, as well as the composition of the Leucadia board of directors and management after the transaction, all subject to the Jefferies transaction committee's approval. Following the telephonic meeting of the Jefferies transaction committee, the financial advisors to Jefferies and the Jefferies transaction committee were informed of the agreed upon exchange ratio of 0.81, subject to the Jefferies transaction committee's approval.

Later on November 10, 2012, another telephonic meeting of the Jefferies transaction committee was held, at which representatives of Citigroup rendered an oral opinion to the Jefferies transaction committee, which was subsequently confirmed by delivery of a written opinion dated November 11, 2012, to the effect that, as of such date, and subject to the assumptions, matters considered and limitations and qualifications described in such opinion, the exchange ratio of 0.81 of a Leucadia common share for each outstanding share of Jefferies common stock was fair, from a financial point of view, to the holders of Jefferies' common stock (other than Leucadia and its affiliates). See *Opinion of Citigroup Global Markets Inc.* Next, the representatives of Wachtell Lipton reviewed with the members of the Jefferies transaction committee the material terms of the latest draft second merger agreement. The Jefferies transaction committee also discussed the composition of the board of directors of Leucadia immediately following the transaction and management's expectations for its composition following the next annual meeting. Following a full and complete discussion, the members of the Jefferies transaction committee unanimously voted to recommend that the Jefferies' board of directors approve and adopt the second merger agreement and the related transaction agreements, subject to an exchange ratio of 0.81 Leucadia common shares for each outstanding share of Jefferies common stock.

Immediately following the conclusion of this meeting, a meeting of the Jefferies' board of directors, other than Messrs. Cumming and Steinberg, was convened in order to consider the proposed transaction with Leucadia. All other members present had attended the meeting of the Jefferies transaction committee which concluded immediately prior to the board meeting. All such members of the Jefferies' board unanimously approved and declared advisable the second merger agreement and the related transaction documents.

On the afternoon of November 11, 2012, the Leucadia board of directors convened a meeting to consider the proposed transaction with Jefferies. At the invitation of the board, certain members of Leucadia's management, as well as representatives of Leucadia's financial advisors and legal counsel also participated in the meeting. Mr. Steinberg provided an update to the board regarding the proposed transaction with Jefferies. Representatives of Weil confirmed that members of the board had received and reviewed in advance of the meeting a near-final version of the second merger agreement and other related transaction documents, as well as discussion materials provided by UBS at the request of the Leucadia board of directors. Representatives of Leucadia's legal counsel then reviewed again with the board its fiduciary duties with respect to a transaction, and summarized the principal terms and conditions contained in the second merger agreement and the other transaction documents, including the charter amendment. Referencing its discussion materials circulated prior to the meeting, UBS then reviewed with the Leucadia board of directors UBS' financial analysis of the 0.81 exchange ratio provided for in the proposed transaction and delivered its oral opinion to the board, which opinion was subsequently confirmed by delivery of a written opinion dated November 11, 2012, to the effect that, as of such date, and based upon and subject to various assumptions made, matters considered and limitations described in the opinion, the exchange ratio provided for in the transaction was fair, from a financial point of view, to Leucadia. See *Opinion of UBS Securities LLC.* Representatives of Leucadia's legal counsel then reviewed with the board the final terms of Mr. Cumming's arrangements with respect to his retirement as an executive of Leucadia upon consummation of the transaction. Thereafter, Mr. Cumming and Mr. Sorkin were temporarily excused from the meeting in view of their respective possible interests in the transactions, to permit the Leucadia board to consider the transactions without Mr. Cumming or Mr. Sorkin present. The remaining members of the Leucadia board discussed the proposed transaction with Jefferies and, following a full and complete discussion, unanimously approved and declared advisable the second merger agreement and the related transactions and transaction documents, including the charter amendment. Thereafter, Mr. Cumming and Mr. Sorkin rejoined the meeting. After further discussion, the full board unanimously approved and declared advisable the second merger agreement and the related transactions and transaction documents, including the charter amendment.

Later on November 11, 2012, the second merger agreement was executed by Jefferies, Leucadia and the other parties thereto, the first merger agreement was executed by Jefferies and the other parties thereto and the Leucadia voting agreement, the Leucadia executives voting agreements and the Jefferies executives voting agreements were each executed and delivered.

On November 12, 2012, prior to the open of trading on the NYSE, Jefferies and Leucadia issued a joint press release announcing the transaction.

Jefferies Reasons for the Transactions; Recommendation of Jefferies Board of Directors

Jefferies Transaction Committee

In reaching its decision to recommend that Jefferies' board of directors approve and adopt the first merger agreement and recommend that it be adopted by Jefferies stockholders, the Jefferies transaction committee consulted with its legal and financial advisors and considered a number of factors, including, but not limited to, the following:

its knowledge of Jefferies' business, financial condition, results of operations, industry, competitors and prospects as a standalone company;

its knowledge of Leucadia's business and investments, financial condition, results of operations and prospects, taking into account the results of the Jefferies transaction committee's due diligence review of Leucadia and the fact that Jefferies and Leucadia have worked together over the prior twenty years, partnering on various financings and strategic transactions;

the financial terms of the transactions, including the fact that, based on the closing price on the NYSE of Leucadia common stock on November 9, 2012 (the last trading day prior to the execution and announcement of the second merger agreement), adjusted for the spin out of the Leucadia winery business, the merger consideration represented an approximate 19.2% premium over the closing price of Jefferies common stock on November 9, 2012;

the fact that the exchange ratio is fixed and therefore the value of the merger consideration payable to Jefferies stockholders will increase in the event that the share price of Leucadia increases prior to closing;

the financial analyses presented by Citi to the Jefferies transaction committee described below under "Opinion of Citigroup Global Markets Inc." and the oral opinion of Citi, confirmed by delivery of a written opinion dated November 11, 2012, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations and qualifications described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Jefferies common stock (other than Leucadia and its affiliates);

the fact that Leucadia owned approximately 28.4% of the outstanding Jefferies common stock as of November 9, 2012 and had informed Jefferies that it had no present interest in selling any of its shares of Jefferies common stock;

the Jefferies transaction committee's belief that, taking into account relative risk and potential upside, the transactions would provide an attractive alternative to Jefferies stockholders given alternatives reasonably available to Jefferies (including the continued operation of Jefferies as an independent standalone company);

the fact that Jefferies stockholders (excluding Leucadia) immediately prior to the transactions would hold approximately 35.3% of the voting power of the combined company immediately following completion of the transactions, thus providing Jefferies stockholders with meaningful participation in the upside potential of a more diversified combined company;

the expectation that Jefferies' earnings and those of certain of Leucadia's holdings should rapidly convert Leucadia's deferred tax asset into cash, and the fact that the second merger agreement includes provisions that help avert the possibility that the transaction would result in the application of tax law limitations on the use of Leucadia's deferred tax asset;

the expectation that Jefferies' management will lead the combined company, including that Mr. Handler will become the Chief Executive Officer of Leucadia and also remain Jefferies' Chief Executive Officer and Chairman and that Mr. Friedman will become Leucadia's President and also remain Chairman of the Executive Committee of Jefferies, and the expectation that Leucadia's senior operating team, including Justin Wheeler, Chief Operating Officer, Tom Mara, Executive Vice President and Joe Orlando, Chief Financial Officer, will remain in their roles and help manage Leucadia's existing assets under the leadership of Messrs. Handler and Friedman;

the expectation that following the transactions, Jefferies will continue to operate as a full-service global investment banking firm in its current form;

the expectation that Jefferies, which has grown rapidly over the past two decades, will be well-positioned to continue this growth with Leucadia's support;

the expectation that the combined company will be well-positioned to leverage the knowledge base, opportunity flow and execution capabilities of Leucadia and Jefferies' management team and businesses;

the expectation that, as a subsidiary of Leucadia, Jefferies will have greater balance sheet resilience and flexibility to guard against, and take advantage of, market dislocations and other opportunities;

the expectation that the transactions will enhance both Leucadia and Jefferies' liquidity, scale and overall financial strength, creating a combined balance sheet with over \$42 billion of combined assets and over \$9 billion of total shareholders' equity, as adjusted for the transactions;

the belief that Leucadia's existing subsidiaries and investments have inherent value creation potential;

Leucadia's commitment that, following the transactions, Leucadia will target specific concentration, leverage and liquidity principles, including that (1) Leucadia's single largest equity investment (excluding Jefferies) will be no greater than 20% of book value, with no other individual investment greater than 10% of book value at the time of investment, (2) Leucadia will target a maximum parent debt / equity ratio <0.5x in a stressed scenario (assuming total impairment of Leucadia's two largest investments, excluding Jefferies) and (3) Leucadia will target (a) a minimum liquid assets / parent debt ratio >1.0x and (b) minimum cash and cash equivalents equal to 10% of book value (excluding Jefferies);

the confirmation from Moody's, Fitch and Standard & Poor's, the rating agencies for Jefferies' debt securities, that they would rate each company in an acceptable manner, including an investment grade rating for Jefferies and, in two of the three cases, an investment-grade rating for Leucadia, after a transaction between Jefferies and Leucadia;

the expectation that a combination with Leucadia would enhance Jefferies' credit profile over time;

the governance provisions reflected in the second merger agreement, including the fact that following the transactions, (1) Leucadia's board of directors will be comprised of 14 members, including Messrs. Handler and Friedman and the four independent directors on Jefferies' board of directors, and (2) Leucadia's nominating and corporate governance committee will be comprised of four members, two of which will be designated by Jefferies;

the expected treatment of each of the first merger and the LLC conversion, taken together, and the second merger, as a reorganization for U.S. federal income tax purposes;

the expectation that the integration of the two companies will be completed in a timely and efficient manner with minimal disruption to customers and employees;

the process followed by the Jefferies transaction committee;

the fact that concurrently with the execution of the transaction agreements, holders in the aggregate of approximately 31.5% and 18.5% of the outstanding common stock of Jefferies and Leucadia, respectively, agreed pursuant to separate voting agreements to, among other things, vote their respective shares in favor of the transactions;

its belief in the likelihood of completing the transactions on the anticipated schedule;

the fact that, subject to compliance with certain terms and conditions, including the reciprocal termination fees that would result in payment to Leucadia of \$90 million and up to \$3 million in Leucadia's expenses, Jefferies is permitted to terminate the transaction agreements in order to accept a superior proposal and enter into a definitive agreement in connection therewith;

the fact that, following the proposed transaction, it was anticipated that Leucadia would move to quarterly dividends; and

the other terms and conditions of the transaction agreements.

The Jefferies transaction committee also considered a variety of risks and other potentially negative factors concerning the transaction agreements and the transactions, including the following:

the fact that the exchange ratio is fixed and therefore the value of the merger consideration payable to Jefferies stockholders will decrease in the event that the share price of Leucadia decreases prior to closing;

the possibility that the transactions may not be completed, or that completion may be unduly delayed, for reasons beyond the control of Jefferies;

the risks and costs to Jefferies if the transactions are not completed, including the potential effect on Jefferies stock price, the potential diversion of management and employee attention, potential employee attrition and the potential effect on Jefferies business and its relationships with third parties;

the fact that Jefferies directors and executive officers may ultimately have interests in the transactions that may be different from, or in addition to, those of the other Jefferies stockholders;

the restrictions on the conduct of Jefferies business prior to the consummation of the transactions;

the risk that governmental or self-regulatory entities may oppose or refuse to approve the transactions or impose conditions on Jefferies and/or Leucadia prior to approving the transactions; and

the risk of not realizing the anticipated benefits of the transactions.

Jefferies Board of Directors

In reaching its decision to approve and adopt the first merger agreement and recommend that it be adopted by Jefferies stockholders, the Jefferies board of directors considered a number of factors, including, but not limited to, the following:

the unanimous determinations and recommendation of the Jefferies transaction committee;

the factors considered by the Jefferies transaction committee, including the positive factors and potential benefits of the transactions and the risks and other potentially negative factors concerning the transactions, as described above; and

the fact that the merger consideration and the other terms of the transaction agreements resulted from negotiations that involved the active participation of the Jefferies transaction committee.

The Jefferies board of directors recommends that you vote FOR the adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement; FOR any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the first merger agreement at the time of the special meeting; and FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions.

This discussion of the information and factors considered by each of the Jefferies transaction committee and the Jefferies board of directors includes the material positive and negative factors considered by the Jefferies transaction committee and/or the Jefferies board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the Jefferies transaction committee and/or the Jefferies board of directors, or any individual. Each of the Jefferies transaction committee and the Jefferies board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, and did not quantify or assign any relative or specific weights to the various factors that it considered in making its ultimate decision. Rather, each of the Jefferies transaction committee and the Jefferies board of directors conducted an overall analysis of the factors described above. In addition, individual members of each of the Jefferies transaction committee and/or the Jefferies board of directors may have given different weight to different factors. It should be noted that this explanation of the reasoning of the Jefferies transaction committee and the Jefferies board of directors and certain information presented in this section is forward-looking in nature and, therefore, such information should be read in light of the Cautionary Statement Regarding Forward-Looking Statements.

Opinion of Citigroup Global Markets Inc.

The Jefferies transaction committee has retained Citi as its financial advisor in connection with the transactions. In connection with this engagement, the Jefferies transaction committee requested that Citi evaluate the fairness, from a financial point of view, to holders of Jefferies common stock (other than Leucadia and its affiliates) of the exchange ratio provided for in the second merger agreement. On November 10, 2012, at a meeting of the Jefferies transaction committee at which the Jefferies transaction committee resolved to recommend that the Jefferies board of directors approve and adopt the transaction agreements, Citi rendered to the Jefferies transaction committee an oral opinion, confirmed by delivery of a written opinion dated November 11, 2012, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations and qualifications described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Jefferies common stock (other than Leucadia and its affiliates).

The full text of Citi's written opinion, dated November 11, 2012, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this joint proxy statement/prospectus as Annex I and is incorporated herein by reference. The description of Citi's opinion set forth below is qualified in its entirety by reference to the full text of Citi's opinion. Holders of Jefferies common stock are encouraged to read the opinion carefully in its entirety. **Citi's opinion was provided for the information of the Jefferies transaction committee in connection with its evaluation of the exchange ratio from a financial point of view and did not address any other aspects or implications of any of the transactions. Citi expressed no view as to, and its opinion did not address, the underlying business decision of Jefferies to effect any of the transactions, the relative merits of any of the transactions as compared to any alternative business strategies that might exist for Jefferies or the effect of any other transaction in which Jefferies might engage. Citi's opinion is not intended to be, and does not constitute, a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the transactions or otherwise.**

In arriving at its opinion, Citi:

reviewed the second merger agreement;

held discussions with certain senior officers, directors and other representatives of Jefferies and certain senior officers and other representatives of Leucadia concerning the businesses, operations and prospects of Jefferies and Leucadia, including the anticipated effect of the transactions on the credit ratings of Jefferies and Leucadia and the commitments made to certain rating agencies by Jefferies and Leucadia as to the operation of their respective businesses following the consummation of the transactions;

examined certain publicly available business and financial information relating to Jefferies and Leucadia as well as certain assumptions with respect to the future financial performance of Jefferies and other information and data relating to Jefferies and Leucadia which were provided to or discussed with Citi by the respective managements of Jefferies and Leucadia, including information relating to the potential strategic implications anticipated by the respective managements of Jefferies and Leucadia to result from the transactions;

reviewed the financial terms of the transactions as set forth in the second merger agreement in relation to, among other things: current and historical market prices and trading volumes of Jefferies common stock and Leucadia common shares; the historical earnings of Jefferies and Leucadia and the assumptions with respect to the projected earnings of Jefferies and other operating data of Jefferies and Leucadia; and the capitalization and financial condition of Jefferies and Leucadia;

considered, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the transactions and analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Jefferies and Leucadia;

evaluated certain potential pro forma financial effects of the transactions on Jefferies and Leucadia; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon

the assurances of the respective managements of Jefferies and Leucadia that they were not aware of any relevant information that was omitted or not disclosed to Citi. Citi was not provided with internal financial forecasts relating to Jefferies prepared by Jefferies management and Jefferies management advised Citi that it had not yet completed its fiscal year 2013 budget process. However, Citi discussed with Jefferies management the view of Jefferies management as to the expected performance of Jefferies in fiscal years 2012 and 2013 and Jefferies prospects beyond fiscal year 2013 and, based upon those discussions, at the request of the Jefferies transaction committee, Citi prepared certain assumptions as to Jefferies performance in fiscal years 2012 and 2013 and future performance beyond fiscal year 2013. Jefferies management advised Citi and the Jefferies transaction committee that it considered those assumptions to be reasonable. Accordingly, and as directed by the Jefferies transaction committee, Citi utilized those assumptions for purposes of its analysis. With respect to the other information and data relating to Jefferies and Leucadia provided to or otherwise reviewed by or discussed with Citi, Citi was advised by the respective managements of Jefferies and Leucadia that such information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Jefferies and Leucadia as to the potential strategic implications anticipated to result from the transactions and the other matters covered thereby.

Citi assumed, with the Jefferies transaction committee's consent, that the transactions will be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the transactions, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Jefferies, Leucadia or the contemplated benefits of the transactions. Citi also assumed, with the Jefferies transaction committee's consent, that each of the transactions will be treated as a tax-free reorganization for federal income tax purposes, and will have the other tax consequences described in discussions with representatives of Jefferies and Leucadia. Citi also assumed, with the Jefferies transaction committee's consent, that the Leucadia winery business spin out will be effected prior to the consummation of the transactions and as described in discussions with representatives of Leucadia. Citi's opinion, as set forth therein, relates to the relative values of Jefferies and Leucadia. Citi did not express any opinion as to what the value of the Leucadia common shares actually will be when issued pursuant to the transactions or the price at which the Leucadia common shares will trade at any time. Citi did not make and was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Jefferies or Leucadia and Citi did not make any physical inspection of the properties or assets of Jefferies or Leucadia. Citi's opinion did not address any terms (other than the exchange ratio to the extent expressly specified therein) or other aspects or implications of any of the transactions, including, without limitation, the form or structure of any of the transactions or any other agreement, arrangement or understanding to be entered into in connection with or contemplated by any of the transactions or otherwise. Citi was not requested to, and it did not, solicit third party indications of interest in the possible acquisition of all or a part of Jefferies, nor was Citi requested to consider, and its opinion does not address, the underlying business decision of Jefferies to effect the transactions, the relative merits of the transactions as compared to any alternative business strategies that might exist for Jefferies or the effect of any other transaction in which Jefferies might engage. Citi also expressed no view as to, and its opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the transactions, or any class of such persons, relative to the exchange ratio. Citi's opinion was necessarily based upon information available to Citi, and financial, stock market and other conditions and circumstances existing, as of the date of its opinion.

In preparing its opinion, Citi performed a variety of financial and comparative analyses, including those described below. This summary of the analyses is not a complete description of Citi's opinion or the analyses underlying, and factors considered in connection with, Citi's opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. Citi arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion. Accordingly, Citi believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Citi considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Jefferies and Leucadia. No company, business or selected transaction reviewed is identical to Jefferies, Leucadia or the transactions. An evaluation of these analyses is not entirely mathematical; rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or other values of the companies, business segments or selected transactions reviewed.

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The estimates contained in Citi's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Citi's analyses are inherently subject to substantial uncertainty.

Citi was not requested to, and it did not, recommend the specific consideration payable in the transactions. The type and amount of consideration payable in the transactions was determined through negotiations between Jefferies and Leucadia and the decision of the Jefferies transaction committee to recommend that the Jefferies' board of directors approve and adopt the transaction agreements, and of the Jefferies board of directors to approve and adopt the transaction agreements, was solely that of the Jefferies transaction committee and the Jefferies' board of directors, as applicable. Citi's opinion was only one of many factors considered by the Jefferies transaction committee in its evaluation of the transactions and should not be viewed as determinative of the views of the Jefferies transaction committee with respect to the transactions or the exchange ratio.

The following is a summary of the material financial analyses presented to the Jefferies transaction committee in connection with Citi's opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Citi's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Citi's financial analyses.**

Overview

For purposes of its analyses, Citi adjusted the Leucadia closing stock price on November 9, 2012 of \$21.80 to account for the contemplated Leucadia winery business spin out prior to the consummation of the transactions. This resulted in an adjusted Leucadia closing stock price on November 9, 2012 of \$20.99 (referred to as the Leucadia Adjusted Pre-Announcement Share Price). For portions of its analyses, Citi also utilized historical stock prices and book values for Leucadia that were, except as otherwise noted below, adjusted to exclude the Crimson dividend amount in order to permit a consistent comparison of Leucadia to be made across such periods.

Citi reviewed certain financial terms of the transactions with the Jefferies transaction committee, noting that, based on the Jefferies closing stock price on November 9, 2012 of \$14.27 (referred to as the Jefferies Pre-Announcement Stock Price) and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99, the exchange ratio provided in the second merger agreement of 0.81x reflected an implied consideration value of \$17.01 per share of Jefferies common stock, which represented a 19.2% premium to the Jefferies Pre-Announcement Stock Price and an implied equity value of \$3.82 billion (calculated on the basis of 224.9 million outstanding Jefferies diluted shares), and would result in Jefferies contributing 42.7% of the pro forma combined value of Leucadia (calculated on the assumption that Leucadia did not have an ownership stake in Jefferies). Citi also noted that the exchange ratio provided for in the second merger agreement of 0.81x implied the following transaction multiples with respect to Jefferies:

Implied Valuation	Jefferies Metrics	Jefferies Multiples
Premium to Market:		
Current (November 9, 2012)	\$ 14.27	19.2%
30-Day Trading Avg.	\$ 14.58	16.6%
60-Day Trading Avg.	\$ 14.49	17.4%
90-Day Trading Avg.	\$ 13.68	24.3%
4-Weeks Prior	\$ 14.37	18.3%
52-Week High	\$ 19.49	(12.7%)
52-Week Low	\$ 10.06	69.0%
Price as a Multiple of:		
2012E EPS	\$ 1.31	13.0x
2013E EPS	\$ 1.55	11.0x
Book Value	\$ 15.63	1.09x
Tangible Book Value	\$ 13.94	1.22x

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In estimating Jefferies' earnings per share for fiscal years 2012 and 2013, as set forth above, Citi utilized certain assumptions as to Jefferies' financial performance in such years, as directed by the Jefferies transaction committee, that were developed based on discussions with Jefferies' management as to the future financial performance of Jefferies, as further described above. The Jefferies' book value and tangible book value per share set forth above represent the adjusted book value and adjusted tangible book value as of August 31, 2012 as reported by Jefferies.

Jefferies

Dividend Discount Analysis

To calculate equity value per share of Jefferies common stock, Citi performed a dividend discount analysis to determine the present value of the common stock dividends that Jefferies could generate and distribute over fiscal years 2012-2017, utilizing an assumed dividend payout ratio, plus the present value of the assumed terminal value. In performing the dividend discount analysis, Citi utilized certain assumptions as to Jefferies' financial performance for fiscal years 2012-2018 as directed by the Jefferies transaction committee that were developed based on discussions with Jefferies' management as to the view of Jefferies' management as to the future financial performance of Jefferies, as further described above. Jefferies' management advised Citi and the Jefferies transaction committee that it considered those assumptions to be reasonable.

Citi also utilized the following assumptions in performing the dividend discount analysis:

assumed fiscal year 2012 financial results based on annualizing Jefferies' financial results through the third quarter of fiscal year 2012;

an assumed fiscal year 2013 revenue growth rate of 10%, declining by one percentage point per annum beginning in fiscal year 2014;

profit margins before income tax assumed to expand by one percentage point per annum for fiscal years 2013-2015 and one-quarter of one percentage point per annum after fiscal year 2015;

an assumed effective income tax rate of 35.8% per annum (based on Jefferies' income tax rate for the nine months ended August 31, 2012);

assumed fiscal year 2012 net income to the non-controlling interest in Jefferies High Yield Holdings based on annualized net income attributable to such interest for the nine months ending August 31, 2012; assumed annual net income attributable to such interest would remain constant over the relevant period;

an assumed dividend payout ratio of 24.5% (which was the payout ratio for the nine months ended August 31, 2012);

an assumed terminal value calculated based on Jefferies' revenue and net income as forecast for fiscal year 2018 and an exit multiple of 10.0x (based on the median of projected price to earnings ratios for fiscal year 2013 for full-service investment banks, rounded upward to the nearest whole number); and

an estimated equity discount rate of 11.3%, which represented the midpoint of the 10.0% to 12.6% estimated range for Jefferies' cost of equity that Citi developed using the capital asset pricing model.

Utilizing the assumptions and methodologies described above, Citi derived an implied equity value of Jefferies common stock of \$17.12 per share, compared to the implied consideration value of \$17.01 per share of Jefferies common stock, based on the exchange ratio and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Using the assumptions and methodologies described above, Citi also performed a sensitivity analysis that applied various annual rates of decline to the expected revenue growth rate for each of fiscal years 2013-2018 (assumed in the above analysis to decline by one percentage point per annum) that ranged from zero to a two percentage point decline per annum, and also applied various rates of contraction/expansion in profit margins before income tax for fiscal years 2015-2018 (assumed in the above analysis to expand by one quarter of one percentage point per annum) that ranged from one quarter of one percentage point contraction to three quarters of one percentage point expansion per annum. This analysis resulted in a range of implied equity values of Jefferies common stock of \$13.86-

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\$20.96 per share, compared to the implied consideration value of Jefferies common stock of \$17.01 per share, based on the exchange ratio and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Premiums Paid Analysis

Stock-for-Stock Transactions

Citi reviewed publicly available information for 12 selected merger and acquisition transactions involving U.S. targets that were announced since the beginning of calendar year 2011 that had all-stock consideration with transaction values in excess of \$500 million. The selected transactions reviewed by Citi were:

Announced	Acquiror	Target
September 2012	FirstMerit	Citizens Republic Bancorp
September 2012	Realty Income	American Realty
August 2012	Dex One	SuperMedia
December 2011	Lam Research	Novellus Systems
August 2011	Windstream	PAETEC Holding
April 2011	Level 3 Communications	Global Crossing
March 2011	Vanguard Natural Resources	Encore Energy Partners
March 2011	Charles Schwab	optionsXpress
February 2011	Ventas	Nationwide Health Properties
February 2011	DSW	Retail Ventures
January 2011	Comerica	Sterling Bancshares
January 2011	Duke Energy Corp	Progress Energy

Citi reviewed the precedent transactions' acquisition premiums based on the percentage premium/discount ultimately paid over each target's stock price 1 day and 4 weeks prior to the initial public announcement of the applicable transaction. The following table summarizes the results of this review and the median and mean premiums derived therefrom:

All Transactions	1-Day Premium/(Discount)	4-Week Premium
Maximum	55.7%	61.8%
Median	16.2%	17.1%
Mean	18.7%	21.5%
Minimum	(0.9%)	4.5%

Citi applied the median 1-day and 4-week premiums to the Jefferies Pre-Announcement Stock Price of \$14.27, which resulted in a range of implied equity values of \$16.58-\$16.71 per share of Jefferies common stock, compared to the implied consideration value of \$17.01 per share, based on the exchange ratio and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Related Party Transactions

Citi reviewed publicly available information for 12 selected merger and acquisition transactions involving U.S. targets that were announced since the beginning of calendar year 2000 where the acquirer held an existing 20%-49% stake in the target and owned 100% of the target after the transaction and with transaction values in excess of \$500 million. The consideration received by the target shareholders in the selected transactions varied from all-stock to a mix of cash and stock. The selected transactions reviewed by Citi were:

Announced	Acquiror	Target
March 2011	Vanguard Natural Resources	Encore Energy Partners
November 2009	Berkshire Hathaway	Burlington Northern Santa Fe
April 2009	Atlas America	Atlas Energy Resources
April 2009	PepsiCo	PepsiAmericas
April 2009	PepsiCo	Pepsi Bottling Group
June 2006	Plains All American Pipeline	Pacific Energy Partners
December 2003	Enterprise Products Partners	GulfTerra Energy Partners
May 2003	Leucadia	WilTel Communications Group

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May 2002
November 2001
September 2000
August 2000

USA Interactive
Security Capital Group
Etablissements Delhaize Frères
NewsCorp

Expedia
Storage USA
Delhaize America
United Television

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Citi reviewed the precedent transactions' acquisition premiums based on the percentage premium ultimately paid over each target's stock price 1 day and 4 weeks prior to the initial public announcement of the applicable transaction. The following table summarizes the results of this review and the median and mean premiums derived therefrom:

All Transactions	1-Day Premium	4-Week Premium
Maximum	50.2%	76.6%
Median	13.1%	20.8%
Mean	21.4%	28.7%
Minimum	0.3%	2.0%

Citi applied the median 1-day and 4-week premiums to the Jefferies Pre-Announcement Stock Price of \$14.27, which resulted in a range of implied equity values of \$16.14-\$17.23 per share of Jefferies common stock, compared to the implied consideration value of \$17.01 per share, based on the exchange ratio and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Merger of Equals Transactions

Citi reviewed publicly available information for 25 selected mergers involving U.S. targets that were announced since the beginning of calendar year 2000 where each of the companies to be combined would have equivalent representation on the board of directors of the combined company and with combined equity values in excess of \$500 million. Citi selected equal board merger of equals transactions based on advice from the Jefferies transaction committee that it anticipated the Leucadia board of directors would have such a makeup in the near term following consummation of the transactions and the fact that the second merger agreement provided that half the Leucadia Nominating and Corporate Governance Committee will be comprised of independent directors selected by Leucadia and half will be comprised of independent directors selected by Jefferies.

The selected transactions reviewed by Citi were:

Announced	Acquiror	Target
February 2011	Holly	Frontier Oil*
October 2010	Northeast Utilities	NSTAR*
April 2010	RRI Energy	Mirant*
March 2009	IPC Holdings	Max Capital*
February 2009	Live Nation	Ticketmaster Entertainment
July 2007	Transocean	GlobalSantaFe
February 2007	Universal Compression	Hanover Compressor
November 2006	CVS	Caremark Rx
September 2006	First Busey	Main Street Trust*
December 2004	Sprint	Nextel Communications
August 2004	National-Oilwell	Varco International
February 2004	Cable Design Technologies	Belden*
January 2004	Regions Financial	Union Planters
January 2004	JP Morgan Chase	Bank One
June 2003	IDEC Pharmaceuticals	Biogen*
February 2002	Identix	Visionics*
November 2001	P&O Princess Cruises	Royal Caribbean Cruises*
November 2001	Phillips Petroleum	Conoco
October 2001	GlobeSpan	Virata Corp.
September 2001	Santa Fe International	Global Marine
August 2001	Mead	Westvaco*
May 2001	Pride International	Marine Drilling
March 2000	Tuboscope	Varco International*
March 2000	National Commerce Bancorp	CCB Financial Corp*
January 2000	America Online	Time Warner*

* Indicates transactions in which the target's chief executive officer became the chief executive officer of the combined company.

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While Citi reviewed all of the selected merger of equals transactions, for purposes of its analysis, Citi only utilized the acquisition premiums/discounts for the selected merger of equals transactions where the target chief executive officer would become chief executive officer of the combined company. Citi reviewed the acquisition premiums in those transactions based on the percentage premium/discount ultimately paid over the target's stock price 1 day and 4 weeks prior to the initial public announcement of the applicable transaction. The following table summarizes the results of this review and the median and mean premiums derived therefrom:

All Transactions	1-Day Premium/(Discount)	4-Week Premium/(Discount)
Maximum	69.1%	83.8%
Median	3.5%	10.0%
Mean	9.1%	17.0%
Minimum	(7.3%)	(30.8%)

Citi applied the median 1-day and 4-week premiums to the Jefferies Pre-Announcement Stock Price of \$14.27, which resulted in a range of implied equity values of \$14.77-\$15.70 per share of Jefferies common stock, compared to the implied consideration value of \$17.01 per share, based on the exchange ratio and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Historical Trading Performance

Citi reviewed the historical trading prices for Jefferies common stock. This review indicated that during the 52-week period ending November 9, 2012, Jefferies common stock closed as low as \$10.06 per share and as high as \$19.49 per share. Citi noted that the average closing price of Jefferies common stock during the most recent period during which the total traded volume equaled the number of Jefferies shares outstanding (other than the shares held by Leucadia and Jefferies' insiders) was \$14.53 per share. These prices compared to the implied consideration value of \$17.01 per share of Jefferies common stock, based on the exchange ratio and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Research Analyst Price Target

Citi reviewed the most recent target prices for Jefferies common stock of Wall Street research equity analysts included in data published by FactSet, which ranged from \$14.00 to \$19.00 per share with a median and a mean of \$16.00 and \$16.33 per share, respectively, compared to the implied consideration value of \$17.01 per share of Jefferies common stock, based on the exchange ratio and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Other Information

Citi also reviewed, for informational purposes, financial and stock market information of selected full-service investment banks and other securities-related firms, including the stock price of such companies as a multiple of their estimated earnings for fiscal years 2012 and 2013, book value and tangible book value, and compared such information to the corresponding Jefferies' financial and stock market information. Citi noted that due to Jefferies' size and market position, there are no clearly comparable public companies.

Leucadia

Sum-of-the-Parts Analysis

Citi performed a sum-of-the-parts analysis to calculate an adjusted market value per share of Leucadia based on separate valuations for each of Leucadia's principal assets, including the following assets and investments:

Jefferies (valued based on the Jefferies Pre-Announcement Stock Price of \$14.27 and 58,006,024 shares held by Leucadia);

Jefferies High Yield Holdings (valued based on book value reported by Leucadia as of June 30, 2012);

National Beef (valued based on Leucadia's 78.95% ownership stake and 6x the lower end of a normalized EBITDA range of \$250 million less \$428 million in net debt; 6x EBITDA multiple based on median of enterprise values and estimated 2013 EBITDA for selected National Beef peer companies (Tyson Foods, Smithfield Foods and Sanderson Farms); implied low range valuation based on 6x estimated 2012 EBITDA of \$170 million; implied high range valuation based on 6x maximum normalized EBITDA of \$350 million; normalized EBITDA range and estimated 2012 EBITDA provided by Leucadia);

Inmet Mining Corporation (valued based on \$55.22 per share closing stock price on November 9, 2012 (determined using a CAD to USD exchange rate of 1.0016) and 11,042,413 shares held by Leucadia; implied low range valuation based on 10% discount to market value as of November 9, 2012; implied high range valuation based on 10% premium to market value as of November 9, 2012);

Premier Entertainment Biloxi LLC (valued based on book value provided by Leucadia as of June 30, 2012);

Berkadia Commercial Mortgage (valued based on book value reported by Leucadia as of June 30, 2012);

Garcadia Auto (valued based on June 30, 2012 book value provided by Leucadia (includes book value of real property owned by Garcadia Auto); implied \$75 million low range valuation excludes book value of real property owned by Garcadia Auto);

real estate portfolio (valued based on book value provided by Leucadia as of June 30, 2012);

portfolio of investments in hedge funds, fund of funds, private equity funds and other investments funds (valued based on book value provided by Leucadia as of June 30, 2012);

Sangart (valued without ascribing any value to the potential favorable completion of Sangart's ongoing clinical trials with respect to MP4OX);

other investments (valued based on (i) \$17.53 per share closing stock price of INTL FCStone on November 9, 2012 and approximately 1.6 million shares held by Leucadia and (ii) book value of investments in Idaho Timber and Conwed Plastics provided to Citi; implied low range valuation valued only the publicly traded investments based on the market value of such investments as of the close of trading on November 9, 2012 and excluded all other investments);

other Leucadia investments (including Crimson) were not considered for purposes of the sum-of-the-parts analysis;

net cash (based on balance sheet information provided by Leucadia as of June 30, 2012, as adjusted to account for the redemption of certain securities and the divestiture of certain assets held by Leucadia after June 30, 2012); and

NOLs (implied low range valuation of \$744 million based on stand-alone net present value of NOLs; implied high range valuation of \$1.11 billion based on net present value of NOLs to the combined company; valuation utilized certain assumptions prepared based on discussions with Jefferies and Leucadia's respective managements, including as to the amount and timing of earnings that would permit utilization of the NOLs, a stand-alone discount rate of 9.5% (based on an average estimated cost of equity for Leucadia that Citi developed using the capital asset pricing model) and a pro forma discount rate of 10.4% (based on an average estimated cost of equity for Leucadia and Jefferies that Citi developed using the capital asset pricing model).

In performing the sum-of-the-parts analysis Citi also performed a sensitivity analysis of the valuation of certain of Leucadia's assets, based on discussions with Leucadia management and as described above, that applied low and high range valuations to the applicable book values or net present values of such assets provided or reported by Leucadia. Based on this analysis and the assumptions and methodologies described above, Citi derived an implied range of equity values of Leucadia common shares of \$20.68-\$26.84 per share, as compared to the Leucadia Adjusted Pre-Announcement Share Price of \$20.99.

Historical Trading Price to Book Value

Citi reviewed the historical trading prices of Leucadia common shares since 1978 (the year in which Mr. Cumming and Mr. Steinberg were appointed as chief executive officer and president, respectively, of Leucadia) in relation to Leucadia's historical reported book value since 1978.

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This analysis indicated an implied equity value range for Leucadia common shares of \$22.05 to \$29.81 per share, representing an implied multiple of price to book value of 0.86x and 1.17x, respectively, as compared to the Leucadia Adjusted Pre-Announcement Share Price of \$20.99. The lower end of this range was based on the historical discount (calculated annually) of the Leucadia share price to the historical book value as reported by Leucadia for the period commencing December 31, 2010 and ending November 9, 2012. The high end of this range was based on the historical premium (calculated annually) of the Leucadia share price over the historical book value as reported by Leucadia for the period commencing December 31, 2007 and ending November 9, 2012. For purposes of this analysis, Citi only adjusted the Leucadia book value as of June 30, 2012 to exclude the Crimson dividend amount.

Historical Trading Performance

Citi reviewed the historical trading prices for Leucadia common shares. This review indicated that during the 52-week period ending November 9, 2012, Leucadia common shares closed as low as \$19.03 per share and as high as \$28.91 per share, as compared to the Leucadia Adjusted Pre-Announcement Share Price of \$20.99. For purposes of this analysis, Citi utilized historical trading prices for Leucadia common shares that were adjusted to exclude the Crimson dividend amount.

Selected Companies Analysis

Citi reviewed certain financial and stock market information for Leucadia and certain publicly traded industrial holding companies, permanent capital vehicles and alternative asset managers. Citi noted that, unlike Leucadia, the permanent capital vehicles and the alternative asset managers were paid a management fee and received a carry on investments and the alternative asset managers also often provided operational expertise to companies in which they invested and had cyclical returns depending on when they exited investments. With respect to the industrial holding companies that Citi reviewed, Citi noted that certain such companies, including Leucadia, measured their performance primarily based on the change in book value and, based on public disclosure, appeared to trade based on a ratio of price to book value, while others measured their performance primarily based on the change in net asset value and, based on public disclosure, appeared to trade based on a ratio of price to net asset value, and were also non-U.S. industrial holding companies. Accordingly, for purposes of its comparable companies analysis of Leucadia, Citi utilized the three publicly traded U.S. industrial holding companies that measure their performance primarily based on the change in book value, and, based on public disclosure, appeared to trade based on a ratio of price to book value, although they also are not directly comparable to Leucadia. Those companies were:

Berkshire Hathaway;

Loews; and

Compass Diversified.

Citi reviewed, among other information, the historical stock prices and compounded annual growth rate of the selected companies since, in the case of Loews and Compass Diversified, the date of their initial public offerings and, in the case of Berkshire Hathaway, the date Warren Buffett was appointed as chief executive officer, the performance of the selected companies' stock prices over the three- and twelve-month periods ending November 9, 2012 and the multiple to book value of the selected companies' stock prices. For purposes of its analysis, Citi utilized the range of the selected companies' multiples of stock price to book value of 0.83x-1.49x, which implied an equity value range for Leucadia common shares of \$21.17 to \$37.97 per share, based on the book value for Leucadia as of June 30, 2012, as adjusted to exclude the Crimson dividend amount.

Historical Exchange Ratio Analysis

Citi compared the Jefferies Pre-Announcement Stock Price of \$14.27 and the Leucadia Adjusted Pre-Announcement Share Price of \$20.99 and the average per share prices of Jefferies common stock and Leucadia common shares over the 30-day, 90-day and 180-day periods ending November 9, 2012 in order to determine the implied average exchange ratio that existed for each such period and compared such implied average exchange ratios to the exchange ratio of 0.81x provided for in the second merger agreement. Citi adjusted the per share prices of Leucadia common shares over such periods to exclude the Crimson dividend amount. The following table summarizes the results of this analysis:

Period	Implied Exchange Ratio
Current (November 9, 2012)	0.68x
30 Days Avg.	0.67x
90 Days Avg.	0.67x
180 Days Avg.	0.65x

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Citi also compared the respective book and tangible book values of Jefferies as of August 31, 2012 and Leucadia as of June 30, 2012 (adjusted to exclude the Crimson dividend amount) and compared the Jefferies implied equity value as derived from the dividend discount analysis and Leucadia's implied equity value as derived from the sum-of-the-parts analysis to determine a range of implied exchange ratios. In comparing Jefferies' implied equity value as derived from the dividend discount analysis to Leucadia's implied equity value as derived from the sum-of-the-parts analysis, Citi utilized, for the low-end of the range of the exchange ratio analysis, an implied equity value for Jefferies of \$3.12 billion and an implied equity value for Leucadia of \$5.06 billion and, for the high-end of the range of the exchange ratio analysis, an implied equity value for Jefferies of \$4.71 billion and an implied equity value for Leucadia of \$6.56 billion. The following table summarizes the results of this analysis:

Contribution Analysis	Implied Exchange Ratio(s)
Book Value	0.61x
Tangible Book Value	0.63x
Discount Dividend Analysis v. Sum-of-the-parts	0.62x-0.72x

Citi also determined a range of implied exchange ratios based on the premiums Citi derived for the selected stock-for-stock, related party and merger of equals transactions and compared such implied exchange ratios to the exchange ratio provided for in the second merger agreement. The following table summarizes the results of this analysis:

Selected Transactions	Implied Exchange Ratios
Stock-for-Stock	0.79x-0.80x
Related Party	0.77x-0.82x
Merger of Equals	0.70x-0.75x

Pro Forma Analysis

Citi performed a pro forma analysis of the transactions that combined the balance sheet and income statement information of Jefferies and Leucadia into a Leucadia pro forma consolidated balance sheet and income statement. For purposes of this analysis, Citi utilized the Jefferies balance sheet and income statement information as of, and for the twelve months ended, August 31, 2012 and the Leucadia balance sheet and income statement information as of, and for the twelve months ended, June 30, 2012. Citi adjusted Jefferies' and Leucadia's balance sheet and income statement information to reflect the elimination of Leucadia's existing minority stake in Jefferies, the reclassification of Leucadia's holdings and the redemption of third-party investors in Jefferies High Yield Holdings, the effects of purchase accounting and the anticipated Leucadia winery business spin out.

This analysis indicated that the pro forma book value and tangible book value of Leucadia at June 30, 2012 would be \$24.51 and \$20.07 per share, respectively (compared to the Leucadia book value and tangible book value (adjusted to account for the estimated impact of the redemption of certain securities and divestiture of certain assets held by Leucadia during the second half of 2012) as of June 30, 2012 provided to Citi of \$26.31 and \$22.82 per share, respectively), which, following application of the exchange ratio of 0.81x, would be accretive to Jefferies per share book value and per share tangible book value by 27.0% and 16.6%, respectively. This analysis also indicated that at June 30, 2012, Leucadia's pro forma ratio of debt (measured as parent company debt and Jefferies' debt) to equity would be 0.66x and pro forma ratio of parent company debt to stressed equity would be 0.40x. Stressed equity was a methodology utilized in discussions between Jefferies and Leucadia and certain rating agencies concerning the transactions and is a measure of Leucadia shareholders' equity that excludes the book value of Leucadia's investments in Jefferies, Jefferies High Yield Holdings, National Beef and Inmet Mining and the book value of Leucadia's net operating losses. This analysis also indicated that Leucadia would have had pro forma earnings of \$1.73 per share for the twelve months ended June 30, 2012, as compared to Leucadia's stand-alone earnings of \$0.50 per share for this period. A significant portion of this estimated accretion in earnings per share was attributable to the consolidation of Jefferies onto Leucadia's balance sheet as a result of the transactions, which resulted in the elimination of Leucadia's quarterly mark-to-market losses relating to the decline in Jefferies' stock price during the twelve months ended June 30, 2012.

Citi's review of the pro forma impact of the transactions indicated that Leucadia's pro forma sum-of-the-parts value would be \$22.15 per share, which, following application of the exchange ratio of 0.81x, would represent a premium of (i) 25.7% over the

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Jefferies Pre-Announcement Stock Price of \$14.27, (ii) 14.8% over Jefferies' reported book value as of August 31, 2012, and (iii) 4.8% over the implied equity value derived from the dividend discount analysis of Jefferies. Citi calculated the pro forma per share sum-of-the-parts value of Leucadia by adding Jefferies' market capitalization as of November 9, 2012 for the Jefferies outstanding shares of common stock not held by Leucadia to the Leucadia sum-of-the-parts valuation (calculated using the estimated net present value of the net operating losses to the combined company).

Miscellaneous

Under the terms of Citi's engagement, Jefferies has agreed to pay Citi an aggregate fee of \$5 million for its financial advisory services in connection with the transactions, \$1.5 million of which has been paid to Citi and the remaining \$3.5 million of which is contingent upon completion of the transactions. Jefferies also has agreed to reimburse Citi for reasonable expenses incurred by Citi in performing its services, including reasonable fees and expenses of its legal counsel, and to indemnify Citi and related persons against liabilities, including liabilities under the federal securities laws, arising out of its engagement. Citi and its affiliates in the past have provided, currently provide, and in the future may provide services to Jefferies and Leucadia unrelated to the proposed transactions, for which services Citi and such affiliates have received and expect to receive compensation, including, without limitation, during the two year period prior to the date of its opinion having received aggregate fees of approximately \$2.8 million for acting as: (i) bookrunner to Jefferies in its \$500 million equity offering in 2011, (ii) co-manager to Jefferies in its \$500 million debt offering in 2011, (iii) a lender under Jefferies' \$950 million revolving credit facility in 2011, and (iv) a lender to Inmet Mining Corporation, a company in which Leucadia holds a significant equity stake, and a bookrunner to Inmet Mining Corporation in its \$1.5 billion debt offering in 2012.

In the ordinary course of business, Citi and its affiliates may actively trade or hold the securities of Jefferies and Leucadia and certain of their respective affiliates for their own account or for the account of their customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citi and its affiliates (including Citigroup Inc. and its affiliates) may maintain other relationships with Jefferies, Leucadia and their respective affiliates.

The Jefferies transaction committee selected Citi to act as its financial advisor in connection with the transactions based on Citi's reputation and experience and familiarity with Jefferies' industry and business. Citi is an internationally recognized investment banking firm that regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The issuance of Citi's opinion was authorized by Citi's fairness opinion committee.

Interests of Jefferies Directors and Executive Officers in the Transactions

In considering the recommendation of Jefferies' board of directors, upon recommendation of the Jefferies transaction committee, with respect to the transactions, you should be aware that Jefferies' directors and executive officers have financial and other interests in the transactions that may be different from, or in addition to, those of Jefferies' stockholders generally. The board of directors of Jefferies and the Jefferies transaction committee was aware of and considered these potential interests, among other matters, in evaluating and negotiating the second merger agreement and the first merger agreement, in adopting the second merger agreement and the first merger agreement and in recommending the approval of the first merger agreement and the transactions contemplated thereby by the stockholders of Jefferies.

Continuing Service. The second merger agreement provides that, following the completion of the second merger, Leucadia's board of directors will include six directors designated by Jefferies, who are Richard B. Handler, Brian P. Friedman, W. Patrick Campbell, Richard G. Dooley, Robert E. Joyal and Michael T. O'Kane. We expect that Mr. Handler, the current Chief Executive Officer of Jefferies and Mr. Friedman, the current Executive Committee Chairman of Jefferies, will serve as the Chief Executive Officer and President, respectively, of Leucadia upon the completion of the merger, subject to their ability and willingness to serve. Mr. Handler and Mr. Friedman will each continue in their roles as Chief Executive Officer and Executive Committee Chairman of Jefferies, respectively.

Conversion of Equity Compensation Awards. All of Jefferies' executive officers, as well as other Jefferies employees, hold restricted shares of Jefferies common stock and/or restricted stock units granted under Jefferies' equity compensation plans. In addition, non-employee members of the board of directors of Jefferies hold restricted shares of Jefferies common stock and/or deferred shares granted under Jefferies' director stock compensation plan. Upon the second merger, each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated by Leucadia common shares with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

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Indemnification and Insurance. The second merger agreement provides that, following the completion of the second merger, Leucadia will honor all of Jefferies' obligations to indemnify the current and former directors and officers of Jefferies and all of its subsidiaries for any acts or omissions by such indemnified parties that occurred prior to the second merger. Leucadia will also maintain the directors' and officers' liability (and fiduciary) insurance policies maintained by Jefferies as of the time of the second merger agreement for six years following the completion of the second merger.

Ownership of Equity Interests in Leucadia and Affiliates. Messrs. Cumming and Steinberg, each of whom is a member of the board of directors of Jefferies, as of the date of board approval of the proposed transactions, each held of record or may be deemed to have owned beneficially, and as of the date of mailing of this joint proxy statement/prospectus, each continued to hold of record or may be deemed to own beneficially, common shares of Leucadia, the value of which may be affected by the proposed transactions. Messrs. Cumming and Steinberg recused themselves from consideration of the proposed transaction on behalf of Jefferies.

Merger-Related Compensation.

Under Jefferies' compensation arrangements with its executive officers, no executive officer will receive any compensation solely on account of a change in control, including the completion of the second merger. Such compensation will be payable, however, if an executive officer's employment is terminated without cause following the second merger. As described above, outstanding awards of restricted stock and restricted stock units will be converted into Leucadia restricted share and restricted share units. Each will remain subject to the original vesting requirements and performance criteria under the applicable Jefferies plan and will not be accelerated solely on account of a change in control.

The outstanding annual incentive awards of the executive officers of Jefferies also will remain subject to the original vesting requirements and will remain subject to performance criteria.

In accordance with Item 402(t) of the SEC's Regulation S-K, the following table sets forth certain compensation related to the merger for Jefferies' named executive officers. The table below shows the estimated compensation for each named executive officer assuming the consummation of the second merger had occurred on November 30, 2012, the latest practicable date prior to filing this joint proxy statement/prospectus, and the employment of the named executive officer was terminated without cause on such date. The payments and benefits are subject to a non-binding advisory vote of Jefferies stockholders. This compensation is referred to as "golden parachute" compensation.

Change in Control and Termination Compensation

Name	Cash(a)	Equity(b)	Pension/Nonqualified Deferred Compensation(c)	Perquisites/benefits	Tax reimbursement(d)	Total
Richard B. Handler	\$ 0(e)(f)	\$ 0	\$0	\$0	\$0	\$ 0
Brian P. Friedman	\$ 0(e)	\$ 0	\$0	\$0	\$0	\$ 0
Peregrine C. Broadbent	\$ 0	\$ 666,547	\$0	\$0	\$0	\$ 666,547
Michael J. Sharp	\$ 0	\$ 0	\$0	\$0	\$0	\$ 0
Charles C. Hendrickson (g)	\$ 0	\$ 248,696	\$0	\$0	\$0	\$ 248,696

(a) Any withdrawals from an employee's profit sharing plan, or the decision of an employee to transfer balances into another qualified account are entirely within the discretion of the employee, will not result in a payment by Jefferies or Leucadia and are not included in the table above. A change-in-control does not result in the enhancement of any rights under any severance arrangements.

(b) Amounts in this column consist of the aggregate dollar value of those restricted stock units and shares of restricted stock that would immediately become vested upon termination without cause following a change in control, valued at \$15.94 per share, the average closing price of Jefferies common stock over the first five business days following the first public announcement of the transactions. If an executive holds restricted stock units or shares of restricted stock that have vested and are non-forfeitable, the executive would retain that interest following termination and, therefore, the retention of those interests is not considered a payment or enhancement of rights on termination.

(c) Amounts an employee has deferred under the Jefferies Group, Inc. Deferred Compensation Plan and any individual deferred compensation plans will continue to be deferred and, therefore, will not result in a payment upon termination in the table above.

(d) It is assumed that no payment to a named executive officer would need to be reduced so that the executive and Jefferies or Leucadia would avoid adverse tax consequences under Code Sections 4999 and 280G. Jefferies has no obligation to any named executive officer to pay a gross-up to offset golden parachute excise taxes under Code Section 4999 or to reimburse the executive for related taxes.

(e) Upon a change in control (as defined), deferred amounts under the Jefferies Deferred Compensation Plan are not automatically distributed. Of the named executive officers, only Mr. Handler and Mr. Friedman have participated in the Plan. Within 24 months of a change in control, unscheduled withdrawals for balances resulting from deferrals before 2005 may be made at a reduced forfeiture percentage of 5% (from 10%) of the amount withdrawn.

(f) Jefferies established an individual Deferred Compensation Plan for Mr. Handler while he was Head of the High Yield Division of Jefferies & Company, Inc., before implementing their generally applicable Deferred Compensation Plan and prior to his becoming an executive officer. The last deferrals into Mr. Handler's individual plan occurred in 2000. The board of directors of Jefferies will not terminate the deferral arrangements under Mr. Handler's individual plan and, as such, no payments to Mr. Handler will be triggered by the transactions.

(g) Mr. Hendrickson ceased to be Jefferies Treasurer in January 2012.

Leucadia's Reasons for the Transactions; Recommendation of Leucadia's Board of Directors

At its meeting on November 11, 2012, the Leucadia board of directors determined that the second merger agreement and the transactions contemplated thereby were advisable and in the best interests of Leucadia and its shareholders, and approved the second merger agreement. The Leucadia board of directors recommends that Leucadia shareholders vote FOR the Leucadia share issuance and the charter amendment proposal. In making this determination, the Leucadia board of directors consulted with Leucadia's management and with its financial and legal advisors, and considered a number of factors. The decision of the Leucadia board of directors was based upon a number of potential benefits of the transactions and other factors that it believed would contribute to the success of the combined company, and thus benefit the Leucadia shareholders, including the following factors, the order of which does not necessarily reflect their relative significance:

Succession. Succession planning has been a focus of the Leucadia board of directors for several years, and in that regard, Leucadia investigated a number of potential succession plans, none of which proved to be acceptable. The senior executives of Jefferies, who are well known to Leucadia management, are in Leucadia's view, well qualified to lead the combined company, while retaining their leadership roles at Jefferies. At the same time, having Messrs. Cumming and Steinberg continue as directors of the combined company, as well as having Mr. Steinberg continue in an executive capacity at Leucadia following the transactions, will provide the combined company with continuity of leadership. Furthermore, the transactions preserve significant employee continuity and strategic continuity for both companies;

Increased knowledge base, opportunity flow and execution capabilities. The combination of Leucadia and Jefferies allows Leucadia to leverage the knowledge base, opportunity flow and execution capabilities of Leucadia's and Jefferies' management team and businesses. In making future investments, Leucadia will be able to leverage Jefferies' 700 investment bankers across eight industry verticals in offices worldwide, with its own investment team;

Balance Sheet Strength. As a subsidiary of Leucadia, Jefferies will have greater balance sheet resilience and flexibility to guard against, and take advantage of, market dislocations and other opportunities.

Knowledge. Leucadia has significant knowledge of Jefferies' business, operations, financial condition, earnings and prospects, and of Jefferies' management, taking into account Leucadia's more than four years as Jefferies' largest stockholder, with its two most senior executives on the Jefferies board of directors during that time;

NOLs. Jefferies' recurring and growing pre-tax earnings will materially accelerate NOL utilization, creating incremental value for all shareholders by converting a non-cash asset into cash faster than Leucadia would have been able to use it on a stand-alone basis;

Market capitalization, credit rating and liquidity. The board considered the anticipated market capitalization, credit rating, liquidity and capital structure of the combined company;

Deal Certainty. The board considered the terms and conditions of second merger agreement and the likelihood of completing the transactions on the anticipated schedule; and

Opinion of UBS Securities LLC. The Leucadia board of directors took into account the opinion of UBS, dated November 11, 2012, to the Leucadia board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to Leucadia of the exchange ratio provided for in the transactions, as more fully described under *Opinion of UBS Securities LLC.*

In addition, the Leucadia board of directors also identified and considered several potentially negative factors to be balanced against the positive factors listed above, including the following, the order of which does not necessarily reflect their relative significance:

that the pendency of the transactions for an extended period of time following the announcement of the execution of the second merger agreement could have an adverse impact on Leucadia or Jefferies;

the potential that the fixed exchange ratio could result in Leucadia delivering greater value to the Jefferies stockholders than had been anticipated should the value of the Leucadia common shares increase from the date of execution of the second merger agreement;

the potential for diversion of management and employee attention during the period prior to completion of the transactions, and the potential negative effect on Leucadia's and Jefferies' business;

the risk that potential benefits sought in the transactions may not be realized, or may not be realized within the expected time period;

the risks that the regulatory approvals and clearances necessary to complete the transactions might not be obtained, or that regulatory approvals may be delayed;

the second merger agreement's restrictions on the conduct of Leucadia's and Jefferies' business during the period between execution of the second merger agreement and the consummation of the transactions;

the risk that the terms of the second merger agreement, including provisions relating to the payment of a termination fee under specific circumstances, could have the effect of discouraging other parties that would otherwise be interested in a transaction with Leucadia from proposing such transaction; and

the risk that, despite the efforts of Leucadia and Jefferies prior to the consummation of the transactions, the combined company may lose key personnel.

In view of the variety of factors and the quality and amount of information considered, the Leucadia board of directors as a whole did not find it practicable to and did not quantify or otherwise assign relative weights to the specific factors considered in reaching its determination but conducted an overall analysis of the transaction. Individual members of the Leucadia board of directors may have given different relative considerations to different factors.

The explanation of the reasoning of the Leucadia board of directors and certain information presented in this section are forward-looking in nature and, therefore, the information should be read in light of the factors discussed in the sections entitled *Cautionary Statement Regarding Forward-Looking Statements* and *Risk Factors*.

Opinion of UBS Securities LLC

On November 11, 2012, at a meeting of Leucadia's board of directors held to evaluate the proposed transaction, UBS delivered to Leucadia's board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion, dated November 11, 2012, to the effect that, as of that date and based on and subject to various assumptions made, matters considered and limitations described in its opinion, the exchange ratio provided for in the transaction was fair, from a financial point of view, to Leucadia.

The full text of UBS' opinion to Leucadia's board of directors describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS. This opinion is attached as Annex H and is incorporated into this joint

proxy statement/prospectus by reference. **Leucadia shareholders are encouraged to read UBS' opinion carefully in its entirety. UBS' opinion was provided for the benefit of Leucadia's board of directors (in its capacity as such) in connection with, and for the purpose of, its evaluation of the exchange ratio provided for in the transaction, from a financial point of view, and does not address any other aspect of the transaction or any related transaction. UBS' opinion does not address the relative merits of the transaction as compared to other business strategies or transactions that might be available with respect to Leucadia or Leucadia's underlying business decision to effect the transaction or any related transaction. UBS' opinion does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the transaction or any related transaction.** The following summary of UBS' opinion is qualified in its entirety by reference to the full text of UBS' opinion.

In arriving at its opinion, UBS, among other things:

reviewed certain publicly available business and financial information relating to Jefferies and Leucadia, including certain publicly available financial forecasts and estimates relating to Jefferies through fiscal year 2014 which were reviewed and discussed with UBS by the managements of Leucadia and Jefferies and which Leucadia's board of directors directed UBS to utilize for purposes of its analysis (referred to as the "Publicly Available Jefferies Forecasts");

reviewed certain internal financial information and other data relating to the businesses of Leucadia and Jefferies that were provided to or discussed with UBS by the management of Leucadia and not publicly available, including projections by the management of Leucadia concerning the rate of utilization of Leucadia's federal NOLs on a stand-alone basis and pro forma for the transaction (referred to as the "Leucadia Federal NOLs"), which Leucadia's board of directors directed UBS to utilize for purposes of its analysis;

conducted discussions with members of the senior management of Leucadia and Jefferies concerning the businesses and financial prospects of Leucadia and Jefferies;

reviewed publicly available financial and stock market data with respect to certain other companies UBS believed to be generally relevant;

compared the financial terms of the transaction with the publicly available financial terms of certain other transactions UBS believed to be generally relevant;

reviewed current and historical market prices of Leucadia common shares and Jefferies common stock;

considered certain pro forma effects of the transaction on Leucadia's financial statements, including with respect to the accelerated use of the Leucadia Federal NOLs;

reviewed the second merger agreement; and

conducted such other financial studies, analyses and investigations, and considered such other information, as UBS deemed necessary or appropriate.

In connection with its review, with the consent of Leucadia's board of directors, UBS assumed and relied upon, without independent verification, the accuracy and completeness in all material respects of the information provided to or reviewed by UBS for the purpose of its opinion. In addition, with the consent of Leucadia's board of directors, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of Leucadia or Jefferies, nor was UBS furnished with any such evaluation or appraisal. With respect to the Leucadia Federal NOLs, UBS assumed, at the direction of Leucadia's board of directors, that the Leucadia Federal NOLs were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Leucadia as to the matters covered thereby and that the Leucadia Federal NOLs would be utilized at the times and in the amounts so projected. With respect to the pro forma effects of the transaction referred to above, UBS assumed, at the direction of Leucadia's board of directors, that they were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of Leucadia and Jefferies as to the matters covered thereby. With respect to the Publicly Available Jefferies Forecasts, UBS was advised by the management of Leucadia and UBS assumed, at the direction of Leucadia's board of directors, that such forecasts and estimates represented reasonable estimates and judgments as to the future financial performance of Jefferies for the periods covered thereby. UBS also assumed, with the consent of Leucadia's board of directors, that the transaction would qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the

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Code. UBS' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to UBS as of, the date of its opinion.

In addition, at the direction of Leucadia's board of directors, UBS was not asked to, and it did not, offer any opinion as to the terms, other than the exchange ratio to the extent expressly specified in UBS' opinion, of the second merger agreement or any related documents or the form of the transaction or any related transaction. In addition, UBS expressed no opinion as to the fairness of the amount or nature of any consideration to be paid to holders of any other class or series of capital stock of Jefferies or New Jefferies or any compensation to be received by any officers, directors or employees of any parties to the transaction, or any class of such persons, relative to the exchange ratio. UBS expressed no opinion as to what the value of Leucadia common shares would be when issued pursuant to the transaction or the prices at which Leucadia common shares, Jefferies common stock or any capital stock issued as a result of the Leucadia winery business spin out would trade at any time. In connection with UBS' engagement, UBS was not requested to, and UBS did not, participate in the negotiation or structuring of the transaction. In rendering its opinion, UBS assumed, with the consent of Leucadia's board of directors, that (i) the parties to the second merger agreement would comply with all material terms of the second merger agreement and (ii) the transaction and any related transaction would be consummated in accordance with the terms of the second merger agreement without any adverse waiver or amendment of any term or condition of the second merger agreement, including the Leucadia winery business spin out, that would be material to UBS' analysis. UBS also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transaction and any related transaction would be obtained without any adverse effect on Leucadia, Jefferies, the transaction or any related transaction that would be material to UBS' analysis. Except as described above, Leucadia imposed no other instructions or limitations on UBS with respect to the investigations made or the procedures followed by UBS in rendering its opinion. The issuance of UBS' opinion was approved by an authorized committee of UBS.

In connection with rendering its opinion to Leucadia's board of directors, UBS performed a variety of financial and comparative analyses which are summarized below. The following summary is not a complete description of all analyses performed and factors considered by UBS in connection with its opinion. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the selected companies analysis and the selected transactions analysis summarized below, no company or transaction used as a comparison was identical to Leucadia, Jefferies or the transaction. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

UBS believes that its analyses and the summary below must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying UBS' analyses and opinion. UBS did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole.

The estimates of the future performance (i) of Leucadia relating to the Leucadia Federal NOLs, provided by Leucadia management, and (ii) Jefferies, derived from public sources, in each case in or underlying UBS' analyses are not necessarily indicative of actual future results or values, which may be significantly more or less favorable than those estimates. In performing its analyses, UBS considered industry performance, general business and economic conditions and other matters, many of which were beyond the control of Leucadia and Jefferies. Estimates of the financial value of companies do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold or acquired.

The exchange ratio was determined through negotiation between Leucadia and Jefferies and the decision by Leucadia to enter into the transaction was solely that of Leucadia's board of directors. UBS' opinion and financial analyses were only one of many factors considered by Leucadia's board of directors in its evaluation of the transaction and should not be viewed as determinative of the views of Leucadia's board of directors or management with respect to the transaction or the exchange ratio.

The following is a brief summary of the material financial analyses performed by UBS and reviewed with Leucadia's board of directors on November 11, 2012 in connection with its opinion relating to the proposed transaction. **The financial analyses summarized below include information presented in tabular format. In order for UBS' financial analyses to be fully understood, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS' financial analyses.** For purposes of the financial analyses described below, the term "implied per share value of the merger consideration" refers to the \$17.01 implied per share value of the merger consideration based on the exchange ratio of 0.81x and a \$20.99 per share value for Leucadia common shares, which represented the closing price of Leucadia common

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shares on November 9, 2012 of \$21.80, adjusted at the direction of Leucadia management by \$0.81, which represents the value per Leucadia common share of the Crimson dividend amount, as reflected in the second merger agreement. For purposes of the financial analyses described below, the term book value or BV refers to, with respect to a company on a specified date, such company's stockholders' equity less the book value of its preferred stock and the term tangible book value or TBV refers to such company's book value less any goodwill and intangible assets, in each case as reflected on the financial statements of such company as of such date.

Selected Companies Analysis

UBS compared selected financial and stock market data of Jefferies with corresponding data of the following seven publicly traded U.S. broker-dealers that have sales, trading and advisory practices and market capitalizations greater than \$250 million (referred to as the Selected Companies):

The Goldman Sachs Group, Inc.
Morgan Stanley
Raymond James Financial, Inc.
Stifel Financial Corp.
KBW, Inc.
Piper Jaffray Companies
Cowen Group, Inc.

UBS reviewed, among other things, the closing stock prices of each of the selected companies on November 9, 2012 as multiples of book value (referred to as Price/BV) and tangible book value (referred to as Price/TBV) in each case as of the end of the most recent fiscal quarter for which financial information was publicly available as of November 9, 2012 and as multiples of calendar years 2012 and 2013 estimated earnings per share for such company (referred to as Price/EPS). UBS also reviewed the enterprise values, calculated as the sum of equity market value based on closing stock prices on November 9, 2012, plus debt at book value, preferred stock at book value and minority interests at book value, less cash and cash equivalents, of each selected company as a multiple of calendar years 2012 and 2013 estimated revenues for such company (referred to as EV/Revenue). UBS then compared the multiples derived for the selected companies with corresponding multiples implied for Jefferies based both on the closing price of the common stock of Jefferies on November 9, 2012 of \$14.27 and the implied per share value of the merger consideration. For purposes of this analysis, financial data for KBW, Inc., was as of November 2, 2012, the trading day prior to the announcement of Stifel Financial Corp.'s proposed acquisition of KBW, Inc. Financial data for the selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information. Estimated financial data for Jefferies were based on the Publicly Available Jefferies Estimates and Jefferies' public filings. This analysis indicated the following implied high, mean, median and low multiples for the selected companies, as compared to corresponding multiples implied for Jefferies:

			Price/EPS		EV/Revenue	
	Price/BV	Price/TBV	CY2012E	CY2013E	CY2012E	CY2013E
Selected Companies						
High	1.65x	1.86x	14.9x	29.6x	6.7x	6.6x
Mean	1.01x	1.20x	12.9x	12.7x	3.0x	2.6x
Median	0.90x	1.01x	13.5x	10.5x	1.7x	1.2x
Low	0.56x	0.61x	9.8x	6.8x	1.0x	0.9x

Implied multiples for Jefferies based on

closing stock price on November 9, 2012	0.94x	1.06x	11.9x	10.1x	2.2x	2.1x
implied per share value of the merger consideration	1.12x	1.27x	14.1x	12.0x	2.4x	2.3x

Selected Transactions Analysis

UBS reviewed publicly available information relating to the following five selected transactions involving announced acquisitions of U.S. broker-dealers since 2008 in which the target's equity value was greater than \$250 million (other than JPMorgan Chase & Co.'s acquisition of The Bear Stearns Companies Inc. in March of 2008, which transaction UBS, in its professional judgment, excluded from its analysis because of the highly distressed nature of such transaction):

Announcement Date	Acquiror	Target
11/5/12	Stifel Financial Corp.	KBW, Inc.
1/11/12	Raymond James Financial, Inc.	Morgan Keegan & Company
4/7/11	Jefferies Group, Inc.	Prudential Bache's Global Commodities Group
4/26/10	Stifel Financial Corp.	Thomas Weisel Partners Group, Inc.
9/15/08	Bank of America Corporation	Merrill Lynch & Co, Inc.

UBS reviewed, among other things, equity values in the selected transactions, calculated as the purchase price paid for the target's equity, as multiples of, to the extent publicly available, book value (referred to as Value/BV) and tangible book value (referred to as Value/TBV) and, to the extent publicly available, net income (referred to as Value/NI) and revenue (referred to as Value/Rev). UBS then compared the multiples derived for the selected transactions with corresponding multiples implied for Jefferies based on the implied per share value of the merger consideration. Multiples for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. This analysis indicated the following implied median and mean multiples for the selected transactions, as compared to corresponding multiples implied for Jefferies:

Selected Transactions	Value/BV	Value/TBV	Value/NI	Value/Rev
Median	1.52x	1.60x	14.1x	1.8x
Mean	1.55x	1.51x	14.1x	1.8x

Implied multiples for Jefferies based on

Implied per share value of the merger consideration	1.12x	1.27x	13.9x	1.4x
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Accretion/Dilution Analysis

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UBS reviewed the potential pro forma financial effect of the transaction, both excluding and including potential pro forma effects implied by the rate of utilization expected by Leucadia management of the Leucadia Federal NOLs. For this analysis, UBS reviewed Leucadia's book value, tangible book value and earnings per share (referred to as "EPS"), in each case using the latest twelve months

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data (as of September 30, 2012 for Leucadia and August 31, 2012 for Jefferies). Estimated financial data for Leucadia and Jefferies were based on internal estimates of Leucadia's management that Leucadia's board of directors directed UBS to use for purposes of its analysis. This analysis indicated the following:

Pro Forma		Pro Forma Adjusted for the Leucadia Federal NOLs	
Metric	Accretion/(Dilution)	Metric	Accretion/(Dilution)
Book Value Per Share (\$)	(\$2.30)	Book Value Per Share (\$)	\$0.37
Book Value Per Share (%)	(8.6%)	Book Value Per Share (%)	1.6%
Tangible Book Value Per Share (\$)	(\$2.07)	Tangible Book Value Per Share (\$)	\$0.60
Tangible Book Value Per Share (%)	(8.9%)	Tangible Book Value Per Share (%)	3.2%
Earnings Per Share (\$)	(\$0.27)		
Earnings Per Share (%)	(12.9%)		

Actual results may vary from projected results and the variations may be material.

Other Factors

In rendering its opinion, UBS also reviewed, for informational purposes, certain other factors, including comparisons of:

the historical closing prices of Jefferies common stock and Leucadia common shares over the five-year period ending November 9, 2012 to those of the Standard & Poor's 500 Index and the Standard & Poor's Financials Sector Index over the same period;

the ratio of the historical closing prices of Jefferies common stock and of Leucadia common shares to their respective book values over the five-year period ending November 9, 2012 to those of the Selected Companies over the same period;

the ratio of the historical closing prices of Jefferies common stock and of Leucadia common shares to their respective tangible book values over the five-year period ending November 9, 2012 to those of the Selected Companies over the same period; and

the exchange ratio to the trading ratios of the Jefferies common stock to Leucadia common shares over the five-year period ending November 9, 2012, adjusted for the Leucadia winery business spin out.

Miscellaneous

Under the terms of UBS' engagement, Leucadia agreed to pay UBS for rendering its opinion a fee of \$1,000,000. In addition, Leucadia agreed to reimburse UBS for its reasonable expenses, including fees, disbursements and other charges of counsel, and to indemnify UBS and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. In the ordinary course of business, UBS and its affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of Leucadia, Jefferies and certain of their respective affiliates and, accordingly, may at any time hold a long or short position in such securities. During the two years prior to the date of its opinion, the investment banking division of UBS did not provide investment banking services to Leucadia, Jefferies or their respective affiliates for which it received compensation.

Leucadia's board of directors selected UBS as its financial advisor in connection with the transaction because UBS is an internationally recognized investment banking firm with substantial experience in similar transactions. UBS is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

Interests of Leucadia Directors and Executive Officers in the Transactions

When considering the recommendation of the Leucadia board of directors with respect to the transactions, you should be aware that certain of Leucadia's directors and executive officers may have interests in the transactions that are different from or in addition to those of Leucadia shareholders more generally. These interests may present such persons with actual or potential conflicts of interest. The board of directors of Leucadia was aware of these interests during the deliberation of the merits of the transactions and in deciding to recommend that you vote for the Leucadia share issuance and the charter amendment.

Michael Sorkin. Mr. Sorkin, a director of Leucadia, is a Vice Chairman of N M Rothschild & Sons Limited, the U.K. arm of the family controlled Rothschild banking group, which is an affiliate of Rothschild, one of the investment banks engaged by Leucadia to advise the Leucadia board in connection with the transactions. Although Mr. Sorkin does not expect to share in the fee received by Rothschild for its service to Leucadia, he could be deemed to have an interest in the transactions. Rothschild is not issuing a fairness opinion to Leucadia or the Leucadia board of directors in connection with the transactions.

Ian M. Cumming. Mr. Cumming currently serves as Chairman of the Board and Chief Executive Officer of Leucadia. Upon consummation of the transactions, Mr. Cumming will retire from those positions, while remaining a member of the Leucadia board of directors. Mr. Cumming has an employment agreement with Leucadia that expires June 30, 2015, the severance provisions of which are not triggered as a result of the transactions.

In consideration of Mr. Cumming's retirement from his positions with Leucadia in connection with the transactions, Mr. Cumming and the board of directors of Leucadia have agreed to the financial and other terms of this retirement, including the following: (i) an immediate cash payment of \$1,400,000 (to be reduced by any base salary that will be paid after December 31, 2012 pursuant to Mr. Cumming's current employment agreement) payable upon consummation of the second merger; (ii) use of Leucadia's corporate-owned airplanes for personal reasons through June 30, 2015, so long as Leucadia continues to own such planes, and subject to availability (provided that Mr. Cumming will reimburse Leucadia for the incremental cost of such usage which, in any year ending June 30, exceeds the average of Mr. Cumming's personal usage for 2010, 2011 and 2012); (iii) payment of the maximum bonus payable under Leucadia's 2003 Senior Executive Annual Incentive Bonus Plan, as amended (referred to as the "Bonus Plan"), for the fiscal year ending December 31, 2012, without reduction to such amount as the compensation committee of Leucadia would otherwise have the discretion to make, and no further payments being made to Mr. Cumming under the Bonus Plan for the remaining three years of the plan; (iv) determination that Mr. Cumming's resignation is not a voluntary termination under Leucadia's 2011 common share purchase warrants, which shall continue to vest pursuant to their terms; (v) Mr. Cumming's ability to purchase from Leucadia at a fair market value to be determined by independent third-party appraisal, certain miscellaneous non-operating assets of Leucadia, at his election, including the office block located in Salt Lake City, Utah; (vi) the continuation through June 30, 2015, at Leucadia's expense, of the \$1 million life insurance policy payable to Mr. Cumming's designated beneficiaries upon his death; (vii) his entitlement to receive benefits under all retirement and deferred compensation plans in which he is a current participant; and (viii) continued coverage under insurance and indemnification programs for acts or omissions occurring prior to his retirement and for all work that Mr. Cumming does to help transition to new leadership upon the consummation of the transactions. In addition, Mr. Cumming will continue to be a party to a shareholders agreement with Leucadia expiring on June 30, 2018, requiring repurchases by Leucadia of up to 55% of the Leucadia common shares owned by Mr. Cumming upon his death. As provided in Mr. Cumming's employment agreement, Mr. Cumming will not, for six months following his resignation, solicit customers, clients or employees of Leucadia, except as agreed upon with Leucadia. For additional information, see the section entitled "Transaction-Related Compensation" below.

Other Named Executive Officers. Each of Thomas E. Mara, Joseph A. Orlando and Justin R. Wheeler is a party to a retention agreement effective since 2010 with Leucadia pursuant to which each of them is entitled to receive a cash payment in the event that (i) at any time prior to March 1, 2015 for Mr. Wheeler, or prior to June 22, 2015 for Messrs. Mara and Orlando, neither Mr. Cumming nor Mr. Steinberg is serving as Leucadia's chief executive officer and (ii) such executive resigns as an executive officer of Leucadia. The payments under these agreements would be \$2,750,000 to each of Mr. Mara and Mr. Orlando, and \$2,500,000 to Mr. Wheeler (in each case, referred to as the "contractual payment"). To retain the services of these executive officers following consummation of the transactions, each of these executives will receive the contractual payment that they would have been entitled to pursuant to terms of their respective retention agreement.

As a result of the second merger, Mr. Steinberg will resign as President of Leucadia and become Chairman of the Board of Leucadia and will continue to work full time as an executive of Leucadia. In connection with the second merger, Mr. Steinberg will not receive any compensation as a result of his change in position at Leucadia. For additional information, see "Transaction-Related Compensation" below.

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Transaction-Related Compensation

The following table sets forth the information required by Item 402(t) of Regulation S-K regarding certain compensation which the following individuals may receive that is based on or that otherwise relates to the transactions, assuming that the second merger is consummated on February 22, 2013, and further assuming that Ian M. Cumming retires as Chairman of the Board and Chief Executive Officer of Leucadia, as contemplated in connection with the second merger agreement, and that Thomas E. Mara, Joseph A. Orlando and Justin R. Wheeler do not resign their executive positions with Leucadia following the second merger. Certain of the compensation listed in this table with respect to Mr. Cumming (as reflected in the footnotes to the table) is estimated, based upon multiple assumptions that may or may not actually occur, including assumptions described in this joint proxy statement/prospectus. Some of these assumptions are based upon information not currently available and, as a result, the actual amounts, to be received by Mr. Cumming may differ in material respects from the amounts set forth below. This compensation is referred to as golden parachute compensation. The golden parachute compensation payable by Leucadia to these individuals is subject to a non-binding advisory vote of Leucadia shareholders, as described under Proposals for the Leucadia Special Meeting Leucadia Proposal 3 - Advisory (Non-Binding) Vote on Compensation on page 132.

The amounts set forth below are payable in connection with the consummation of the second merger or upon a termination of employment, as detailed in the footnotes below.

Merger Related Compensation

Name and Title (1)	Cash (\$)	Equity (\$)	Pension and Non- Qualified Deferred Compensation (\$)	Perquisites and Benefits (\$)	Tax Reimbursement (\$)	Other (\$)	Total (\$)
Ian M. Cumming, <i>Chairman of the Board and CEO</i>	1,262,440(2)			799,402(3)			2,061,842
Joseph S. Steinberg, <i>President (4)</i>							
Thomas E. Mara, <i>Executive Vice President</i>	2,750,000(5)						2,750,000
Joseph A. Orlando, <i>Vice President and Chief Financial Officer</i>	2,750,000(5)						2,750,000
Justin R. Wheeler, <i>Vice President and Chief Operating Officer</i>	2,500,000(5)						2,500,000

(1) Effective upon consummation of the second merger, Mr. Cumming will retire as Chairman and Chief Executive Officer of Leucadia and Mr. Cumming's employment agreement with Leucadia will terminate. The employment of Messrs. Steinberg, Mara, Orlando and Wheeler with Leucadia is assumed to continue following the second merger.

(2) The amount in this column represents a cash payment of \$1,262,440 payable immediately following the consummation of the second merger (which is equal to \$1,400,000 less \$137,560 to be paid as base salary to Mr. Cumming after December 31, 2012 pursuant to his employment agreement through February 22, 2013, the assumed effective date of the second merger for purposes of this joint proxy statement/prospectus); does not reflect any amount for calendar year 2012 payable under the Bonus Plan, which provides for an annual incentive bonus in an amount equal to 1.35% of the audited pre-tax earnings of Leucadia and its consolidated subsidiaries. The current estimate of the amount that would be payable under the Bonus Plan for calendar year 2012, based upon Leucadia's actual pre-tax earnings through September 30, 2012, plus the approximate \$526,000,000 fourth quarter 2012 gain recorded by Leucadia on its sale of the promissory note of a subsidiary of Fortescue Metals Group Ltd., would be approximately \$16,000,000. This amount will be payable promptly after completion of Leucadia's 2012 audit.

- (3) The amount in this column represents (a) an estimated amount of \$23,000 paid by Leucadia through June 30, 2015 in annual premium on a \$1,000,000 term life insurance paid for Mr. Cumming; and (b) an estimated maximum incremental cost to Leucadia of \$776,402 for Mr. Cumming's continued personal use of Leucadia's corporate-owned airplanes (subject to availability) through June 30, 2015, based upon the average of the incremental cost to Leucadia of Mr. Cumming's personal usage of Leucadia's corporate-owned aircraft for 2010 (\$239,604) and 2011 (\$425,885).
- (4) Mr. Steinberg is not entitled to any compensation or benefits that are based on or otherwise relate to the second merger.
- (5) In order to retain the services of Messrs. Mara, Orlando and Wheeler, upon consummation of the second merger, each of them will be entitled to receive the contractual payment that they would have been entitled to receive pursuant to the terms of their respective retention agreements. The retention agreements provide for a cash payment in the amount specified above, if at time through March 1, 2015 for Mr. Wheeler, or through June 15, 2015 for each of Messrs. Mara and Orlando, neither Mr. Cumming nor Mr. Steinberg is the Chief Executive Officer of Leucadia and such executive terminates his employment with Leucadia within six months of such event. Each of the Retention Agreements shall terminate upon consummation of the second merger and payment of the amounts specified above.

In addition to the transaction-related compensation described in the table above, Mr. Cumming is also entitled to (a) a total of \$100,000 in retirement benefits payable to him in \$10,000 increments over a period of 10 years pursuant to a retirement benefits agreement entered into in 1977 with a subsidiary of Leucadia prior to the time it was a wholly-owned subsidiary of Leucadia and (b) the aggregate balance of \$197,149 payable to Mr. Cumming under Leucadia's Non-Qualified Deferred Compensation Retirement Plan (after a \$37,500 contribution by Leucadia) and the aggregate balance of \$2,639,023 payable to Mr. Cumming under Leucadia's Savings and Retirement Plan (after a \$4,167 contribution by Leucadia). As described above, Mr. Cumming's retirement in connection with the second merger will not be deemed a voluntary termination under the 2011 Senior Executive Warrant Plan (referred to as the Warrant Plan), so that the warrants to purchase 2,000,000 Leucadia common shares under the shareholder approved Warrant Plan, will continue to vest in accordance with their terms at a rate of 20% per year until 2015. In addition, for a period of six months following the consummation of the second merger, Mr. Cumming has agreed not to solicit customers, clients or employees of Leucadia in accordance with the terms of his employment agreement, except as agreed upon with Leucadia. Following the consummation of the second merger, Mr. Cumming will be eligible to receive non-employee director compensation in connection with his continuing service as a director.

Board of Directors and Management Following the Transactions

Effective as of, and subject to the occurrence of, the effective time of the second merger, the following will occur:

the size of the board of directors of Leucadia will be increased to fourteen;

Mr. Handler will become the Chief Executive Officer of Leucadia, as well as one of its directors, and also will remain Jefferies' Chief Executive Officer and Chairman;

Mr. Friedman will become Leucadia's President and one of its directors, and also will remain Chairman of the Executive Committee of Jefferies;

Mr. Steinberg will become Chairman of the Board of Leucadia and will continue to work full time as an executive of Leucadia;

Mr. Cumming will retire as Chairman of the Board and Chief Executive Officer of Leucadia and will remain a Leucadia director;

the four independent members of the Jefferies' board of directors (W. Patrick Campbell, Richard G. Dooley, Robert E. Joyal and Michael T. O'Kane) will also join the board of directors of Leucadia;

the other six Leucadia directors will continue as directors of Leucadia; and

the other Jefferies and Leucadia officers will continue in their present positions.

Material U.S. Federal Income Tax Consequences

In the opinion of Morgan, Lewis & Bockius LLP, tax counsel to Jefferies, and Weil, tax counsel to Leucadia, the following are the material U.S. federal income tax consequences of the transactions to U.S. holders (as defined below) of Jefferies common stock.

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This discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, nor does it address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax. This discussion is based upon the Code, the regulations promulgated under the Code and court and administrative rulings and decisions, all as in effect on the date of this joint proxy statement/prospectus. These authorities may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

This discussion addresses only those U.S. holders (as defined below) of Jefferies common stock that hold their shares of Jefferies common stock as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your individual circumstances or that may be applicable to you if you are subject to special treatment under the U.S. federal income tax laws or the second merger agreement, including if you are:

- a financial institution;
- a tax-exempt organization;
- a real estate investment trust;
- an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity);
- an insurance company;
- a regulated investment company or a mutual fund;
- a controlled foreign corporation or a passive foreign investment company ;
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects mark-to-market treatment;
- a holder of Jefferies common stock subject to the alternative minimum tax provisions of the Code;
- a holder of Jefferies common stock that received Jefferies common stock through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;
- a holder of Jefferies common stock that has a functional currency other than the U.S. dollar;
- a holder of Jefferies common stock that holds Jefferies common stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction;
- a holder of Jefferies common stock that would receive cash instead of Leucadia common shares pursuant to the limitation contained in Section 2.2(f) of the second merger agreement described under The Second Merger Agreement, see page 111, or pursuant to the charter amendment as described under Proposals for the Leucadia Special Meeting Leucadia Proposal 2 Charter Amendment Proposal, see page 129;
- a holder of Jefferies preferred stock;
- a person that is not a U.S. holder (as defined below); or
- a U.S. expatriate.

For purposes of this discussion, the term U.S. holder means a beneficial owner of Jefferies common stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation (or any other entity treated as a

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corporation for U.S. federal income tax purposes) organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds Jefferies common stock, the U.S. federal income tax consequences of the transactions of a partner in such partnership (or owner of such entity) generally will depend on the status of the partner and the activities of the partnership (or entity). Any entity treated as a partnership for U.S. federal income tax purposes that holds Jefferies common stock, and any partners in such partnership, should consult their own tax advisors with respect to the tax consequences of the transactions in their specific circumstances.

The tax consequences of the transactions will depend on your specific situation. You should consult with your own tax advisor as to the tax consequences of the transactions in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

Tax Consequences of the Transactions

The parties intend for each of (1) the first merger and the LLC conversion, taken together, and (2) the second merger to be treated as a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Code. It is a condition to Jefferies' obligation and Leucadia's obligation to complete the transactions that each receive an opinion from their respective tax counsel, dated as of the closing date of the transactions, to the effect that each of (1) the first merger and the LLC conversion, taken together, and (2) the second merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on facts, representations and assumptions set forth or referred to in the opinions and on representation letters provided by Jefferies and Leucadia. None of the opinions described above will be binding on the Internal Revenue Service or any court. Jefferies and Leucadia have not sought and will not seek any ruling from the Internal Revenue Service regarding any matters relating to the transactions, and as a result, there can be no assurance that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below.

Based on such opinions, the U.S. federal income tax consequences of the transactions are as follows:

You will not recognize gain or loss upon the conversion of your Jefferies common stock into New Jefferies common stock. The aggregate tax basis in the shares of New Jefferies common stock that you receive in the first merger will equal your aggregate adjusted tax basis in the shares of Jefferies common stock you surrender. Your holding period for the shares of New Jefferies common stock that you receive in the first merger will include your holding period for the shares of Jefferies common stock you surrender.

You will not recognize gain or loss upon exchanging your New Jefferies common stock for Leucadia common shares, except for any gain or loss recognized with respect to cash received in lieu of a fractional share of Leucadia common shares. The aggregate tax basis in the shares of Leucadia common shares that you receive pursuant to the second merger (including any fractional share deemed received and sold as described below) will equal your aggregate adjusted tax basis in the shares of New Jefferies common stock you surrender. Such aggregate adjusted tax basis will be allocated between the Leucadia common shares you receive and any fraction share based on their relative fair market values. Your holding period for the shares of Leucadia common shares that you receive pursuant to the second merger (including any fractional share deemed received and sold as described below) will include your holding period for the shares of New Jefferies common stock you surrender.

If either of the first merger and the LLC conversion, taken together, or the second merger were not to qualify as a reorganization within the meaning of Section 368(a) of the Code, such transaction would be fully taxable to you. If the first merger and the LLC conversion, taken together, were not to so qualify, you would recognize net gain or loss equal to the difference between the fair market value of the New Jefferies common stock that you receive and your aggregate adjusted tax basis in the Jefferies common stock you surrender. If the second merger were not to so qualify, you would recognize net gain or loss equal to the difference between the sum of the fair market value of the Leucadia common shares and any cash in lieu of a fractional share that you receive and your aggregate adjusted tax basis in the New Jefferies common stock you surrender.

Cash Instead of a Fractional Share

If you receive cash in lieu of a fractional common share of Leucadia, you will be treated as having received the fractional common share of Leucadia pursuant to the second merger and then as having sold that fractional common share of Leucadia for cash. As a result, you will recognize gain or loss equal to the difference between the amount of cash received and the basis in your fractional

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common share of Leucadia as set forth above. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the date such fractional share is sold by the exchange agent, the holding period for such fractional common share (including the holding period of New Jefferies common stock surrendered therefor, determined as described above) is greater than one year. Long-term capital gains of individuals are generally eligible for reduced rates of taxation (scheduled to increase to 20% in 2013). The deductibility of capital losses is subject to limitations.

Backup Withholding

If you are a non-corporate holder of Jefferies common stock you may be subject, under certain circumstances, to backup withholding (scheduled to increase to 31% in 2013) on any cash payments you receive. You generally will not be subject to backup withholding, however, if you:

furnish a correct taxpayer identification number, certify that you are not subject to backup withholding on the Form W-9 or successor form included in the election form/letter of transmittal you will receive and otherwise comply with all the applicable requirements of the backup withholding rules; or

provide proof acceptable to Leucadia and the exchange agent that you are otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules are not an additional tax and will generally be allowed as a refund or credit against your U.S. federal income tax liability, provided you timely furnish the required information to the Internal Revenue Service.

Holders of Jefferies common stock are urged to consult their tax advisors with respect to the tax consequences of the transactions in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

Accounting Treatment

Leucadia prepares its financial statements in accordance with GAAP. The transactions will be accounted for using the acquisition method of accounting. Leucadia will allocate the purchase price to the fair value of Jefferies' tangible and intangible assets and liabilities at the acquisition date, with the excess purchase price being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually.

Regulatory Clearances Required for the Transactions

Jefferies and Leucadia have each agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the second merger agreement. These approvals include approval from or notices to the SEC, FINRA, the NYSE, the Department of Justice (referred to as the DOJ), the Federal Trade Commission (referred to as the FTC) and various other federal, state and foreign regulatory authorities and self-regulatory organizations. Jefferies and Leucadia have completed, or will shortly complete, the filing of applications and notifications to obtain the required regulatory approvals.

U.S. Antitrust Clearance. Under the HSR Act and the rules promulgated thereunder by the FTC, the transactions may not be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the DOJ and specified waiting period requirements have been satisfied. Jefferies and Leucadia filed the requisite HSR Act notification forms on November 28, 2012, and the HSR Act waiting period is scheduled to expire at 11:59 p.m. on December 28, 2012. Both before and after the expiration of the waiting period, the FTC and the DOJ retain the authority to challenge the transactions on antitrust grounds.

In addition, the transactions may be reviewed by the state attorneys general in the various states in which Jefferies and Leucadia operate. While Jefferies and Leucadia believe there are substantial arguments to the contrary, these authorities may claim that there is authority, under the applicable state and federal antitrust laws and regulations, to investigate and/or disapprove the merger under the circumstances and based on the review set forth in applicable state laws and regulations. There can be no assurance that one or more state attorneys general will not attempt to file an antitrust action to challenge the merger. As of the date of this document, neither Leucadia nor Jefferies has been notified by any state attorneys general indicating that they plan to review the transactions.

Other Requisite U.S. Approvals, Notices and Consents. Notifications and/or applications requesting approval must be submitted to various governmental entities and self-regulatory organizations in connection with the transactions, including applications and notices to FINRA in connection with the indirect change in control, as a result of the transactions, of Jefferies' registered broker-dealer

subsidiaries. Jefferies and Leucadia will file and submit the applications required to be submitted to obtain these approvals and provide these notices.

Foreign Approvals. Approvals also may be required from, or notices must be submitted to, foreign regulatory authorities in connection with the transactions and the indirect change in ownership of particular businesses that are controlled by Jefferies and Leucadia abroad, including the Financial Services Authority in the United Kingdom. Jefferies and Leucadia have filed, or shortly will file, all applications required to be submitted to obtain these approvals and provide these notices.

Timing. There can be no assurances that all of the regulatory approvals described above will be obtained and, if obtained, there can be no assurances as to the timing of any approvals, Leucadia's and Jefferies' ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals.

Jefferies and Leucadia believe that the transactions do not raise substantial antitrust or other significant regulatory concerns and that Jefferies and Leucadia can obtain all requisite regulatory approvals on a timely basis without the imposition of any condition or restriction that would have a material adverse effect on Jefferies or Leucadia. The parties' obligation to complete the second merger is conditioned on the receipt of certain regulatory approvals. Notwithstanding such requirement, neither party nor their respective subsidiaries are obligated to take any action or accept any condition, restriction, obligation or requirement which would reasonably be expected to require such party to sell, license, transfer, assign, lease, dispose of or hold separate any material business or asset or would reasonably be expected to result in any material limitations on such party's ability to own, retain, conduct or operate all or a material portion of its business or assets.

It is presently contemplated that if any governmental approvals or actions are required beyond those discussed above, such approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained. The parties are required to use their reasonable best efforts to file all the necessary documentation and obtain all consents of third parties that are necessary to complete the transactions and to comply with the terms and conditions of all consents, approvals and authorizations of any third party or governmental entity.

Exchange of Shares in the Transactions

Upon the completion of the first merger, each share of Jefferies common stock issued and outstanding immediately prior to the effective time of the first merger will be converted into one share of New Jefferies common stock.

Prior to the effective time of the second merger, Leucadia will appoint an exchange agent to handle the exchange of shares of New Jefferies common stock for Leucadia common shares. At the effective time of the second merger, each share of New Jefferies common stock (excluding shares held by New Jefferies in treasury or any shares held by Leucadia, which shall be cancelled and cease to exist for no consideration) will be converted into the right to receive 0.81 of a Leucadia common share without the need for any action by the holders of New Jefferies common stock. However, in order to avert the possibility that the transactions could result in the application of tax law limitations on the use of certain of Leucadia's tax attributes, the second merger agreement limits the amount of Leucadia common shares that can be issued to certain persons if such issuance would otherwise cause a person or group of persons to become a 5% shareholder or own 5% or more of the combined Leucadia common shares by reason of the second merger.

New Jefferies stockholders will not receive any fractional Leucadia common shares pursuant to the second merger. Instead, a stockholder of New Jefferies who otherwise would have received a fractional Leucadia common share will be entitled to receive, from the exchange agent appointed by Leucadia pursuant to the second merger agreement, a cash payment in lieu of such fractional shares representing such holder's proportionate interest in the proceeds from the sale by the exchange agent of the number of excess shares of Leucadia common shares represented by the aggregate amount of fractional shares of Leucadia common shares.

After the effective time of the second merger, shares of New Jefferies common stock will no longer be outstanding, will be cancelled and will cease to exist and each certificate, if any, that previously represented shares of New Jefferies common stock will represent only the right to receive the merger consideration as described above. With respect to such shares of Leucadia common shares deliverable upon the surrender of Jefferies stock certificates, until holders of such Jefferies stock certificates have surrendered such stock certificates to the exchange agent for exchange, those holders will not receive dividends or distributions with respect to Leucadia common shares with a record date after the effective time of the second merger.

As promptly as practicable after the effective time of the second merger, Leucadia will cause the exchange agent to send a letter of transmittal specifying, among other things, that delivery will be effected, and risk of loss and title to any certificates representing New Jefferies common stock shall pass, upon proper delivery of such certificates to the exchange agent. The letter will also include instructions explaining the procedure for surrendering Jefferies stock certificates, if any, in exchange for common shares.

Leucadia shareholders need not take any action with respect to their stock certificates.

Treatment of Jefferies Awards

Upon the effective time of the first merger, each outstanding award or benefit measured in whole or in part by the value of a number of Jefferies common stock will be converted, on a transitional basis, into an equivalent award denominated in shares of common stock of New Jefferies with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

In connection with the second merger, each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated in Leucadia shares with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion. At or prior to the effective time of the second merger, Jefferies and Leucadia will make such amendments and take other actions with respect to the Jefferies award plans as necessary to effect the adjustment, including notifying all participants in Jefferies' award plans.

Treatment of Jefferies Preferred Stock

If Jefferies preferred stock is not redeemed, Jefferies anticipates that the holders of Jefferies preferred stock will agree to exchange, prior to the first merger, all of their shares of the Jefferies preferred stock for a new series of convertible preferred stock of Jefferies, which will have the same terms, except that the terms of the new preferred stock will specifically provide that it will be converted into a series of convertible preferred stock of New Jefferies in the first merger. The terms of the New Jefferies preferred stock will provide that it will be converted into the right to receive a newly created series of preferred shares of Leucadia in the second merger. The terms of the new series of Leucadia preferred shares are currently being negotiated. They are now expected to be generally comparable to the current terms of the Jefferies preferred stock, although the Leucadia preferred shares will be convertible into Leucadia common shares and, accordingly, will have economic and other terms geared to such common shares and may otherwise reflect prevailing market conditions.

Dividend Policy

Leucadia does not have a regular dividend policy and whether or not to pay any dividends is determined each year by its board of directors. Leucadia paid an annual cash dividend of \$0.25 per share in 2011 and 2010 and did not pay any cash dividends in 2009. The Leucadia board of directors has indicated its intention to pay dividends on a quarterly basis following the consummation of the transactions. The payment of dividends in the future is subject to the discretion of Leucadia's board of directors and will depend upon general business conditions, legal and contractual restrictions on the payment of dividends and other factors that Leucadia's board of directors may deem to be relevant. Under the second merger agreement, neither party may authorize, declare or pay any dividend on their respective outstanding shares except for regular quarterly or annual, as applicable, cash dividends with usual record and payment dates in accordance with past dividend practice, and, in the case of Jefferies, the 3.25% dividend payable with respect to Jefferies preferred stock and in the case of Leucadia, one special dividend with respect to the Leucadia winery business spin out. On December 3, 2012, the Leucadia board of directors declared an annual \$0.25 per share dividend payable on December 28, 2012 to shareholders of record on December 17, 2012.

Listing of Leucadia Common Shares

It is a condition to the completion of the second merger that the Leucadia common shares to be issued pursuant to the second merger be authorized for listing on the NYSE (or any successor inter-dealer quotation system or stock exchange thereto), subject to official notice of issuance.

De-Listing of Jefferies Common Stock

Upon the completion of the first merger, the Jefferies common stock currently listed on the NYSE will cease to be listed on the NYSE.

Appraisal Rights

Under Delaware law, holders of Jefferies common stock are not entitled to appraisal rights with respect to the first merger or the second merger. Because the Leucadia shareholders will continue to hold their Leucadia shares, the Leucadia shareholders will not be entitled to appraisal rights in connection with the merger.

In accordance with Section 262 of the DGCL, appraisal rights are available to the holders of Jefferies' preferred stock in connection with the first merger; however, the holders of Jefferies preferred stock have effectively waived their appraisal rights.

Litigation Related to the Transactions

Five putative class action lawsuits challenging the proposed transactions have been filed on behalf of Jefferies stockholders. Three were filed in the Supreme Court of the State of New York: (1) Lasker v. Jefferies Group, Inc. et al. (Index No. 653924/2012), filed on November 14, 2012 in New York County; (2) Lowinger v. Leucadia National Corp. et al. (Index No. 653958/2012), filed on November 15, 2012 in New York County and Lowyer v. Jefferies Group, Inc. et al. (Index No. 653958/2012), filed on November 15, 2012 in New York County; and (3) Jiannaras v. Jefferies Group, Inc., et al. (Index No. 702866/2012), filed on November 16, 2012 in Queens County. Two were filed in the Court of Chancery of the State of Delaware: (1) Oklahoma Firefighters Pension & Retirement System v. Handler et al. (C.A. No. 8054), filed on November 21, 2012; and (2) Laborers' District Council Pension and Disability Trust Fund No. 2 et al. v. Campbell et al. (C.A. No. 8059), filed on November 26, 2012.

On or about, November 27, 2012, the plaintiffs in the Lowinger and Lasker actions moved to consolidate the two cases and to appoint their counsel as co-lead plaintiffs' counsel in those actions.

Each of the Actions names Leucadia, Jefferies, and the directors of Jefferies, among others, as defendants.

Each Action is brought by a purported holder of Jefferies common stock, both individually and on behalf of a putative class of Jefferies stockholders. The Actions allege that the directors of Jefferies breached their fiduciary duties to Jefferies stockholders by engaging in a flawed process for selling the company and agreeing to sell Jefferies for inadequate consideration pursuant to a merger agreement that contains improper deal protection terms. The Actions also allege that Jefferies and Leucadia aided and abetted the Jefferies' directors' breach of fiduciary duties. Certain of the actions allege that Messrs. Handler, Friedman, Cumming, Steinberg and Leucadia represent controlling shareholders of Jefferies and failed to fulfill their fiduciary duties in connection with the proposed transaction. The Actions seek, among other things, an injunction barring the proposed transactions.

The defendants intend to vigorously defend the Actions.

THE FIRST MERGER AGREEMENT

The following describes the material provisions of the first merger agreement, which is attached as Annex B to this joint proxy statement/prospectus and which is incorporated by reference herein.

The description in this section and elsewhere in this joint proxy statement/prospectus is qualified in its entirety by reference to the first merger agreement. This summary does not purport to be complete and may not contain all of the information about the first merger agreement that is important to you. Jefferies encourages you to read carefully the first merger agreement in its entirety before making any decisions regarding the transactions. The first merger agreement and this summary of its terms have been included to provide you with information regarding the terms of the first merger agreement.

The First Merger Agreement

The first merger agreement dated November 11, 2012, by and among Jefferies and its two wholly-owned subsidiaries, New Jefferies and Merger Sub One, sets forth the terms and conditions of the first merger, which must occur prior to, and is a condition of, the second merger between New Jefferies and Leucadia.

Pursuant to the terms of the first merger agreement and in accordance with Delaware law, Merger Sub One will be merged with and into Jefferies. Jefferies will survive the merger (referred to as the Jefferies Surviving Corporation), automatically succeeding to all rights, privileges, immunities, powers, franchises and authority and becoming subject to the obligations of Merger Sub One, and the separate existence of Merger Sub One will cease. Pursuant to the first merger, Jefferies will become a wholly-owned subsidiary of New Jefferies, and the stockholders of Jefferies will become the stockholders of New Jefferies.

The First Effective Time

The first merger will become effective at the time specified in the certificate of merger for the first merger to be filed with the Secretary of State of Delaware (referred to as the first effective time).

Consideration

Common Stock

At the first effective time, each outstanding share of common stock of Merger Sub One will be converted into one share of common stock of the Jefferies Surviving Corporation, each outstanding share of common stock of Jefferies will be converted into one share of common stock of New Jefferies, and each share of common stock of New Jefferies that is owned by Jefferies will be cancelled without any consideration. From and after the first effective time, each outstanding certificate representing shares of Jefferies common stock will be deemed to represent shares of New Jefferies common stock without any action on the part of Jefferies stockholders.

Preferred Stock

At the first effective time, each outstanding share of preferred stock of Jefferies will be converted into one share of preferred stock of New Jefferies. From and after the first effective time, each certificate representing shares of Jefferies preferred stock will be deemed to represent shares of New Jefferies preferred stock, without any action on the part of Jefferies preferred stockholders.

Jefferies Awards and/or Other Securities of Jefferies

Jefferies will take all actions as may be necessary so that at the first effective time, each outstanding award or benefit measured in whole or in part by the value of a number of Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated in shares of New Jefferies common stock with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

Governance Documents

The certificate of incorporation and the bylaws of each of Jefferies and New Jefferies will be unaffected by the first merger and, in the case of Jefferies, the certificate of incorporation and the bylaws of Jefferies will become those of the Jefferies Surviving Corporation.

Directors and Officers

The directors and officers of Jefferies immediately prior to the first effective time will become the directors and officers of the Jefferies Surviving Corporation.

Conditions to the First Merger

Consummation of the first merger is conditioned upon the adoption of the first merger agreement by the stockholders of Jefferies and approval of the issuance of Leucadia common shares pursuant to the second merger by Leucadia shareholders. In other words, consummation of the first merger is conditioned upon Jefferies Proposal 1 of Jefferies receiving the affirmative vote of a majority of the outstanding shares of Jefferies common stock at the Jefferies special meeting and Leucadia Proposal 1 receiving the approval of a majority of the votes cast at the Leucadia special meeting, provided, that the total votes cast on such proposal represent over fifty percent of the Leucadia common shares entitled to vote on such proposal. The consummation of the first merger is also conditioned upon New Jefferies filing a certificate of amendment to the certificate of incorporation and a certificate of designations of New Jefferies with respect to creating for New Jefferies an authorized share capital identical to that of Jefferies. The first merger is not conditioned on the approval by Leucadia shareholders of the Leucadia charter amendment proposal and the Leucadia charter amendment proposal is not conditioned on the approval by Jefferies stockholders of the first merger agreement and the transactions contemplated by the first merger agreement.

Termination of the First Merger Agreement

The first merger agreement may be terminated, and the first merger abandoned, by mutual consent of the board of directors of Jefferies and the board of directors of Merger Sub One at any time prior to the first effective time, notwithstanding any approval of the first merger agreement by the stockholders of Jefferies or of Merger Sub One.

Governing Law

The first merger agreement is governed by the laws of the State of Delaware.

Amendments, Extensions and Waivers

The first merger agreement may be amended by the parties at any time before or after the receipt of the approval of the Jefferies stockholders required to consummate the first merger. However, after any such stockholder approval, there may not be, without further approval of Jefferies stockholders, any amendment of the first merger agreement for which (and in accordance with) applicable law requires further stockholder approval, and the effectiveness of such amendment will be subject to the approval by the applicable stockholders.

THE SECOND MERGER AGREEMENT

The following describes the material provisions of the second merger agreement, which is attached as Annex A to this joint proxy statement/prospectus and incorporated by reference herein. The description in this section and elsewhere in this joint proxy statement/prospectus is qualified in its entirety by reference to the second merger agreement. This summary does not purport to be complete and may not contain all of the information about the second merger agreement that is important to you. Leucadia and Jefferies encourage you to read carefully the second merger agreement in its entirety before making any decisions regarding the transactions as it is the legal document governing the second merger.

*The second merger agreement and this summary of its terms have been included to provide you with information regarding the terms of the second merger agreement. Leucadia and Jefferies are responsible for considering whether additional disclosure of material information regarding material contractual provisions is required to make the statements in this joint proxy statement/prospectus not misleading. Factual disclosures about Leucadia or Jefferies contained in this joint proxy statement/prospectus or Leucadia's or Jefferies' public reports filed with the SEC may supplement, update or modify the factual disclosures about Leucadia or Jefferies contained in the second merger agreement and described in this summary. The representations, warranties and covenants made in the second merger agreement by Leucadia, Jefferies, New Jefferies, Merger Sub One and Merger Sub Two were qualified and subject to important limitations agreed to by Leucadia, Jefferies, New Jefferies, Merger Sub One and Merger Sub Two in connection with negotiating the terms of the second merger agreement. In particular, in your review of the representations and warranties contained in the second merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were made solely for the benefit of the parties to the second merger agreement, and were negotiated with the principal purposes of allocating risk between the parties to the second merger agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality different from those generally applicable to Leucadia shareholders or Jefferies stockholders and reports and documents filed with the SEC and in some cases were qualified by confidential disclosures that were made by each party to the other, which disclosures are not reflected in the second merger agreement or otherwise publicly disclosed. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the second merger agreement and subsequent developments or new information qualifying a representation or warranty may have been included in this joint proxy statement/prospectus. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone, but instead should be read together with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 165.*

Transactions

Subject to the terms and conditions of the second merger agreement and in accordance with Delaware law:

as soon as reasonably practicable following the affirmative vote of the holders of a majority of the outstanding shares of Jefferies common stock in favor of the adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement and the satisfaction of other conditions to the transactions, including the affirmative vote of Leucadia shareholders to approve the Leucadia share issuance, on the closing date the first merger will occur in which Merger Sub One, a wholly-owned subsidiary of Jefferies and a party to the second merger agreement, will merge with and into Jefferies. Jefferies will survive the first merger as a wholly owned subsidiary of New Jefferies and the separate corporate existence of Merger Sub One will cease;

immediately following the first merger on the closing date, the LLC conversion will occur in which the Jefferies Surviving Corporation will be converted into a Delaware limited liability company in accordance with Section 266 of the DGCL and Section 18-214 of the DLLCA; and

immediately following the LLC conversion on the closing date, the second merger will occur, pursuant to which New Jefferies will merge with and into Merger Sub Two, a wholly-owned subsidiary of Leucadia and a party to the second merger agreement. Merger Sub Two will survive the second merger as a wholly-owned subsidiary of Leucadia and the separate corporate existence of New Jefferies will cease.

Effective Time; Closing

Unless the parties agree otherwise, the closing of the first merger, LLC conversion and second merger will occur on the second business day after the satisfaction or waiver of the conditions to the first merger or the second merger provided in the first merger agreement or the second merger agreement, as applicable (other than conditions that by their nature are to be satisfied at the closing of

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the first merger or the second merger, but subject to the satisfaction or waiver of those conditions), or at such other date and time as Leucadia and Jefferies may agree in writing. For further discussion on the conditions to the second merger, see Conditions to Completion of the Second Merger. The second merger will be effective when the parties file a certificate of merger with the Secretary of State of the State of Delaware, or at such later time as the parties agree and specify in the certificate of merger.

Leucadia and Jefferies currently expect to complete the second merger during the first calendar quarter of 2013, subject to receipt of required stockholder and shareholder approvals and regulatory approvals and to the satisfaction or waiver of the other conditions to the transactions described below.

Conditions to Completion of the Second Merger

The obligations of each of Jefferies and Leucadia to effect the second merger are subject to the satisfaction, or waiver, of the following conditions:

the adoption of the first merger agreement by holders of a majority of the outstanding shares of Jefferies common stock at the Jefferies special meeting;

the approval of the Leucadia share issuance by holders of a majority of the votes cast at the Leucadia special meeting; provided that the total votes cast on such proposal represent a majority of the Leucadia common shares entitled to vote on such proposal;

the absence of any law, judgment, injunction, order or decree by a court or other governmental entity that prohibits the consummation of any of the transactions;

the waiting period (and any extension thereof) applicable to the second merger under the HSR Act must have expired or been earlier terminated;

the registration statement of which this joint proxy statement/prospectus forms a part must have been declared effective by the SEC and must not be subject to any stop order or proceedings initiated or threatened by the SEC;

the Leucadia common shares to be issued pursuant to the second merger must have been authorized for listing on the NYSE, subject to official notice of issuance;

the receipt of certain regulatory approvals; and

the certificate of merger for the first merger must have been filed with the Delaware Secretary of State and become effective and the certificate of conversion for the conversion of Jefferies to a limited liability company must have been filed immediately thereafter with the Secretary of State of the State of Delaware and become effective.

In addition, the obligations of Jefferies to effect the second merger are subject to the satisfaction, or waiver, of the following additional conditions:

(i) the representations and warranties of Leucadia (other than certain representations related to Leucadia's capitalization and there having not occurred an event having a material adverse effect on Leucadia), being true and correct in all respects both when made and at and as of the date of the closing of the second merger (or, if made as of a specific date, as of such date), except where the failure of such representations and warranties to not be so true and correct (without giving effect to any limitation as to material adverse effect or materiality contained in each representation or warranty) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Leucadia; and (ii) the representations of Leucadia related to its capitalization and there having not occurred an event having a material adverse effect on Leucadia being true and correct (other than inaccuracies that are *de minimis* in the aggregate) both when made and at and as of the closing of the second merger (or, if made as of a specific date, as of such date);

Leucadia having performed or complied, in all material respects, with all of its agreements and obligations under the second merger agreement at or prior to the closing date;

receipt by Jefferies of a certificate, dated as of the closing date, executed by the chief executive officer or another senior officer of Leucadia certifying as to the satisfaction of the conditions described in the preceding two bullets;

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receipt by Jefferies from Morgan, Lewis & Bockius, LLP, tax counsel to Jefferies, of a written opinion, dated as of the closing date, to the effect that (i) the first merger and the LLC conversion, taken together, and (ii) the second merger will each be treated for U.S. federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code; and

receipt by Jefferies of evidence in form and substance reasonably satisfactory to Jefferies of the spin out of the Leucadia winery business to Leucadia shareholders as contemplated by the second merger agreement.

In addition, the obligations of Leucadia and Merger Sub Two to effect the second merger are subject to the satisfaction, or waiver, of the following additional conditions:

(i) the representations and warranties of Jefferies (other than certain representations related to Jefferies capitalization and there having not occurred an event having a material adverse effect on Jefferies), being true and correct in all respects both when made and at and as of the date of the closing of the second merger (or, if made as of a specific date, as of such date), except where the failure of such representations and warranties to not be so true and correct (without giving effect to any limitation as to material adverse effect or materiality contained in each representation or warranty) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Jefferies; and (ii) the representations of Jefferies related to its capitalization and there having not occurred an event having a material adverse effect on Jefferies being true and correct (other than inaccuracies that are *de minimis* in the aggregate) both when made and at and as of the closing of the second merger (or, if made as of a specific date, as of such date);

Jefferies having performed or complied, in all material respects, with all its agreements and obligations under the second merger agreement at or prior to the closing date;

receipt of a certificate, dated as of the closing date, executed by the chief executive officer or another senior officer of Jefferies certifying as to the satisfaction of the conditions described in the preceding two bullets; and

receipt by Leucadia from Weil, tax counsel to Leucadia, of a written opinion, dated as of the closing date, to the effect that (i) the first merger and the LLC conversion, taken together, and (ii) the second merger will each be treated for U.S. federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code.

No Solicitation of Alternative Proposals

Each of Jefferies and Leucadia has agreed that, from the time of the execution of the second merger agreement until the earlier of the termination of the second merger agreement or the completion of the second merger, it and its subsidiaries will not and will not authorize its officers, directors, employees or representatives to, directly or indirectly, (i) solicit, initiate, knowingly facilitate or knowingly encourage (including by way of furnishing information) the making, submission or announcement of inquiries, discussions or requests concerning, or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to a takeover proposal, (ii) enter into any agreement, letter of intent, agreement in principle or other similar instrument with respect to a takeover proposal, (iii) provide non-public information to any third party, or engage or participate in any negotiations or discussions in connection with a takeover proposal or otherwise knowingly cooperate with or assist or participate or knowingly encourage any negotiations or discussions, (iv) approve, adopt or recommend any takeover proposal, (v) submit a takeover proposal to a vote of the shareholders or stockholders, as applicable, or (vi) agree or publicly announce any intention to do any of the foregoing actions.

A takeover proposal with respect to Jefferies means any proposal, offer, inquiry or indication of interest from any person (other than Leucadia or its affiliates) relating to or that could reasonably be expected to lead to any (i) direct or indirect acquisition, purchase, transfer, license, exchange or other disposition of a business or assets that constitutes 20% or more of the net revenues, net income, assets or cash flow of Jefferies and its subsidiaries on a consolidated basis, (ii) direct or indirect acquisition or purchase of 20% or more of any class of equity securities of Jefferies, (iii) tender offer or exchange offer that if consummated would result in in any person beneficially owning 20% or more of any class of equity securities of Jefferies or (iv) merger, consolidation, business combination, recapitalization, reorganization, joint venture, liquidation, dissolution or similar transaction involving Jefferies or its subsidiaries.

A takeover proposal with respect to Leucadia means any proposal, offer, inquiry or indication of interest from any person (other than Jefferies or its affiliates) relating to or that could reasonably be expected to lead to any (i) direct or indirect acquisition, purchase, transfer, license, exchange or other disposition of a business or assets that constitutes 20% or more of the net revenues, net income, assets or cash flow of Leucadia and its subsidiaries on a consolidated basis, (ii) direct or indirect acquisition or purchase of 20% or more of any class of equity securities of Leucadia, (iii) tender offer or exchange offer that if consummated would result in in any

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person beneficially owning 20% or more of any class of equity securities of Leucadia or (iv) merger, consolidation, business combination, recapitalization, reorganization, joint venture, liquidation, dissolution or similar transaction involving Leucadia or its subsidiaries.

Notwithstanding the restrictions described above, prior to the approval at the applicable stockholder or shareholder meeting, the board of directors of each of Jefferies and Leucadia is permitted, subject to certain conditions, to furnish information with respect to Jefferies or Leucadia, as applicable, and enter into negotiations or discussions with a person who has made a *bona fide* takeover proposal if the board of directors of such party determines in good faith, after consultation with a financial advisor of nationally recognized reputation and outside legal counsel, that such takeover proposal constitutes or be reasonably likely to result in a superior proposal.

A superior proposal with respect to Jefferies means a takeover proposal with respect to Jefferies (which was not the result of a material breach of the no solicitation provisions of the second merger agreement) that Jefferies' board of directors determines in its good faith judgment, after consultation with Jefferies' outside legal counsel and a financial advisor of nationally recognized reputation, (i) is on terms that would, if consummated, be more favorable to Jefferies stockholders than the transactions contemplated by the second merger agreement from a financial point of view and is reasonably likely to be completed on a timely basis and (ii) for which financing, to the extent required, is then committed or, in the good faith judgment of the board of directors, is reasonably likely to be obtained, except that the reference to 20% or more in the definition of takeover proposal with respect to Jefferies shall be deemed to be a reference to 50% or more.

A superior proposal with respect to Leucadia means a takeover proposal with respect to Leucadia (which was not the result of a material breach of the no solicitation provisions of the second merger agreement) that Leucadia's board of directors determines in its good faith judgment, after consultation with Leucadia's outside legal counsel and financial advisor, (i) is on terms that would, if consummated, be more favorable to Leucadia shareholders than the transactions contemplated by the second merger agreement from a financial point of view and is reasonably likely to be completed on a timely basis and (ii) for which financing, to the extent required, is then committed or, in the good faith judgment of the board of directors, is reasonably likely to be obtained, except that the reference to 20% or more in the definition of takeover proposal with respect to Leucadia shall be deemed to be a reference to 50% or more.

The second merger agreement requires that the parties notify each other within one business day of, among other things, beginning to provide non-public information or engaging in negotiations regarding a takeover proposal, the receipt of a takeover proposal or any request or inquiry that would reasonably be expected to lead to a takeover proposal. Any such notification shall include the identity of the person making such takeover proposal, request or inquiry and the material terms and conditions of any such takeover proposal. In addition, the second merger agreement requires the parties to inform each other on a reasonably prompt basis of material changes to any takeover proposal.

If the board of directors of either party withdraws (or qualifies or modifies in a manner adverse of the other party) its recommendation, such party will nonetheless continue to be obligated to hold its stockholder or shareholder meeting and submit the proposals as set forth herein to its stockholders or shareholders.

Changes in Board Recommendations

The respective boards of directors of Jefferies and Leucadia have each agreed, subject to certain exceptions discussed below, not to withdraw, or to qualify or modify in a manner adverse to the other party their respective recommendations with respect to the transactions.

Notwithstanding the restrictions described above, prior to obtaining the relevant stockholder or shareholder approval, the board of directors of each of Jefferies and Leucadia is permitted to withdraw, or to qualify or modify in a manner adverse to the other party its recommendation with respect to the transactions (i) in response to an intervening event (other than the receipt of a superior takeover proposal) or development that affects in a material respect the business, financial condition or result of operations of Jefferies or Leucadia, respectively and was unknown to the board of directors and not reasonably foreseeable as of the date of execution of the second merger agreement, and that becomes known to the board of directors before receipt of the applicable stockholder or shareholder approval or (ii) if the board of directors of Jefferies or Leucadia, as applicable, among other things, determines in good faith that a takeover proposal constitutes a superior proposal and in the case of (i) and (ii) above, the board of directors of Jefferies or Leucadia, as applicable, determines in good faith, after consultation with a financial advisor of nationally recognized reputation and outside legal counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law.

Prior to making a change in board recommendation as described above, such board of directors must inform the other party in writing of its intention to change its recommendation and provide to such other party, as applicable, the material facts of the intervening event or the material terms and conditions of (and identity of the person making) the takeover proposal and must, in either case, allow five business days (or three business days in the case of any subsequent intervening event or any amendment to the financial or other material terms of the takeover proposal) to elapse following such other party's receipt of such written notice, during which time, if requested by such other party, the party intending to make a change in board recommendation must negotiate in good faith changes to the second merger agreement that would allow such party not to make such recommendation change.

If, notwithstanding the foregoing, the board of directors of Leucadia withdraws (or qualifies or modifies in a manner adverse to Jefferies) its recommendation, Leucadia will nonetheless continue to be obligated to hold its shareholders meeting and submit the Leucadia share issuance to its shareholders, unless Leucadia terminates the second merger agreement (or the second merger agreement is otherwise terminated) as described below. See Termination of the Second Merger Agreement. Similarly, if, notwithstanding the foregoing, the board of directors of Jefferies withdraws (or qualifies or modifies in a manner adverse to Leucadia) its recommendation, Jefferies will nonetheless continue to be obligated to hold its stockholders meeting and submit the first merger agreement to its stockholders, unless Jefferies terminates the first merger agreement (or the second merger agreement is otherwise terminated) as described below. See Termination of the Second Merger Agreement.

Merger Consideration

The second merger agreement provides that (i) immediately following the effective time of the first merger, the LLC conversion shall occur and each issued and outstanding share of capital stock of the Jefferies Surviving Corporation shall be converted into and become one validly issued, fully paid and nonassessable limited liability company interest of Jefferies Converted LLC, and (ii) at the effective time of the second merger, each share of New Jefferies common stock issued and outstanding immediately prior to the effective time of the second merger (excluding shares held by New Jefferies in treasury or any shares held by Leucadia, which shall be cancelled and cease to exist for no consideration) be converted into the right to receive 0.81 of a Leucadia common share (referred to as the exchange ratio). The exchange ratio is fixed and will not be adjusted for changes in the market value of the Leucadia common shares or Jefferies common stock. However, in order to avert the possibility that the transactions could result in the application of tax law limitations on the use of certain of Leucadia's tax attributes, the second merger agreement limits the amount of Leucadia common shares that can be issued to certain New Jefferies stockholders if such issuance would otherwise cause a person or group of persons to become a 5% shareholder of Leucadia or own 5% or more of Leucadia common shares, each as determined under applicable tax regulations, by reason of the second merger. The number of Leucadia common shares that are subject to such limitation is the minimum number of shares that are otherwise deliverable pursuant to the second merger that would result in a New Jefferies stockholder, or any person or group of persons, from becoming a 5% shareholder of Leucadia or owning 5% or more of Leucadia common shares (referred to as the excess shares).

If the limitation were to apply, instead of issuing the excess shares to the New Jefferies stockholder, the exchange agent would sell the excess shares into the market. If Leucadia determines that, notwithstanding the limitation, a New Jefferies stockholder has received excess shares, Leucadia will require the holder to surrender the excess Leucadia shares, and any dividends the holder has received on the excess Leucadia shares, to the exchange agent (or other agent designated by Leucadia) to be sold into the market. If the New Jefferies stockholder has sold the excess shares before receiving Leucadia's demand to surrender the shares, the holder generally will be required to transfer to the agent the proceeds of the sale and any distributions the holder has received on the excess shares. From the net sales proceeds and any amounts received from the New Jefferies stockholder, the agent will pay the New Jefferies stockholder an amount equal to the lesser of (i) the closing market price of the excess shares as of the day prior to the closing date of the second merger and (ii) the net proceeds received from the sale of the excess shares plus any amounts received from the New Jefferies stockholder. Any remaining amounts would be donated to one or more charities selected by Leucadia.

In connection with the second merger, each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated in Leucadia shares with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion.

The second merger agreement provides that each share of New Jefferies common stock owned by Jefferies as treasury stock or owned by Leucadia will be cancelled without any conversion or payment of consideration.

Leucadia will not issue any fractional shares of Leucadia common shares pursuant to the second merger. Instead, a stockholder of New Jefferies who otherwise would have received a fractional Leucadia common share will be entitled to receive, from the exchange agent appointed by Leucadia pursuant to the second merger agreement, a cash payment in lieu of such fractional shares representing

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such holder's proportionate interest in the proceeds from the sale in a round lots on the NYSE by the exchange agent of the number of excess shares of Leucadia common shares represented by the aggregate amount of fractional shares of Leucadia common shares.

The second merger agreement contemplates that prior to the effective time of the second merger, Leucadia will spin out to its shareholders all of the common stock of Crimson in a distribution that is intended to be tax-free to Leucadia and its shareholders. The spin out will be implemented through a distribution of all of the shares of Crimson on a pro rata basis to Leucadia shareholders. Crimson is engaged in the production and sale of premium, ultra-premium and luxury wines. After the distribution is complete, Crimson will be a separate publicly held company. Jefferies stockholders will not receive shares of Crimson in the distribution. See the section entitled "Leucadia Winery Business Spin Out".

Treatment of Jefferies Awards

In connection with the second merger, each outstanding award or benefit measured in whole or in part by the value of a number of New Jefferies common stock will be converted at the exchange ratio into an equivalent award denominated in Leucadia shares with the same terms and conditions (including vesting terms and conditions) as applied pre-conversion. At or prior to the effective time of the second merger, Jefferies and Leucadia will make such amendments and take other actions with respect to the Jefferies award plans as necessary to effect the adjustment, including notifying all participants in Jefferies award plans.

Efforts to Complete the Transactions

Jefferies and Leucadia have each agreed to:

use reasonable best efforts to take promptly all actions and to do all things necessary, proper or advisable under applicable laws to consummate the transactions, including (i) preparing and filing, as promptly as practicable, all applications, notices, petitions, filings and other requests necessary to obtain all required waivers, consents and approvals from governmental entities, (ii) providing information to the other party regarding itself as may be reasonably requested by the other party in connection with obtaining such waivers, consents and approvals, (iii) responding as promptly as practicable to any inquiries or requests received from any governmental entity, (iv) determining which filings are required to be made with, or consents, permits, authorizations, waivers or approvals are required to be obtained from, any third parties or other governmental entities, (v) keeping each other apprised of the status of all matters relating to the completion of the transactions and (vi) executing and delivering any additional instruments necessary to consummate the transactions;

promptly, but in no event later than ten days after the date of the second merger agreement, make their respective filings and thereafter make any required submissions under the HSR Act or other antitrust law and use reasonable best efforts to take all actions proper or advisable to consummate the transactions; and

cooperate in all respects with each other and use their respective reasonable best efforts to contest and resist any administrative or judicial action instituted (or threatened) challenging any of the transactions as violative of any antitrust law.

Notwithstanding the foregoing, neither Leucadia nor Jefferies, nor any of their respective subsidiaries is obligated to agree, and none of Jefferies, Leucadia or any of their respective subsidiaries will agree without the other party's prior written consent, to take any action or accept any condition, restriction, obligation or requirement with respect to Leucadia, Jefferies, their respective subsidiaries or affiliates or their or their respective subsidiaries' or affiliate's assets if such action, condition, restriction, obligation or requirements would (i) reasonably be expected to require Jefferies, Leucadia or any of their respective subsidiaries or affiliates to sell, license, transfer, assign, lease, dispose of or hold separate any material business or asset or (ii) reasonably be expected to result in any material limitations on Jefferies, Leucadia or any of their respective subsidiaries or affiliates to own, retain, conduct or operate all or a material portion of their respective businesses or assets.

Termination of the Second Merger Agreement

The second merger agreement may be terminated at any time prior to the effective time of the second merger, and, except as described below, whether before or after the receipt of the required stockholder or shareholder approvals, under the following circumstances:

by mutual written consent of Jefferies and Leucadia;

by either Jefferies or Leucadia;

if the second merger is not consummated by June 1, 2013 (referred to as the termination date); provided, however, that this right to terminate the second merger agreement will not be available to any party whose material breach of the second merger agreement has been the principal cause of the failure to consummate the second merger by the termination date;

if an injunction, order, decree or ruling of a governmental entity of competent jurisdiction has been entered permanently restraining, enjoining or otherwise prohibiting the consummation of any of the transactions and such injunction is final and non-appealable, provided, that this right to terminate the second merger agreement will not be available to any party whose material breach of the second merger agreement has been the principal cause of the entry of such final and non-appealable injunction, order, decree or ruling; or

if (a) the Jefferies stockholders fail to adopt the first merger agreement at the Jefferies special meeting or (b) the Leucadia shareholders fail to approve the Leucadia share issuance at the Leucadia special meeting; provided that this right will not be available to any party whose material breach of the second merger agreement was a principal cause of the failure to receive any stockholder or shareholder approval;

by Leucadia, if prior to the adoption of the first merger agreement and the approval of the transactions contemplated by the first merger agreement by Jefferies stockholders (i) the board of directors of Jefferies withdraws, or qualifies or modifies in a manner adverse to Leucadia, its recommendation of the first merger agreement or the first merger, (ii) Jefferies fails to include the recommendation of the board of directors of Jefferies in this joint proxy statement/prospectus, (iii) the Jefferies board of directors has approved or recommended a takeover proposal, (iv) the Jefferies board of directors has failed to publicly reaffirm its recommendation to vote in favor of the first merger within ten business days following receipt of a written request by Leucadia to provide such reaffirmation following a takeover proposal or (v) Jefferies breaches in any material respect its obligations under the second merger agreement regarding third-party takeover proposals, as described under the section entitled No Solicitation of Alternative Proposals ;

by Jefferies, if prior to the approval of the issuance of Leucadia common shares pursuant to the second merger by Leucadia shareholders (i) the board of directors of Leucadia withdraws, or qualifies or modifies in a manner adverse to Jefferies, its recommendation of the second merger agreement, the second merger, the charter amendment, or the issuance of Leucadia common shares pursuant to the second merger, (ii) Leucadia fails to include the recommendation of the board of directors of Leucadia in this proxy statement/prospectus, (iii) the Leucadia board of directors has approved or recommended a takeover proposal, (iv) the Leucadia board of directors has failed to publicly reaffirm its recommendation to vote in favor of the transaction within ten business days following receipt of a written request by Leucadia to provide such reaffirmation following a takeover proposal or (v) Leucadia breaches in any material respect its obligations under the second merger agreement regarding third-party takeover proposals, as described under the section entitled No Solicitation of Alternative Proposals ;

by Jefferies upon a breach of any representation, warranty, covenant or agreement on the part of Leucadia contained in the second merger agreement such that the conditions to Jefferies obligations to complete the transactions are not satisfied and that either (i) the breach is not reasonably capable of being cured or (ii) if such breach is reasonably capable of being cured, such breach has not been cured prior to the earlier of (a) 30 days following notice of such breach and (b) the termination date. However, Jefferies does not have this right to terminate the second merger agreement if it is then in breach of any of its representations, warranties, covenants or agreements contained in the second merger agreement and such breach would give rise to the failure of Jefferies conditions to closing; or

by Leucadia upon a breach of any representation, warranty, covenant or agreement on the part of Jefferies contained in the second merger agreement such that the conditions to Leucadia s obligations to complete the transactions are not satisfied and that either (i) the breach is not reasonably capable of being cured or (ii) if such breach is reasonably capable of being cured, such breach has not been cured prior to the earlier of (a) 30 days following notice of such breach and (b) the termination date. However, Leucadia does not have this right to terminate the second merger agreement if it is then in breach of any of its representations, warranties, covenants or agreements contained in the second merger agreement and such breach would give rise to the failure of Leucadia s conditions to closing.

Termination Fees and Expenses; Liability for Breach

Jefferies will be obligated to pay:

a termination fee of \$90,000,000 (referred to as the termination fee) plus the out-of-pocket fees and expenses (including fees and expenses of financial advisors, outside legal counsel, accountants, experts, consultants and other representatives) actually incurred by or on behalf of Leucadia in connection with the authorization, preparation, negotiation, execution or performance of the second merger agreement and the transactions contemplated thereby, in an aggregate amount not to exceed \$3,000,000 (referred to as the expense reimbursement) if Leucadia terminates the second merger agreement because prior to the Jefferies special meeting (i) the board of directors of Jefferies withdraws, qualifies or modifies its recommendation of the first merger agreement or the first merger in an adverse manner, (ii) Jefferies fails to include the recommendation of the board of directors of Jefferies in this proxy statement/prospectus, (iii) the Jefferies board of directors has approved or recommended a takeover proposal, (iv) the Jefferies board of directors has failed to publicly reaffirm its recommendation to vote in favor of the first merger within ten business days following receipt of a written request by Leucadia to provide such reaffirmation following a takeover proposal or (v) Jefferies breaches in any material respect its obligations under the second merger agreement regarding third-party takeover proposals as described under the section entitled No Solicitation of Alternative Proposals ;

the expense reimbursement if the second merger agreement is terminated by (i) Leucadia because Jefferies has breached its representations, warranties or covenants under the second merger agreement and such breach remains uncured and would give rise to the failure of Jefferies closing conditions or (ii) Leucadia or Jefferies because the required vote of Jefferies stockholders is not obtained; and

the termination fee if (i) either Jefferies or Leucadia terminates the second merger agreement because the second merger is not completed prior to June 1, 2013, (ii) either Jefferies or Leucadia terminates the second merger agreement because the required vote of Jefferies stockholders is not obtained or (iii) Leucadia terminates the second merger agreement because Jefferies has breached its representations, warranties or covenants under the second merger agreement, and, in each case, (a) at the time of such termination (or prior to the Jefferies special meeting in the event of a termination for failure to obtain the required stockholder vote), a takeover proposal with respect to 50% or more of the stock or assets of Jefferies was made to Jefferies or directly to its stockholders or has been publicly disclosed, and in each case, not withdrawn and (b) within 12 months after such termination Jefferies enters into an agreement with respect to or consummates the same or any different takeover proposal, plus, in the case of clause (i) above, Jefferies will be obligated to pay the expense reimbursement.
Leucadia will be obligated to pay:

the termination fee and the expense reimbursement if Jefferies terminates the second merger agreement because prior to the Leucadia special meeting (i) the board of directors of Leucadia withdraws, qualifies or modifies its recommendation of the second merger agreement, the second merger, the charter amendment or the issuance of Leucadia common shares pursuant to the second merger in an adverse manner, (ii) Leucadia fails to include the recommendation of the board of directors of Leucadia in this proxy statement/prospectus, (iii) the Leucadia board of directors has approved or recommended a takeover proposal, (iv) the Leucadia board of directors has failed to publicly reaffirm its recommendation to vote in favor of the transaction within ten business days following receipt of a written request by Jefferies to provide such reaffirmation following a takeover proposal or (v) Leucadia breaches in any material respect its obligations under the second merger agreement regarding third-party takeover proposals as described under the section entitled No Solicitation of Alternative Proposals ;

the expense reimbursement if the second merger agreement is terminated by (i) Jefferies because Leucadia has breached its representations, warranties or covenants under the second merger agreement and such breach remains uncured or would give rise to the failure of Leucadia s closing conditions or (ii) Leucadia or Jefferies because the required vote of Leucadia shareholders is not obtained; and

the termination fee if (i) either Jefferies or Leucadia terminates the second merger agreement because the second merger is not completed prior to June 1, 2013, (ii) either Jefferies or Leucadia terminates the second merger agreement because the required vote of Leucadia shareholders is not obtained or (iii) Jefferies terminates the second merger agreement because Leucadia has breached its representations, warranties or covenants under the second merger agreement, and, in each case, (a) at the time of such termination (or prior to the Leucadia special meeting in the event of a termination for failure to obtain the required shareholder vote), a takeover proposal with respect to 50% or more of the shares or assets of Leucadia was made to Leucadia or directly to its shareholders or had been publicly disclosed, and in each case, not withdrawn and (b) within 12 months after such termination Leucadia enters into an agreement with respect to or consummates the same or a different takeover proposal, plus, in the case of clause (i) above, Leucadia will be obligated to pay the expense reimbursement.

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In no event will either of Leucadia or Jefferies be required to pay the termination fee or the expense reimbursement on more than one occasion.

Except as discussed above, each party shall pay all fees and expenses incurred by it in connection with the second merger and the other transactions contemplated by the second merger agreement provided, however that Jefferies and Leucadia will share equally all fees and expenses in relation to the printing, filing and distribution of this joint proxy statement/prospectus and any fees and expenses paid in respect of any HSR Act or other regulatory filing.

Upon the termination of the second merger agreement in accordance with its terms and payment of the termination fee or expense reimbursement, as applicable, neither Leucadia nor Jefferies shall have any continuing liability to each other. However, each party will remain liable for damages arising from willful and malicious breach of any of the provisions in the second merger agreement or fraud and the aggrieved party will be entitled to all rights and remedies available at law or in equity including, if available at law or in equity, the loss of the benefits of the second merger for Leucadia shareholders or Jefferies stockholders, as applicable.

Conduct of Business

Each of Jefferies and Leucadia has agreed to certain covenants in the second merger agreement restricting the conduct of its business between the date of the second merger agreement and the effective time of the second merger. In general, except (i) as may be required by applicable law, (ii) as discussed in their respective filings with the SEC, filed prior to the date of the second merger agreement, (iii) as may be agreed in writing by Leucadia or Jefferies, as applicable, (iv) as may be required or expressly permitted by the second merger agreement, or (v) as may have been previously disclosed in writing to the other party as provided in the second merger agreement, each of Jefferies and Leucadia has agreed to, and shall cause their respective subsidiaries to, conduct its business in the ordinary course of business and use commercially reasonable efforts to preserve substantially intact its current business organizations, to keep available the services of its current officers and employees and to preserve its relationships with significant suppliers, licensors, licensees, distributors, lessors and others.

Jefferies and Leucadia have agreed to reciprocal specific restrictions relating to the conduct of their respective businesses between the date of the second merger agreement and the effective time of the second merger, including the following (subject, in each case, to exceptions specified below and in the second merger agreement or previously disclosed in writing to the other party as provided in the second merger agreement):

authorize, declare or pay any dividend on their respective outstanding shares except for regular quarterly or annual, as applicable, cash dividends with usual record and payment dates in accordance with past dividend practice, and, in the case of Jefferies, the 3.25% dividend payable with respect to shares of Jefferies preferred stock, and, in the case of Leucadia, one special dividend with respect to the Leucadia winery business spin out;

split, combine or reclassify any of its capital stock or other equity securities or issue or authorize or propose the issuance of any other security in respect of, or in lieu of or in substitution for shares of its capital stock or other equity securities;

except in the ordinary course of business, grant or commit to grant any stock options, stock appreciation rights, restricted shares, restricted stock units, deferred equity units, awards based on the value of shares of common stock, or other equity-based awards with respect to shares of common stock, under any equity incentive plan or otherwise so long as such stock option, stock appreciation right, restricted share, restricted stock unit, deferred equity unit or award does not contain any provision that would cause it to vest in whole or in part by reason of the consummation of the transactions contemplated by second merger agreement;

except as required by applicable law or a benefit plan or contract (including Section 409A of the Code and regulations issued thereunder), (A) increase or commit to increase the compensation or other benefits payable or provided to current or former directors, officers, employees, consultants, or independent contractors (other than in the ordinary course of business), (B) enter into or commit to enter into any employment, change of control, severance, retention, deferred compensation, indemnification, or similar agreement with any director, officer, employee, consultant, or independent contractor of Jefferies, other than in the ordinary course of business or (C) except in connection with the hiring of employees in the ordinary course of business, establish, adopt, enter into, amend, become a party to, or commence participation in, or commit to establish, adopt, enter into, amend, become a party to, or commence participation in, any collective bargaining agreement, plan, trust, fund, policy, or arrangement, or benefit plan (or any plan, arrangement, agreement, program, practice, or policy that would be a benefit plan if it were in effect as of the date of the second merger agreement) for the benefit of any current or former directors, officers, employees, consultants, or independent contractors, or any of their beneficiaries;

materially change any tax or financial accounting policies or procedures or any of its methods of reporting income, deductions or other material items for financial accounting purposes, except as required by generally accepted accounting principles, SEC rule or policy or applicable law;

adopt any (A) amendments to the certificate of incorporation or bylaws or (B) material amendments to any similar applicable charter documents of any of their respective subsidiaries, except in case of Leucadia, for the charter amendment;

except (A) for transactions among a party and its respective subsidiaries, in each case, to the extent required by a contract in effect on the date hereof, (B) in connection with the operation of their business in the ordinary course, (C) in the case of Jefferies, for conversions of its convertible debt securities and its convertible preferred stock in accordance with the terms thereof, (D) for grants of equity awards which are granted in the ordinary course of business and which do not contain any provision that would cause any such award to vest in whole or in part by reason of the consummation of the transactions contemplated by the second merger agreement, (E) for issuances of shares of common stock in respect of any exercise of an equity award outstanding on the date of the second merger agreement or that may be granted after the date of the second merger agreement in accordance with the second merger agreement, (F) for the sale of shares of common stock pursuant to the exercise of options to purchase shares of common stock if necessary to effectuate an optionee direction upon exercise or for withholding of taxes, or (G) issuances, sales, pledges, dispositions of or encumbrances on such capital stock or other ownership interest having a book value of up to \$100,000,000 individually; provided that all such issuances, sales, pledges, dispositions or encumbrances, together with certain other actions permitted by the second merger agreement, do not exceed \$200,000,000, in the aggregate, issue, sell, pledge, dispose of or encumber, or authorize the issuance, sale, pledge, disposition or encumbrance of, any shares of its capital stock or other ownership interest in Jefferies or Leucadia, as applicable, or any of their respective subsidiaries or any securities convertible into or exchangeable for any such shares or ownership interest, or any rights, warrants or options to acquire or with respect to any such shares of capital stock, ownership interest or convertible or exchangeable securities or take any action to cause to be exercisable any otherwise unexercisable equity award (except as otherwise provided by the terms of the second merger agreement or for nondiscretionary actions pursuant to the express terms of any unexercisable equity award outstanding on the date of shares of common stock);

directly or indirectly, purchase, redeem or otherwise acquire any shares of its capital stock or any rights, warrants or options to acquire any such shares, except for (A) transactions among Jefferies or Leucadia, as applicable, and each of their respective wholly-owned subsidiaries or among Jefferies or Leucadia's, as applicable, wholly-owned subsidiaries, (B) purchases or deemed acquisitions of common shares in respect of the exercise price or tax withholding obligations relating to an equity award upon the net exercise or vesting of any such equity award in a manner consistent with past practice, (C) redemptions of the preferred shares in accordance with the terms thereof, (D) buy-backs of common shares in accordance with the common shares buy-back policy approved by Jefferies or Leucadia's, as applicable, boards of directors prior to the date hereof or (E) pursuant to contracts in effect as of the date hereof;

incur, assume, guarantee or otherwise become liable for, or modify in any material respect the terms of, any indebtedness for borrowed money or become responsible for the indebtedness of any person (directly, contingently or otherwise), except:

for any intercompany indebtedness for borrowed money between the party and its respective subsidiaries or among the subsidiaries of such party;

for indebtedness for borrowed money incurred to replace, renew, extend, refinance or refund any existing indebtedness for borrowed money that (x) is in an amount not exceeding such existing indebtedness, (y) is on terms no less favorable in the aggregate to Jefferies or Leucadia, as applicable, than such existing indebtedness and (z) that does not contain provisions that will result in the occurrence of a default or event of default (with notice or lapse of time, or both) upon the consummation of either the first merger or the second merger;

for guarantees by a party and its respective subsidiaries of indebtedness for borrowed money of such party or one of their respective subsidiaries;

for amendments to any indebtedness to add additional eligible borrowers; or

in connection with the operation of their business in the ordinary course;

except (A) for transactions between a party and its respective wholly-owned subsidiaries or among the wholly-owned subsidiaries of a party, (B) in the case of Jefferies, in connection with the operation of its business in the ordinary course,

(C) pursuant to existing agreements in effect prior to the execution of the second merger agreement, or (D) sales, leases, licenses, transfers, exchanges, swaps, mortgages or other encumbrances or dispositions of such properties or assets having a book value of up to \$100,000,000 individually; provided that all such sales, leases, licenses, transfers, exchanges, swaps or other encumbrances or dispositions, together with certain other actions permitted by the second merger agreement shall not exceed \$200,000,000 in the aggregate, sell, lease, license, transfer, exchange or swap, mortgage or otherwise encumber (including via securitizations) or subject to any lien or otherwise dispose of (whether by merger, consolidation or acquisition of stock or assets, license or otherwise, and including by way of formation of a joint venture) any material portion of its or its subsidiaries' properties or assets, including the capital stock of subsidiaries;

modify, amend, terminate or waive any rights under material contracts or material leases, in any manner the effect of which is, individually or in the aggregate, materially adverse to Jefferies and its subsidiaries taken as a whole or Leucadia and its subsidiaries taken as a whole, as applicable;

enter into any material contract other than in the ordinary course of business;

acquire (whether by merger, consolidation or acquisition of stock or assets, license or otherwise) any corporation, partnership or other business organization or any division or all or substantially all of the assets of any corporation, partnership or other business organization, other than investments of up to \$100,000,000 individually in any corporation, partnership or other business organization; provided that all such investments, together with certain other investments permitted by the second merger agreement, shall not exceed \$200,000,000 in the aggregate;

authorize or make any capital expenditures, other than capital expenditures made in the ordinary course of business consistent with past practice;

make any loans, advances or capital contributions to, or investments in, any person, in each case, other than:

loans, advances, capital contributions and investments made in the ordinary course of business,

loans, advances and capital contributions to a party or a wholly-owned Subsidiary of such party by a wholly-owned subsidiary of such party,

loans, advances, capital contributions to, or investments in, a subsidiary, or

loans, advances, capital contributions and investments of up to \$100,000,000 individually in or to any corporation, partnership or other business organization; provided that all such investments, together with certain other investments permitted pursuant to the second merger agreement, shall not exceed \$200,000,000 in the aggregate;

enter into, amend, waive or terminate (other than terminations in accordance with their terms) any affiliate transaction;

adopt or enter into a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of Jefferies or Leucadia, as applicable, or any of its significant subsidiaries as defined in Rule 1-02 of Regulation S-X (other than the first merger, the second merger, a merger of two or more wholly-owned subsidiaries or any internal recapitalization or reorganization of any of its subsidiaries);

waive, settle, satisfy or compromise any legal action other than those that (A) do not involve a payment in excess of the reserves set forth on the most recent consolidated balance sheet included in current filings with the SEC plus (1) \$5,000,000 in any individual instance or (2) \$10,000,000 in the aggregate, and (B) do not involve any injunctive or other non-monetary relief or impose any material restrictions on the business or operations of Jefferies or Leucadia, as applicable, or any of their subsidiaries;

take any action that would reasonably be expected to cause any of the conditions to closing of the transactions to not be satisfied by June 1, 2013;

make or revoke any material election with regard to taxes or file any material amended tax returns; or

agree, in writing or otherwise, or announce an intention, to take any of the foregoing actions.

Governance of Leucadia Following the Completion of the Transactions

Leucadia has agreed to take all action necessary to cause, effective as of the effective time of the second merger, the board of directors of Leucadia to consist of fourteen members, eight of whom will be the current directors of Leucadia and six of whom will be Richard B. Handler, Brian P. Friedman, W. Patrick Campbell, Richard G. Dooley, Robert E. Joyal and Michael T. O Kane, each current directors of Jefferies, as designated by Jefferies. Leucadia has also agreed to take all action necessary to cause, effective as of the effective time of the second merger, the Nominating and Corporate Governance Committee of the board of directors of Leucadia to consist of four members, two of whom will be independent directors designated by Jefferies (Robert E. Joyal and Michael T. O Kane) and two of whom will be independent directors designated by Leucadia (Jeffrey Keil and Alan Hirschfield).

Indemnification and Insurance

The second merger agreement requires Leucadia, New Jefferies Surviving LLC and Jefferies Converted LLC to honor Jefferies and its subsidiaries obligations to indemnify the current and former directors and officers of Jefferies and its subsidiaries as well as to any other employees pursuant to individual indemnity agreements executed by them with Jefferies or its subsidiaries, for acts or omissions by such individuals occurring prior to the effective time of the second merger, to the same extent that such obligations of Jefferies and its subsidiaries existed on the date of the second merger agreement. The obligations to indemnify such individuals will survive the first merger and the second merger and continue until the expiration of the applicable statute of limitations with respect to any claims. The certificate of formation and limited liability company agreement of each of New Jefferies Surviving LLC and Jefferies Converted LLC will contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of former and present officers and directors than as currently provided under Jefferies organizational documents and the provisions will not be amended, repealed or otherwise modified for a period of six years from the effective time of the second merger.

In lieu of maintaining directors and officers liability insurance (as required by the second merger agreement), the second merger agreement permits Jefferies to purchase, prior to the completion of the second merger, a pre-paid tail policy in respect of acts or omissions arising before the effective time of the second merger for a period of six years from the completion of the second merger. However, without the prior written consent of Leucadia, Jefferies may not under such tail insurance for any 12-month period incur an annual premium expense greater than 300% of the annual premiums currently paid by Jefferies. If Jefferies does not obtain tail insurance then, for a period of six years from the effective time of the second merger, Leucadia, New Jefferies Surviving LLC and Jefferies Converted LLC will cause to be maintained in effect the current policies of directors and officers liability insurance and fiduciary liability insurance maintained by Jefferies and its subsidiaries with respect to matter arising before the effective time of the second merger.

Leucadia Winery Business Spin Out

Prior to the effective time of the second merger, Leucadia has agreed to cause the spin out of Leucadia's winery operations owned by Crimson, provided that the Leucadia winery business spin out will not reduce the book value of Leucadia by more than \$197,000,000 and that Leucadia will not retain any material liability with respect to the winery operations. The Leucadia winery business spin out will be implemented pursuant to documentation that is reasonably acceptable to Jefferies, which Jefferies shall have a reasonable opportunity to review.

The Leucadia winery business spin out will be implemented through a distribution of all of the shares of Crimson common stock on a pro rata basis to Leucadia shareholders of record on the Crimson record date in a manner that is intended to be tax-free to Leucadia and its shareholders. Each Leucadia shareholder of record on the Crimson record date will receive one share of Crimson common stock for every 10 Leucadia common shares. Prior to the distribution of Crimson common stock in the Leucadia winery business spin out, there has been no public market for Crimson common stock and there can be no guarantee that an active trading market will develop or the market prices at which Crimson common stock will trade. Following the spin out of Crimson, Leucadia will not own any shares of Crimson common stock. The Leucadia winery business spin out will be subject to a number of conditions, including the receipt of an opinion from Weil to the effect that the distribution will not result in the recognition, for U.S. federal income tax purposes, of gain or loss to Leucadia or its shareholders, except to the extent of cash that they receive in lieu of fractional shares of Crimson common stock, and the effectiveness of the registration of Crimson under the Securities Exchange Act of 1934, as amended. Leucadia has not requested, and does not intend to request, a private letter ruling from the Internal Revenue Service confirming that the Leucadia winery business spin out will be tax-free to Leucadia or its shareholders for U.S. federal income tax purposes. However, Leucadia does not expect that there would be significant gain, if any, recognized by it if the Leucadia winery business spin out were found to be taxable. Additional information will be provided to each Leucadia shareholder in the Information Statement with respect to Crimson to be filed by Leucadia prior to the effective date of the second merger.

Other Covenants and Agreements

The second merger agreement contains certain other covenants and agreements, including the following covenants:

prior to the effective time of the second merger, Jefferies and Leucadia will take actions necessary to amend the limited liability company agreement of Jefferies High Yield Holdings, LLC with respect to Leucadia's equity interest in Jefferies High Yield Holdings, LLC so that (i) the maturity date of Leucadia's interest is extended to at least three years and (ii) Leucadia's interest qualifies as Jefferies equity for generally accepted accounting principles purposes;

in the event that holders of shares of Jefferies preferred stock, par value \$0.0001 per share, and Leucadia reach agreement on the terms of a newly designated class of preferred shares of Leucadia unless otherwise agreed to by the parties, (i) Jefferies will prepare a certificate of amendment amending Jefferies certificate of designation of the preferred shares to reflect the terms agreed to by Jefferies, Leucadia and the holders of Jefferies preferred stock and (ii) Leucadia will prepare a certificate of designation setting forth the rights, powers and preferences of a newly-designated series of Leucadia preferred shares that mirror, to the extent practicable, the rights, powers and preferences of the Jefferies preferred shares;

cooperation between Jefferies and Leucadia in the preparation of this joint proxy statement/prospectus;

each party agrees (i) not to take any action that would reasonably be expected to prevent either the first merger and the LLC conversion, taken together, or the second merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code and (ii) to cooperate in providing customary representations and other assistance in connection with the delivery of the tax opinions by the parties' respective tax counsel;

Leucadia's use of its commercially reasonable efforts to cause the Leucadia common shares issuable to Jefferies common stockholders in connection with the second merger to be approved for quotation on the NYSE;

Leucadia agrees to join in the execution and delivery of an indenture supplemental to the indenture securing Jefferies' 3.875% Convertible Senior Debentures due 2029, evidencing Leucadia's agreement to issue Leucadia common shares upon their conversion in accordance with their terms; and

causing any dispositions of New Jefferies common stock resulting from the second merger and any acquisitions of Leucadia common shares resulting from the second merger by each individual who may become subject to reporting requirements under the securities laws to be exempt from Section 16(b) of the Exchange Act.

Amendments, Extensions and Waivers

The second merger agreement may be amended by the parties at any time before or after the receipt of the approvals of the Jefferies stockholders or Leucadia shareholders required to consummate the first merger and the second merger. However, after any such stockholder or shareholder approval, there may not be, without further approval of Leucadia shareholders or Jefferies stockholders, as applicable, any amendment of the second merger agreement for which (and in accordance with) applicable law requires further stockholder or shareholder approval, and the effectiveness of such amendment will be subject to the approval by the applicable stockholders or shareholders.

Governing Law

The second merger agreement is governed by the laws of the State of Delaware.

No Third Party Beneficiaries

While the second merger agreement is not intended to confer upon you or any person other than Jefferies, Leucadia, New Jefferies, Merger Sub One and Merger Sub Two any rights or remedies, it provides a limited exception for Jefferies' and its subsidiaries' directors and officers to continue to have indemnification and liability insurance coverage after the completion of the second merger.

Specific Performance

The parties to the second merger agreement agreed in the second merger agreement that irreparable damage would occur in the event that any of the provisions of the second merger agreement were not performed in accordance with their specific terms or were otherwise breached, and that no adequate remedy at law would exist for such occurrence. The parties agreed that they shall be entitled

to seek an injunction or injunctions to prevent breaches of the second merger agreement and to enforce specifically the performance of terms and provisions of the second merger agreement without proof of actual damages.

Representations and Warranties

The second merger agreement contains representations and warranties made by each of Jefferies and Leucadia. Jefferies and Leucadia have made representations and warranties regarding, among other things:

corporate organization, standing and similar corporate matters;

capital structure;

subsidiaries;

approval and authorization of the second merger agreement and the transactions contemplated by the second merger agreement and any conflicts created by such transactions;

required consents and approvals of governmental entities in connection with the transactions contemplated by the second merger agreement;

documents filed with the SEC, financial statements included in those documents and regulatory reports filed with governmental entities;

absence of undisclosed liabilities;

absence of certain changes or events;

legal actions;

tax matters;

property;

compliance with applicable laws and permits;

environmental matters;

labor matters;

employee benefits;

intellectual property;

material contracts;

opinion of financial advisor;

information supplied in connection with this joint proxy statement/prospectus and the registration statement of which it is a part;

insurance;

state takeover statutes;

finders or brokers; and

affiliate transactions.

Additional representations and warranties made only by Leucadia relate to:

Section 203 of the DGCL; and

the Investment Company Act.

Many of the representations and warranties in the second merger agreement are qualified by a materiality or material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would, as the case may be, be material or have a material adverse effect). For purposes of the second merger agreement, a material adverse effect means, any change, effect, event, condition, occurrence or state of facts that, individually or in the aggregate, is materially adverse to the assets, properties, business or financial condition or results of operations of Jefferies or Leucadia, as applicable, and their respective subsidiaries, taken as a whole, except that the definition of material adverse effect excludes any effect that results from:

facts, circumstances, events, conditions or changes generally affecting the industry in which Jefferies or Leucadia, as applicable, and their respective subsidiaries operate or the economy or the financial or securities markets in the United States or elsewhere in the world, including governmental, regulatory, social or political conditions or developments (including any outbreak or escalation of hostilities or acts of war, whether or not pursuant to the declaration of a national emergency or war, or acts of terrorism) or changes in interest rates, but, in each case, only to the extent such matters do not have a disproportionate impact on Jefferies and its subsidiaries or Leucadia and its subsidiaries, as applicable, as compared to other participants in their industries; or

(A) the announcement of, or compliance with, the second merger agreement or the announcement of the transactions contemplated by the second merger agreement, (B) changes in applicable law or accounting principles generally accepted in the United States or any interpretation thereof but, in each case, only to the extent such matters do not have a disproportionate impact on Jefferies and its subsidiaries or Leucadia and its subsidiaries, as applicable, as compared to other participants in their industry, (C) changes, solely in and of themselves, in the market price or trading volume of the shares of common stock of Jefferies or common shares of Leucadia, as applicable, but not any underlying cause of such changes, (D) changes, solely in and of themselves, in any analyst's recommendations, any financial strength rating or any other recommendations or ratings as to Jefferies or Leucadia, as applicable, and their respective subsidiaries (including, in and of itself, any failure to meet analyst projections), (E) the loss by Jefferies or Leucadia or any of their respective subsidiaries or any of their respective customers, suppliers, employees or other business relationships as a result of the transactions contemplated by this Agreement, or (F) the failure, in and of itself, of Jefferies or Leucadia to meet any expected or projected financial or operating performance target, but not any underlying cause of such failure.

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VOTING AGREEMENTS

Leucadia Voting Agreement

Simultaneously with the execution of the second merger agreement, Leucadia and BEI Jeffvest, a subsidiary of Leucadia, entered into a voting agreement with Jefferies (referred to as the Leucadia voting agreement). Pursuant to the Leucadia voting agreement, each of Leucadia and BEI Jeffvest has agreed, among other things, to vote the shares of Jefferies common stock held by them:

in favor of approval and adoption of the first merger agreement and approval of the first merger;

in favor of amending Jefferies certificate of designations for the preferred stock of Jefferies, if required;

in favor of each action contemplated by the first merger agreement; and

in favor of any action in furtherance of the transactions contemplated by the first merger agreement and the second merger agreement.

Leucadia and BEI Jeffvest beneficially owned in the aggregate approximately [28.52]% of the outstanding shares of Jefferies common stock as of the record date for the Jefferies special meeting. Additionally, pursuant to the Leucadia voting agreement, Leucadia and BEI Jeffvest have granted an irrevocable proxy to Jefferies to vote their shares of Jefferies common stock as described above. The Leucadia voting agreement and the irrevocable proxy granted thereunder will automatically terminate upon the first to occur of (i) the effective time of the second merger, (ii) the termination of the second merger agreement in accordance with its terms, and (iii) the mutual agreement of the parties to the Leucadia voting agreement.

If Jefferies exercises or waives any power, right, privilege or remedy under the Leucadia voting agreement or the Jefferies executive voting agreements, as the case maybe, Jefferies has agreed to take the same action under the other voting agreements to the extent such action is available under such other agreement.

The foregoing discussion of the Leucadia voting agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Leucadia voting agreement, which is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference.

Leucadia Executive Voting Agreements

Simultaneously with the execution of the second merger agreement, Ian M. Cumming, Chairman of the Board and Chief Executive Officer of Leucadia (with respect to [8.64]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting), and Joseph S. Steinberg, President and director of Leucadia (with respect to [9.63]% of Leucadia's outstanding common shares as of the record date for the Leucadia special meeting), each entered into separate voting agreements with Jefferies (referred to as the Leucadia executive voting agreements). Pursuant to the Leucadia executive voting agreements, each of Messrs. Cumming and Steinberg have agreed, among other things, to vote (and to cause their affiliates holding Leucadia common shares on their behalf to vote) the Leucadia common shares held by each of them:

in favor of the Leucadia share issuance;

in favor of the charter amendment; and

in favor of any action in furtherance of the second merger agreement.

Mr. Cumming owned in the aggregate with respect to [8.64]% of Leucadia's outstanding common shares as of the record date. Mr. Steinberg owned in the aggregate with respect to [9.63]% of Leucadia's outstanding common shares as of the record date. Additionally, pursuant to the Leucadia executive voting agreements, each of Messrs. Cumming and Steinberg have granted an irrevocable proxy to Jefferies to vote their Leucadia common shares as described above. Each of the Leucadia executive voting agreements and the irrevocable proxies granted thereunder will automatically terminate upon the first to occur of (i) the effective time of the merger, (ii) the termination of the second merger agreement in accordance with its terms, and (iii) the mutual agreement of the parties to the Leucadia executive voting agreements.

The foregoing discussion of the Leucadia executive voting agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the Leucadia executive voting agreements, which are attached as Annex D and E to this joint proxy statement/prospectus and are incorporated herein by reference.

Jefferies Executive Voting Agreements

Simultaneously with the execution of the second merger agreement, each of Richard B. Handler, Chairman of the Board and Chief Executive Officer of Jefferies, and Brian P. Friedman, Chairman of the Executive Committee of Jefferies, entered into separate voting agreements with Jefferies (referred to as the Jefferies executive voting agreements). Pursuant to the Jefferies executive voting agreements, each of Messrs. Handler and Friedman has agreed, among other things, to vote the shares of Jefferies common stock held by him:

in favor of approval and adoption of the first merger agreement and approval of the first merger;

in favor of amending Jefferies certificate of designations for the preferred stock of Jefferies, if required;

in favor of each action contemplated by the first merger agreement; and

in favor of any action in furtherance of the transactions contemplated by the first merger agreement and the second merger agreement.

Additionally, pursuant to the Jefferies executive voting agreements, each of Messrs. Handler and Friedman have granted irrevocable proxies to Jefferies to vote their shares of Jefferies common stock as described above. The Jefferies executive voting agreements and the irrevocable proxies granted thereunder will automatically terminate upon the first to occur of (i) the effective time of the merger, (ii) the termination of the second merger agreement in accordance with its terms, and (iii) the mutual agreement of the parties to the Jefferies executive voting agreement.

Pursuant to the terms of the Jefferies executive voting agreements, Leucadia is an express third party beneficiary of the Jefferies executive voting agreements and is entitled to enforce any power, right, privilege or remedy of Jefferies thereunder.

The foregoing discussion of the Jefferies executive voting agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the Jefferies executive voting agreements, which are attached as Annex F and G to this joint proxy statement/prospectus and are incorporated herein by reference.

PROPOSALS FOR THE JEFFERIES SPECIAL MEETING

Jefferies Proposal 1 First Merger Agreement

For a summary and detailed information regarding this proposal, see the information about the first merger agreement and the transactions contemplated by the first merger agreement throughout this joint proxy statement/prospectus, including the information set forth in sections entitled "The First Merger Agreement" beginning on page 109. A copy of the first merger agreement is attached as Annex B to this joint proxy statement/prospectus.

Under the first merger agreement, approval of this proposal is a condition to the completion of the first merger. If the proposal is not approved, the merger with Leucadia and the transactions will not be completed even if the other proposals related to the transactions are approved.

Adoption of the first merger agreement and approval of the transactions contemplated by the first merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of Jefferies common stock.

Jefferies board of directors has unanimously determined that the first merger agreement and the transactions contemplated by the first merger agreement are advisable, fair to and in the best interests of Jefferies and its stockholders and has approved the first merger agreement and the transactions contemplated by the first merger agreement. The Jefferies board of directors recommends that Jefferies stockholders vote FOR the proposal to adopt the first merger agreement and approve the transactions contemplated by the first merger agreement.

Jefferies Proposal 2 Advisory (Non-Binding) Vote on Compensation

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires that Jefferies provide stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed in this joint proxy statement/prospectus, including the compensation table and the related narrative named executive officer compensation disclosures set forth in "The Transactions Interests of Jefferies Directors and Executive Officers in the Transactions (referred to as the change of control payments)". This vote is commonly referred to as a golden parachute say on pay vote. Accordingly, Jefferies stockholders are being provided with the opportunity to cast an advisory vote on such change of control payments.

As an advisory vote, this proposal is not binding upon Jefferies or the board of directors of Jefferies, and approval of this proposal is not a condition to completion of the proposed transactions.

Accordingly, Jefferies asks you to vote on the following resolution:

RESOLVED, that Jefferies stockholders approve, on an advisory (non-binding) basis, the compensation of Jefferies named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading "The Transactions Interests of Jefferies Directors and Executive Officers in the Transactions" (which disclosure includes the compensation table and related narrative named executive officer compensation disclosures required pursuant to Item 402(t) of Regulation S-K).

Approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise related to the proposed transactions requires that affirmative vote, in person or by proxy, of the holders of a majority of the shares of Jefferies common stock present, in person or by proxy, at the special meeting and entitled to vote thereon.

Jefferies board of directors recommends a vote FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Jefferies named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed in this joint proxy statement/prospectus.

Jefferies Proposal 3 Possible Adjournment of the Jefferies Special Meeting

If Jefferies fails to receive a sufficient number of votes to approve Jefferies Proposal 1, Jefferies may propose to adjourn the special meeting, if a quorum is present, for the purpose of soliciting additional proxies to approve Jefferies Proposal 1. Jefferies currently does not intend to propose adjournment of the Jefferies special meeting if there are sufficient votes to approve Jefferies Proposal 1.

Jefferies board of directors unanimously recommends that Jefferies stockholders vote FOR Jefferies Proposal 3 to adjourn the Jefferies special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Jefferies Proposal 1.

PROPOSALS FOR THE LEUCADIA SPECIAL MEETING

Leucadia Proposal 1 Leucadia Share Issuance

For a summary and detailed information regarding this proposal, see the information about the second merger and issuance of Leucadia common shares in connection with the second merger contained throughout this joint proxy statement/prospectus, including the information set forth in the sections entitled *The Transactions* beginning on page 71 and *The Second Merger Agreement* beginning on page 111.

A copy of the second merger agreement is attached to this joint proxy statement/prospectus as Annex A.

Under the second merger agreement, approval of this proposal is a condition to the completion of the second merger. If the proposal is not approved, the transactions will not be completed even if the other proposals related to the transactions are approved.

Under the NYSE rules, the Leucadia share issuance requires the affirmative vote of holders of a majority of the outstanding Leucadia common shares voted at the Leucadia special meeting, provided that the total votes cast including, pursuant to the rules of the NYSE, abstentions, represents over 50% in interest of all Leucadia common shares entitled to vote on the proposal.

Leucadia's board of directors recommends a vote FOR the approval of the issuance of Leucadia common shares pursuant to the second merger agreement.

Leucadia Proposal 2 Charter Amendment Proposal

Overview

The Leucadia board of directors has unanimously approved a proposal to amend the transfer restriction already contained in Leucadia's certificate of incorporation to restrict the issuance by Leucadia of its capital shares in connection with an acquisition transaction if and to the extent such issuance would result in any person or group of persons becoming a 5% shareholder of Leucadia. In any such circumstance, the amended charter would require the exchange agent to deliver all or a portion of the cash proceeds of the sale of capital shares of Leucadia otherwise deliverable but restricted to any stockholder in an acquisition transaction. The proposed charter amendment also would expand the definition of 5% shareholder with the intent of clarifying the manner in which the current transfer restrictions would operate if and when Leucadia has more than one class of shares outstanding. If approved by Leucadia shareholders, the charter amendment would apply to the second merger and would prohibit the delivery of Leucadia common shares to any New Jefferies stockholder if such delivery would have such a result, and would instead require the exchange agent to sell the otherwise deliverable shares and deliver all or a portion of the net cash proceeds to any such New Jefferies stockholder, consistent with the provisions of the second merger agreement described in the section entitled *The Transactions Exchange of Shares in the Transactions*, see page 106.

Background of Current Transfer Restrictions

In order to protect Leucadia's significant tax loss carryforwards and other tax attributes, since 1992, Leucadia common shares have been subject to certain transfer restrictions contained in Leucadia's certificate of incorporation. The transfer restrictions impose restrictions on the transfer of Leucadia's capital shares to designated persons.

The transfer restrictions generally restrict any person from accumulating 5% or more of the total value of Leucadia's capital shares. Leucadia estimates that as of September 30, 2012, it had approximately \$3.6 billion of federal net operating losses. For federal income tax purposes, if not otherwise used to offset federal taxable income, all of these carryforwards will expire by December 31, 2029.

The benefit of a company's existing tax loss and credit carryovers, as well as the benefit of built-in losses, can be reduced or eliminated under Section 382 of the Code. Section 382 limits the use of losses and other tax benefits by a company that has undergone an ownership change, as defined in Section 382 of the Code. Generally, an ownership change occurs if one or more shareholders, each of whom owns 5% or more in value of a company's capital shares, increase their aggregate percentage ownership by more than 50 percentage points over the lowest percentage of shares owned by such shareholders over the preceding three-year period. For this purpose, all holders who each own less than 5% of a company's capital shares are generally treated together as one 5% shareholder. In

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addition, certain attribution rules, which generally attribute ownership of shares to the ultimate beneficial owner thereof without regard to ownership by nominees, trusts, corporations, partnerships or other entities, and also attribute ownership between and among certain family members are applied in determining the level of share ownership of a particular shareholder. Options (including warrants and other rights) to acquire capital shares may be treated as if they had been exercised, on an option-by-option basis, if the issuance, transfer or structuring of the option meets certain tests. All percentage determinations are based on the fair market value of a company's capital shares, including any preferred shares, which are voting or convertible (or otherwise participate in corporate growth).

If an ownership change were to occur in respect of the company or any of its subsidiaries or subsidiary groups, the amount of taxable income in any year (or portion of a year) subsequent to the ownership change that could be offset by NOLs or other tax attributes existing (or built-in losses) prior to such ownership change could not exceed an amount equal to the product obtained by multiplying (1) the aggregate value of the company, the subsidiary or the subsidiary group that underwent the ownership change by (2) the federal long-term tax exempt rate. Because the aggregate value of Leucadia or any of its subsidiaries, as well as the federal long-term tax-exempt rate, fluctuates, it is impossible to predict with any accuracy the annual limitation upon the amount of taxable income that could be offset by such NOLs or other tax attributes (and built-in losses) were an ownership change to occur in the future. However, if such limitation were to exceed the taxable income against which it otherwise would be applied for any year following an ownership change, the limitation for the ensuing year would be increased by the amount of such excess.

Current Transfer Restrictions

Leucadia's certificate of incorporation generally restricts until December 31, 2024 (or earlier, in certain events) any attempted transfer of Leucadia common shares or any other securities that would be treated as Leucadia's stock under the applicable tax regulations (referred to as Leucadia Shares) to a person or group of persons who own, or who would own as a result of such transfer, 5% or more of the Leucadia Shares. The transfer restriction also restricts any other attempted transfer of Leucadia Shares that would result in the identification of a new 5% shareholder of Leucadia, as determined under applicable tax regulations. This would include, among other things, an attempted acquisition of Leucadia Shares from an existing 5% shareholder. For these purposes, numerous rules of attribution, aggregation and calculation prescribed under the Code (and related regulations) will be applied in determining whether the 5% threshold has been met and whether a group exists. The transfer restriction may also apply to proscribe the creation or transfer of certain options, which are broadly defined, in respect of the Leucadia Shares.

The transfer restriction restricts a shareholder's ability to acquire additional Leucadia Shares in excess of the specified limitations. Furthermore, in the case of certain large shareholders, the ability to dispose of Leucadia Shares currently held, or any other Leucadia Shares which the shareholder may acquire, may be restricted as a result of the transfer restriction.

Generally, the restriction is imposed only with respect to the number of shares of Leucadia Shares, or options with respect to Leucadia Shares (referred to as excess shares), purportedly transferred in excess of the threshold established in the transfer restriction. In any event, the restriction does not prevent a valid transfer if either the transferor or the purported transferee obtains the approval of Leucadia's board of directors.

Acquisitions of Leucadia Shares directly from Leucadia, whether by way of option exercise or otherwise, are not currently subject to the transfer restriction. Consequently, persons or entities that are able to acquire Leucadia's Shares directly from Leucadia, including Leucadia's employees, officers and directors, may do so without application of the transfer restriction, irrespective of the number of Leucadia's Shares they already own or that they are acquiring. As a result, those persons or entities dealing directly with Leucadia may be seen to receive an advantage over persons or entities who are not able to acquire Leucadia's Shares directly from Leucadia and, therefore, are restricted by the terms of the transfer restriction. It should be noted, however, that any direct acquisitions of Leucadia Shares from Leucadia first requires board approval and, in granting such approval, the board will review the implications of any such issuance for Leucadia's NOLs and other tax attributes.

Leucadia's board of directors has the discretion to approve a transfer of Leucadia Shares that would otherwise violate the transfer restriction. Nonetheless, if the board of directors decides to permit a transfer that would otherwise violate the transfer restriction, that transfer or later transfers would, under the tax rules, be aggregated with other acquisitions and could result in a later ownership change that would limit the use of the tax attributes of Leucadia. The board of directors intends to consider any attempted transfer individually and determine at the time whether it is in the best interest of Leucadia, after consideration of any factors that the board deems relevant, to permit the transfer, notwithstanding that an ownership change may occur.

Leucadia's certificate of incorporation further provides that all certificates representing Leucadia Shares bear the following legend:

THE TRANSFER OF THE SECURITIES REPRESENTED HEREBY IS SUBJECT TO RESTRICTIONS PURSUANT TO PART III OF ARTICLE FOURTH OF THE CERTIFICATE OF INCORPORATION OF THE CORPORATION REPRINTED IN ITS ENTIRETY ON THE BACK OF THIS CERTIFICATE.

In accordance with the transfer restriction, Leucadia will not permit any of Leucadia's employees or agents, including the transfer agent, to record any transfer of Leucadia Shares purportedly transferred in excess of the threshold established in the transfer restriction. As a result, requested transfers of Leucadia Shares may be delayed or refused.

Leucadia's certificate of incorporation provides that any transfer attempted in violation of the restrictions would be void *ab initio*, even if the transfer has been recorded by the transfer agent and new certificates issued. The purported transferee of the Leucadia Shares would not be entitled to any rights of shareholders with respect to the excess shares, including the right to vote the excess shares, or to receive dividends or distributions in liquidation in respect thereof, if any.

If Leucadia's board of directors determines that a purported transfer has violated the transfer restriction, Leucadia will require the purported transferee to surrender the excess shares, and any dividends the purported transferee has received on the excess shares, to an agent designated by the board of directors. The agent will then sell the excess shares in one or more arm's-length transactions, executed on the NYSE, if possible, to a buyer or buyers, which may include Leucadia; provided that nothing will require the agent to sell the excess shares within any specific time frame if, in the agent's discretion, the sale would disrupt the market for the Leucadia Shares or have an adverse effect on the value of the Leucadia Shares. If the purported transferee has resold the excess shares before receiving Leucadia's demand to surrender the excess shares, the purported transferee generally will be required to transfer to the agent the proceeds of the sale and any distributions the purported transferee has received on the excess shares. From such proceeds, the agent will pay any amounts remaining after repaying its own expenses and reimbursing the purported transferee for the price paid for the excess shares (or the fair market value of the excess shares at the time of the attempted transfer to the purported transferee by gift, inheritance or similar transfer) to a named charity or, in certain circumstances, charities selected by the board of directors.

The transfer restriction and related provisions contained in Leucadia's amended and restated bylaws may be deemed to have an anti-takeover effect because they restrict the ability of a person or entity, or group of persons or entities, from accumulating in the aggregate at least 5% of the Leucadia Shares and the ability of persons, entities or groups now owning at least 5% of the Leucadia Shares from acquiring additional Leucadia Shares. The transfer restriction discourages or prohibits accumulations of substantial blocks of shares for which shareholders might receive a premium above market value.

Notwithstanding the restrictions, however, there remains a risk that certain changes in relationships among shareholders or other events will cause a change of ownership to occur under Section 382 of the Code. Further, there can be no assurance, in the event transfers in violation of the transfer restriction are attempted, that the IRS will not assert that those transfers have federal income tax significance notwithstanding the transfer restriction. As a result, the transfer restriction serves to reduce, but not necessarily eliminate, the risk that Section 382 of the Code will cause the limitations described above on the use of tax attributes of Leucadia.

Leucadia has been advised by Leucadia's counsel, Weil that, absent a court determination, (1) there can be no assurance that the transfer restriction will be enforceable against all of Leucadia shareholders and (2) the transfer restriction may be subject to challenge on equitable grounds.

However, it should be noted that the existing transfer restriction has been in place since December 31, 1992 and has not been challenged to date.

The determination of 5% shareholder status is based upon a holder's percentage ownership, taking into account certain rules of attribution, of the total value of outstanding Leucadia Shares, which currently consists of only common shares. Unless Jefferies redeems its preferred stock prior to the transactions, after the transactions there would be an additional class of Leucadia capital shares outstanding, the Leucadia preferred stock that would be issued in exchange for the Jefferies preferred stock. This potential change and any future changes in the capitalization of Leucadia may affect who will be deemed a 5% shareholder, thereby affecting the applicability of the transfer restriction to future transfers of Leucadia Shares.

Holders are advised to carefully monitor their ownership of common shares (and any future securities of Leucadia that may constitute Leucadia Shares for purposes of the transfer restriction) and should consult their own legal advisors and/or Leucadia to determine whether their ownership approaches the prohibited level.

Proposed Charter Amendment

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Leucadia proposes to amend its certificate of incorporation to include a provision that would limit the amount of Leucadia Shares that can be issued in the event of an acquisition transaction to certain target shareholders if any person or group of persons would become a 5% shareholder of Leucadia or would be treated as owning 5% or more of Leucadia common shares as a result of an acquisition transaction. Under the proposed amendment to the transfer restrictions, in such a circumstance, instead of delivering the Leucadia Shares to any such target shareholder, the Leucadia Shares would be sold into the market and the target shareholder would receive the lesser of the closing market price of the Leucadia Shares as of the day prior to the acquisition transaction and the net proceeds received from the sale of the shares. Any excess net sale proceeds would be donated to one or more charities selected by the Leucadia board of directors. The number of Leucadia Shares that would be sold instead of delivered to such a target shareholder is the minimum number of shares necessary to prevent the target shareholder, or any person or group of persons, from becoming a 5% shareholder of Leucadia or owning 5% or more of Leucadia common shares. Nonetheless, the proposed amendment to the transfer restrictions would allow the Leucadia board of directors to approve a delivery of Leucadia Shares to a target shareholder that would otherwise be prohibited by the charter amendment. However, other issuances of Leucadia Shares by Leucadia would continue to be unaffected by the transfer restrictions, such as the grant of employee options to purchase Leucadia common shares, and the board of directors of Leucadia will continue to be able to permit or restrict any such issuance on a case-by-case basis.

In addition, the charter amendment will also expand the definition of a 5% shareholder for purposes of the current transfer restrictions to include any person who is treated as owning 5% or more of Leucadia common shares. This expansion is intended to clarify the manner in which the transfer restrictions will operate if and when Leucadia has more than one class of shares outstanding.

Reasons for the Charter Amendment

Currently, Leucadia's certificate of incorporation protects the use of its NOLs by prohibiting the transfer of Leucadia Shares to the extent the transfer would result in the creation of a new 5% shareholder or would increase the amount of shares owned by an existing 5% shareholder. The current transfer restriction, however, does not apply to any issuances of shares by Leucadia. The proposed charter amendment is intended to avert unintended or unexpected ownership increases as calculated under the tax rules as a result of acquisition transactions. In an acquisition transaction in which Leucadia Shares are issued, accumulation of shares in the target corporation, over which Leucadia has no control, could, in certain circumstances, result in the creation of a new 5% shareholder of Leucadia after the consummation of the acquisition transaction, particularly if the target shareholder already owns Leucadia Shares. Failure to adopt the charter amendment, therefore, could possibly threaten to impair the value of Leucadia's tax attributes in acquisition transactions in which Leucadia Shares are delivered as part of the merger consideration.

Approval of the charter amendment is not a condition to the effectiveness of the second merger agreement. The second merger agreement contains a provision that would restrict the issuance of Leucadia common shares to certain Jefferies stockholders in a manner similar to the proposed charter amendment. If the charter amendment is not approved by Leucadia shareholders, Leucadia will rely upon the provisions of the second merger agreement to restrict the issuance of Leucadia common shares to Jefferies stockholders to avoid the imposition of any limitations on the use of its tax losses and other tax attributes.

Vote Required; Recommendation of Leucadia Board of Directors

The affirmative vote, in person or by proxy, of the holders of a majority of the outstanding Leucadia common shares is required to adopt the charter amendment. The required vote on Proposal 2 is based on the number of outstanding shares—not the number of shares actually voted. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will have the same effect as a vote against Proposal 2. Brokers, banks and other nominees do not have discretionary authority to vote on Proposal 2 and, therefore, will not be able to vote on Proposal 2 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have the same effect as a vote against Proposal 2.

Leucadia's board of directors unanimously recommends that Leucadia shareholders vote FOR Leucadia Proposal 2 to approve the charter amendment.

Leucadia Proposal 3 Advisory (Non-Binding) Vote on Compensation

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires that we provide shareholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed in this joint proxy statement/prospectus, including the compensation table and the related narrative named executive officer compensation disclosures set forth in The Transactions Interests of Leucadia Directors and Executive Officers in the Transactions (referred to as the change

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of control payments). This vote is commonly referred to as a golden parachute say on pay vote. Accordingly, Leucadia shareholders are being provided with the opportunity to cast an advisory vote on such change of control payments.

As an advisory vote, this proposal is not binding upon Leucadia or the board of directors of Leucadia, and approval of this proposal is not a condition to completion of the proposed transactions. The plans and arrangements pursuant to which the change of control payments are payable generally were previously disclosed to Leucadia shareholders as part of the Compensation Discussion and Analysis and related sections of Leucadia's annual proxy statements.

Accordingly, Leucadia asks you to vote on the following resolution:

RESOLVED, that Leucadia shareholders approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading "The Transactions - Interests of Leucadia Directors and Executive Officers in the Transactions" (which disclosure includes the compensation table and related narrative named executive officer compensation disclosures required pursuant to Item 402(t) of Regulation S-K).

Vote Requirement; Recommendation of the Leucadia Board of Directors

The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise related to the proposed transaction requires the affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast, in person or by proxy, at the special meeting and entitled to vote. The required vote on 3 is based on the number votes cast by holders of shares entitled to vote not the number of outstanding shares. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will not be counted in determining the votes cast in connection with Proposal 3, but do have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 3 and, therefore, will not be able to vote on Proposal 3 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have effect of not be counted in determining the votes cast in connection with Proposal 3, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated.

Leucadia's board of directors recommends a vote FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Leucadia's named executive officers that is based on or otherwise relates to the proposed transactions, as disclosed in this joint proxy statement/prospectus.

Leucadia Proposal 4 Possible Adjournment of the Leucadia Special Meeting

If Leucadia fails to receive a sufficient number of votes to approve Proposal 1 or 2, Leucadia may propose to adjourn the special meeting, if a quorum is present, for the purpose of soliciting additional proxies to approve Proposal 1 or 2. Leucadia currently does not intend to propose adjournment of the Jefferies special meeting if there are sufficient votes to approve each of Proposals 1 or 2.

The affirmative vote, in person or by proxy, of the holders of a majority of the Leucadia common shares cast, in person or by proxy at the special meeting and entitled to vote on Proposal 4 is required to approve any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Leucadia share issuance or the charter amendment. The required vote on Proposal 4 is based on the number votes cast by holders of shares entitled to vote not the number of outstanding shares. The failure of any Leucadia shareholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Leucadia shareholder will not be counted in determining the votes cast in connection with Proposal 4, but do have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal 4 and, therefore, will not be able to vote on Proposal 4 absent instructions from the beneficial owner. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have effect of not be counted in determining the votes cast in connection with Proposal 4, but does have the effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated.

Leucadia's board of directors unanimously recommends that Leucadia shareholders vote FOR Leucadia Proposal 4 to adjourn the Leucadia special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of any of Proposal 1 or 2.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined balance sheet of Leucadia assumes the second merger was completed as of September 30, 2012. The unaudited pro forma condensed combined statement of operations for the nine month period ended September 30, 2012 and for the year ended December 31, 2011 assumes the second merger was completed on January 1, 2011. The acquisition of National Beef described below, which was acquired on December 30, 2011, is also assumed to have been completed on January 1, 2011.

The unaudited pro forma condensed combined financial information reflects the second merger using the acquisition method of accounting. The aggregate purchase price includes the issuance of Leucadia common shares for each outstanding share of Jefferies common stock that Leucadia doesn't own, at an exchange ratio of .81 of a Leucadia common share for each share of Jefferies common stock, and the fair value of the Leucadia owned Jefferies common stock. In addition, the purchase price includes the fair value of Jefferies employee stock awards attributable to the pre-combination services of Jefferies employees, which will be converted into Leucadia share awards at the exchange ratio. The value of the shares to be issued and awards to be converted will be based on the trading price of Leucadia's common shares immediately prior to the completion of the second merger. For purposes of the unaudited pro forma condensed combined financial statements, each common share of Leucadia was assumed to have a fair value of \$21.63 per share. This value was determined by reference to the closing price of a Leucadia common share on December 3, 2012, reduced by the Crimson dividend amount.

The unaudited pro forma condensed combined financial statements have been prepared based upon a preliminary purchase price allocation for Jefferies. The amount recognized for the fair value of Jefferies long-term debt, as well as the fair value of Jefferies financial instruments, trading liabilities, and other amounts accounted for by Jefferies at fair value will be based on actual fair values on the closing date (principally market prices), which could differ materially from the values assumed in the pro forma consolidated financial statements. Differences between the preliminary and final purchase price allocation could result in material adjustments. In addition, the aggregate purchase price will be based on the actual market price per share of Leucadia on the closing date, which could differ materially from the assumed value disclosed in the notes to the unaudited pro forma combined financial statements. If the actual market price per share of Leucadia on the closing date is higher than the assumed amount, it is expected that the actual amount recorded for goodwill will be higher; conversely, if the actual market price is lower, goodwill will be less. For example, each \$1 per share change in the value of Leucadia's common shares could change goodwill by approximately \$180 million.

Jefferies has a fiscal year end of November 30th; accordingly, the pro forma condensed combined balance sheet as of September 30, 2012 includes Jefferies consolidated balance sheet as of August 31, 2012, the interim pro forma condensed combined statements of operations for the nine months ended September 30, 2012 includes Jefferies consolidated statement of earnings for the nine months ended August 31, 2012, and the pro forma condensed combined statements of operations for the year ended December 31, 2011 includes Jefferies consolidated statement of earnings for the year ended November 30, 2011.

On December 30, 2011, Leucadia completed the acquisition of 78.9% of National Beef for aggregate net cash consideration of \$867,869,000, pursuant to a Membership Interest Purchase Agreement among Leucadia, National Beef, U.S. Premium Beef, LLC (referred to as USPB), NBPCo Holdings, LLC (referred to as NBPCo), TKK Investments, LLC (referred to as TKK), TMKCo, LLC (referred to as TMKCo) and TMK Holdings (referred to as TMK). The Membership Interest Purchase Agreement provided that the following transactions occur in the following sequence on the closing date and are reflected in the unaudited pro forma condensed combined financial information:

1. Leucadia purchased 76.1% of National Beef from USPB and NBPCo for aggregate cash consideration of \$875,369,000.
2. TKK and TMKCo exercised their put rights with respect to their aggregate 5.1% interest in National Beef and National Beef redeemed such interest for aggregate cash consideration of \$75,947,000. National Beef borrowed funds under its revolving credit facility to finance this redemption. Upon completion of the redemption, Leucadia's interest in National Beef increased to 79.6%.
3. TMK purchased a 0.7% interest in National Beef from Leucadia for cash consideration of \$7,500,000, reducing Leucadia's interest to 78.9%.

The unaudited pro forma condensed combined financial statements are based upon the final purchase price allocation for National Beef. Historically, National Beef's fiscal year consisted of the 52 or 53 week period ending on the last Saturday in August, while Leucadia's fiscal year is the calendar year. In order to prepare the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2011, National Beef's historical consolidated operating results for the 52 week period ending November 26, 2011 were added to Leucadia's historical consolidated statement of operations for the year ended December 31, 2011.

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The preparation of pro forma financial information is governed by Article 11 of Regulation S-X, which requires a recasting of National Beef's fiscal year end to a date that is within 93 days of Leucadia's year end.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the unaudited interim and audited annual historical consolidated financial statements and notes thereto of Leucadia, Jefferies and National Beef which are incorporated by reference herein. The unaudited pro forma condensed combined financial statements are presented for informational purposes only and are not necessarily indicative of actual results had the foregoing transactions occurred at the times described above, nor does it purport to represent results of future operations.

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LEUCADIA NATIONAL CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
 September 30, 2012

	<u>Leucadia Historical</u>	<u>Jefferies Historical</u>	<u>Jefferies Pro Forma Adjustments(a)</u>	<u>Pro Forma As Adjusted</u>
(In thousands)				
Assets				
Cash and cash equivalents	\$ 772,144	\$ 2,844,513	\$ (30,505) (b)	\$ 3,586,152
Cash and securities segregated and on deposit for regulatory purposes or deposited with clearing and depository organizations	15,859	3,752,782		3,768,641
Financial instruments:				
Trading assets, at fair value		13,917,006		13,917,006
Available for sale securities	1,728,045			1,728,045
Other, at cost	104,350			104,350
	<u>1,832,395</u>	<u>13,917,006</u>		<u>15,749,401</u>
Total financial instruments owned				
Investments in managed funds		60,121		60,121
Loans to and investments in associated companies	1,560,329	703,923	(794,102) (a) (336,462) (c)	1,133,688
Securities borrowed		5,218,205		5,218,205
Securities purchased under agreements to resell		3,942,915		3,942,915
Securities received as collateral		484		484
Receivables from brokers, dealers and clearing organizations	7,217	1,636,335		1,643,552
Customer receivables		892,051		892,051
Trade, fees, interest and other receivables, net	316,786	191,968		508,754
Property, equipment and leasehold improvements, net	856,213	175,880	(16,500) (d)	1,015,593
Intangible assets, net	843,571	15,802	226,405 (d)	1,085,778
Goodwill	18,805	365,456	(365,456) (e) 763,670 (e)	782,475
Deferred tax asset, net	1,570,541	249,420	(7,833) (e) 61,338 (f) 6,750 (b) (66,055) (a)	1,814,161
Inventory	354,487			354,487
Other assets	591,837	440,497	24,388 (g)	1,056,722
	<u>\$ 8,740,184</u>	<u>\$ 34,407,358</u>	<u>\$ (534,362)</u>	<u>\$ 42,613,180</u>
Liabilities				
Short-term borrowing		\$ 250,000		\$ 250,000
Trading liabilities		8,353,969		8,353,969
Securities loaned		2,061,548		2,061,548
Securities sold under agreements to repurchase	\$ 394,289	8,216,852		8,611,141
Obligation to return securities received as collateral		484		484
Payable to brokers, dealers and clearing	43,840	611,155		654,995
Payable to customers		5,004,324		5,004,324
Trade payables, expense accruals and other liabilities	515,569	876,741		1,392,310
Long-term debt	1,357,241	4,860,917	\$ 218,074 (h)	6,436,232
Mandatorily redeemable convertible preferred stock		125,000	(i)	125,000
Mandatorily redeemable preferred interests of consolidated subsidiaries		339,825	(339,825) (c)	
	<u>2,310,939</u>	<u>30,700,815</u>	<u>(121,751)</u>	<u>32,890,003</u>
Total liabilities				

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Redeemable noncontrolling interests in subsidiary	236,137			236,137
Equity				
Common stock	244,583	20	117,533 (a) (20) (j)	362,116
Additional paid-in capital	1,581,646	2,194,142	2,706,479 (a) (2,194,142) (j)	4,288,125
Treasury stock		(1,845)	1,845 (j)	
Accumulated other comprehensive income (loss)	518,705	(50,697)	50,697 (j)	518,705
Retained earnings	3,847,008	1,227,357	156,109 (a) (23,755) (b) (1,227,357) (j)	3,979,362
Total shareholders equity	6,191,942	3,368,977	(412,611)	9,148,308
Noncontrolling interest	1,166	337,566		338,732
Total equity	6,193,108	3,706,543	(412,611)	9,487,040
Total	\$ 8,740,184	\$ 34,407,358	\$ (534,362)	\$ 42,613,180

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LEUCADIA NATIONAL CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
 Nine Months Ended September 30, 2012

	<u>Leucadia Historical</u>	<u>Jefferies Historical</u>	<u>Jefferies Pro Forma Adjustments(a)</u>	<u>Pro Forma As Adjusted</u>
(In thousands, except per share amounts)				
Revenues:				
Beef processing services	\$ 5,613,374			\$ 5,613,374
Commissions		\$ 358,495	\$ (9,800) (k)	348,695
Principal transactions		793,834		793,834
Investment banking		842,921		842,921
Interest income	15,460	788,935		804,395
Manufacturing	191,846			191,846
Gaming entertainment	91,964			91,964
Realized security gains	581,669		9,800 (k)	591,469
Other	188,236	113,750	(53,973) (l) (775) (m)	247,238
Total revenues	<u>6,682,549</u>	<u>2,897,935</u>	<u>(54,748)</u>	<u>9,525,736</u>
Interest expense		668,000	(21,295) (n)	646,705
Net revenues	<u>6,682,549</u>	<u>2,229,935</u>	<u>(33,453)</u>	<u>8,879,031</u>
Interest on mandatorily redeemable preferred interests		34,604	(34,604) (o)	
Net revenues, less mandatorily redeemable preferred interests	<u>6,682,549</u>	<u>2,195,331</u>	<u>1,151</u>	<u>8,879,031</u>
Expenses:				
Cost of sales:				
Beef processing services	5,430,674			5,430,674
Manufacturing	157,903			157,903
Compensation and benefits	110,411	1,310,394		1,420,805
Direct operating expenses:				
Gaming entertainment	67,117			67,117
Floor brokerage and clearing fees		91,039		91,039
Interest	71,294			71,294
Depreciation and amortization	100,582		40,331 (p) 1,819 (d)	142,732
Selling, general and other expenses	169,988	416,078	(40,331) (p) (975) (q)	544,760
	<u>6,107,969</u>	<u>1,817,511</u>	<u>844</u>	<u>7,926,324</u>
Income from continuing operations before income taxes and income related to associated companies	574,580	377,820	307	952,707
Income tax provision	231,021	134,403	123 (r)	365,547
Income from continuing operations before income related to associated companies	<u>343,559</u>	<u>243,417</u>	<u>184</u>	<u>587,160</u>
Income related to associated companies, net of income taxes	72,236		5,879 (s)	78,115
Income from continuing operations	<u>415,795</u>	<u>243,417</u>	<u>6,063</u>	<u>665,275</u>
Net (income) loss from continuing operations attributable to the noncontrolling interest	1,067	(32,612)		(31,545)
Net (income) from continuing operations attributable to the redeemable noncontrolling interest	(14,568)			(14,568)

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Net income from continuing operations attributable to common shareholders	<u>\$ 402,294</u>	<u>\$ 210,805</u>	<u>\$ 6,063</u>	<u>\$ 619,162</u>
Basic earnings per common share attributable to common shareholders:				
Income from continuing operations	\$ 1.64			\$ 1.63
Number of shares used in calculation	244,583	216,509	(88,122) (t)	372,970
Diluted earnings per common share attributable to common shareholders:				
Income from continuing operations	\$ 1.62			\$ 1.60
Number of shares used in calculation	248,910	220,621	(87,609) (t)	381,922
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LEUCADIA NATIONAL CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
Year Ended December 31, 2011

	<u>Leucadia Historical</u>	<u>National Beef Historical</u>	<u>National Beef Pro Forma Adjustments(1)</u>	<u>Jefferies Historical</u>	<u>Jefferies Pro Forma Adjustments(a)</u>	<u>Pro Forma As Adjusted</u>
(In thousands, except per share amounts)						
Revenues:						
Beef processing services		\$ 7,037,862				\$ 7,037,862
Commissions				\$ 534,726	\$ (7,198) (k)	527,528
Principal transactions				428,035		428,035
Investment banking				1,122,528		1,122,528
Interest income	\$ 31,604			1,248,132		1,279,736
Manufacturing	244,918					244,918
Gaming entertainment	117,217					117,217
Realized security gains	641,476				7,198 (k)	648,674
Other	399,407	674		196,217	(53,234) (l)	542,031
					(1,033) (m)	
Total revenues	<u>1,434,622</u>	<u>7,038,536</u>		<u>3,529,638</u>	<u>(54,267)</u>	<u>11,948,529</u>
Interest expense				<u>980,825</u>	<u>(28,393) (n)</u>	<u>952,432</u>
Net revenues	<u>1,434,622</u>	<u>7,038,536</u>		<u>2,548,813</u>	<u>(25,874)</u>	<u>10,996,097</u>
Interest on mandatorily redeemable preferred interests				<u>3,622</u>	<u>(3,622) (o)</u>	
Net revenues, less mandatorily redeemable preferred interests	<u>1,434,622</u>	<u>7,038,536</u>		<u>2,545,191</u>	<u>(22,252)</u>	<u>10,996,097</u>
Expenses:						
Cost of sales:						
Beef processing services		6,701,108				6,701,108
Manufacturing	215,963					215,963
Compensation and benefits	99,081		32,053 (2)	1,482,604		1,613,738
Direct operating expenses:						
Gaming entertainment	84,795					84,795
Floor brokerage and clearing fees				126,313		126,313
Interest	111,740	11,400	1,671 (3)			123,437
			(1,374) (4)			
Depreciation and amortization	54,429	49,272	(49,272) (5)		62,989 (p)	201,132
			77,515 (6)		6,199 (d)	
Selling, general and other expenses	<u>191,159</u>	<u>52,364</u>	<u>(32,053) (2)</u>	<u>516,940</u>	<u>(62,989) (p)</u>	<u>665,421</u>
	<u>757,167</u>	<u>6,814,144</u>	<u>28,540</u>	<u>2,125,857</u>	<u>6,199</u>	<u>9,731,907</u>
Income from continuing operations before income taxes and income related to associated companies	<u>677,455</u>	<u>224,392</u>	<u>(28,540)</u>	<u>419,334</u>	<u>(28,451)</u>	<u>1,264,190</u>
Income tax provision (benefit)	<u>270,316</u>	<u>2,757</u>	<u>61,848 (7)</u>	<u>132,966</u>	<u>(11,381) (r)</u>	<u>456,506</u>
Income from continuing operations before income (losses) related to associated companies	<u>407,139</u>	<u>221,635</u>	<u>(90,388)</u>	<u>286,368</u>	<u>(17,070)</u>	<u>807,684</u>

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Income (losses) related to associated companies, net of income taxes	(394,041)				430,736 (s)	36,695
Income (loss) from continuing operations	13,098	221,635	(90,388)	286,368	413,666	844,379
Net (income) loss from continuing operations attributable to the noncontrolling interest	275	(564)	(40,532) (8)	(1,750)		(42,571)
Net income (loss) from continuing operations attributable to common shareholders	\$ 13,373	\$ 221,071	\$ (130,920)	\$ 284,618	\$ 413,666	\$ 801,808
Basic earnings per common share attributable to common shareholders:						
Income from continuing operations	\$ 0.05					\$ 2.14
Number of shares used in calculation	244,425			211,056	(87,085) (t)	368,396
Diluted earnings per common share attributable to common shareholders:						
Income from continuing operations	\$ 0.05					\$ 2.11
Number of shares used in calculation	244,573			215,171	(82,289) (t)	377,455

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**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS**
(In thousands, except per share amounts)

Basis of Presentation

Jefferies has historically reported its balance sheet on an unclassified basis while Leucadia has historically reported a classified balance sheet, with assets and liabilities separated between current and non-current. However, after giving consideration to the nature of Jefferies business and the impact the inclusion of its balance sheet will have on Leucadia's consolidated balance sheet, upon completion of the merger Leucadia will report its consolidated balance sheet on an unclassified basis, and Leucadia's consolidated balance sheet captions will be generally based on Jefferies captions. Accordingly, the Leucadia Historical amounts reflected in the unaudited combined pro forma balance sheet as of September 30, 2012 have been reclassified to conform to this presentation. A reconciliation of the significant reclassifications made to Leucadia's historical balance sheet is provided below. In addition, Leucadia's historical amounts for the deferred tax asset, net and long-term debt, which were previously reported in separate current and non-current components, have been combined.

Investments, as reported:	
Current investments	\$ 390,378
Non-current investments	1,446,303
	<hr/>
Subtotal, investments, as reported	1,836,681
Less, interest receivables reclassified to receivables	(4,286)
	<hr/>
Total financial instruments, as reclassified	<u>\$ 1,832,395</u>
Trade, fees, interest and other receivables, net, as reported:	
Trade, notes and other receivables, net	\$ 315,030
Receivables from brokers, dealers and clearing organizations	(7,217)
Interest receivables classified as investments	4,286
Long-term receivables classified as other non-current assets	4,687
	<hr/>
Trade, fees, interest and other receivables, net, as reclassified	<u>\$ 316,786</u>
Other assets, as reported:	
Prepays and other current assets	\$ 191,507
Current assets of discontinued operations	38,065
Other assets	248,083
Non-current assets of discontinued operations	134,728
Restricted cash reclassified to cash and securities segregated and on deposit	(15,859)
Reclassified to trade and other receivables, net	(4,687)
	<hr/>
Other assets, as reclassified	<u>\$ 591,837</u>
Trade payables, expense accruals and other liabilities, as reported:	
Trade payables and expense accruals	\$ 412,692
Other current liabilities	36,008
Current liabilities of discontinued operations	14,325
Other non-current liabilities	95,676
Non-current liabilities of discontinued operations	708
Reclassified to payable to brokers, dealers and clearing	(43,840)
	<hr/>
Trade payables, expense accruals and other liabilities, as reclassified	<u>\$ 515,569</u>

In the Jefferies Historical column, amounts for intangible assets, net and deferred tax asset, net, which were previously classified with other assets, have been reclassified to those separate captions.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (CONTINUED)**
(In thousands, except per share amounts)

For the unaudited pro forma combined statements of operations, Leucadia's interest income that was previously reported in the caption Investment and other income has been reclassified to a separate caption Interest income reported as a component of revenues. A reconciliation of reclassifications to Leucadia's historical expense amounts is as follows:

	Nine Months Ended September 30, 2012	Year Ended December 31, 2011
	<u> </u>	<u> </u>
Compensation and benefits, as reported:		
Salaries and incentive compensation	\$ 92,756	\$ 78,337
Add, reclassification of employee benefits	17,655	20,744
	<u> </u>	<u> </u>
Compensation and benefits, as reclassified	\$ 110,411	\$ 99,081
	<u> </u>	<u> </u>
Selling, general and other expenses, as reported:		
Selling, general and other expenses	\$ 187,643	\$ 211,903
Less, reclassification of employee benefits	(17,655)	(20,744)
	<u> </u>	<u> </u>
Selling, general and other expenses, as reclassified	\$ 169,988	\$ 191,159
	<u> </u>	<u> </u>

Jefferies' historical amounts previously reported in the caption Asset management fees and investment income from managed funds were combined with the caption Other income. In addition, certain of Jefferies' expenses reported under Non-compensation expenses were combined with the caption Selling, general and other expenses as follows:

	Nine Months Ended September 30, 2012	Year Ended December 31, 2011
	<u> </u>	<u> </u>
As reported:		
Technology and communications	\$ 180,460	\$ 215,940
Occupancy and equipment rental	71,582	84,951
Business development	72,362	93,645
Professional services	45,656	66,305
Other	46,018	56,099
	<u> </u>	<u> </u>
Selling, general and other expenses, as reclassified	\$ 416,078	\$ 516,940
	<u> </u>	<u> </u>

As described in the merger agreement, prior to consummation of the transactions Leucadia will spin out the Crimson Wine Group to its current shareholders, in an amount that will not reduce Leucadia's book value by more than \$197 million. The unaudited pro forma condensed combined financial statements have not been adjusted to reflect the Leucadia winery business spin out as the impact is not material.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (CONTINUED)**
(In thousands, except per share amounts)

(a) *Jefferies Acquisition*

Purchase Price Calculation		
Market price of Leucadia common shares on December 3, 2012	\$	22.44
Less, estimated fair value of Crimson		(0.81)
		<hr/>
Assumed market price of Leucadia at closing		21.63
Exchange ratio		0.81
		<hr/>
Assumed fair value of Jefferies common stock	\$	17.52
		<hr/>
Stock of Jefferies owned by Leucadia		58,006
Assumed fair value of Jefferies shares	\$	17.52
		<hr/>
Value of Leucadia owned Jefferies stock at closing		1,016,266
Book value of Leucadia owned Jefferies shares		794,102
		<hr/>
Income recognized prior to closing, pre-tax		222,164
Less, write-off of Leucadia's deferred tax asset previously recognized for Jefferies entities		(66,055)
		<hr/>
Net income recognized prior to closing, reflected in pro forma balance sheet	\$	156,109
		<hr/>
Jefferies common stock outstanding		203,109
Less, Jefferies common stock owned by Leucadia		(58,006)
		<hr/>
Jefferies common stock to be acquired by Leucadia		145,103
Exchange ratio		0.81
		<hr/>
Leucadia shares to be issued		117,533
Less, Leucadia restricted shares to be issued with future service requirements		(6,370)
		<hr/>
Leucadia shares to be issued excluding unvested restricted shares		111,163
Assumed market price per share of Leucadia at closing	\$	21.63
		<hr/>
Value of Leucadia common shares issued		2,404,456
Fair value of employee stock-based awards		419,556
		<hr/>
Aggregate purchase price excluding Leucadia owned Jefferies stock		2,824,012
Add, fair value of Leucadia owned Jefferies stock		1,016,266
		<hr/>
Aggregate purchase price	\$	3,840,278
		<hr/>
Par value of Leucadia shares issued, including restricted shares	\$	117,533
Value of Leucadia common shares issued in excess of par value	2,286,923	
Fair value of employee stock based awards	419,556	
		<hr/>
Increase to additional paid-in capital	2,706,479	2,706,479
		<hr/>
Aggregate purchase price excluding Leucadia owned Jefferies stock	\$	2,824,012
		<hr/>

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The fair value of Jefferies employee stock based awards which will be converted into Leucadia stock based awards attributable to pre-combination service is recorded as part of the aggregate purchase price, while the fair value of awards attributable to post-combination service is recorded separately from the business combination and recognized as compensation cost in the post-combination service period. The portion of Jefferies stock based awards attributable to pre-combination and post-combination service is estimated based on the ratio of vested to unvested stock based awards and the average vesting period.

Jefferies accounts for a substantial portion of its assets and liabilities at fair value or at amounts substantially equivalent to fair value; accordingly, fair value adjustments are not necessary for certain assets and liabilities including financial instruments owned, securities borrowed and

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**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (CONTINUED)**
(In thousands, except per share amounts)

loaned, trading liabilities and repurchase agreements. Exclusive of capitalized software costs, the book value of property, equipment and leasehold improvements, net is estimated to be equal to its fair value. A summary of the preliminary purchase price allocation and details of amounts which required pro forma adjustments are provided below.

Cash and cash equivalents	\$ 2,844,513
Cash and securities segregated and on deposit for regulatory purposes or deposited with clearing and depository organizations	3,752,782
Financial instruments	13,917,006
Securities borrowed	5,218,205
Securities purchased under agreements to resell	3,942,915
Receivables	2,720,354
Intangible assets, net	242,207
Goodwill	763,670
Deferred tax asset, net	302,925
All other, net	676,847
Trading liabilities	(8,353,969)
Securities loaned	(2,061,548)
Securities sold under agreements to repurchase	(8,216,852)
Long-term debt	(5,078,991)
Payables	(6,492,220)
	<hr/>
Fair value of net assets acquired	4,177,844
Less, fair value of noncontrolling interest	(337,566)
	<hr/>
Aggregate purchase price	\$ 3,840,278
	<hr/>

- (b) Adjustment to reflect transaction expenses and related tax deduction to the extent deductible.
- (c) Eliminates Leucadia's interest in Jefferies High Yield Holding and recognizes fair value adjustments for certain investments in associated companies held by Jefferies.
- (d) Adjustment to recognize the fair value of intangible assets as follows:

	<u>Amount</u>	<u>Useful Life</u>	<u>September 2012</u>	<u>Annual 2011</u>
Customer relationships	\$ 78,200	10-15 years	\$ 4,513	\$ 6,017
Trade names and related trademarks	109,400	Indefinite		
Internally developed software	32,700	3-5 years	5,285	7,046
Exchange, clearing organizations and other memberships	21,907	Indefinite		
	<hr/>		<hr/>	<hr/>
Total	242,207		9,798	13,063
Less, existing intangible book value and amortization expense	(15,802)		(7,979)	(6,864)
	<hr/>		<hr/>	<hr/>
Pro forma adjustment	\$ 226,405		\$ 1,819	\$ 6,199
	<hr/>		<hr/>	<hr/>

The adjustment to property, equipment and leasehold improvements, net removes Jefferies historical capitalized software costs.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (CONTINUED)**
(In thousands, except per share amounts)

(e) Goodwill:

Aggregate purchase price		\$ 3,840,278
Fair value of noncontrolling interest		337,566
Jefferies historical net assets	3,706,543	
Less, Jefferies historical goodwill	(365,456)	
	<u> </u>	
Net assets excluding historical goodwill	3,341,087	(3,341,087)
Pro forma adjustments		(80,920)
		<u> </u>
Preliminary goodwill balance		755,837
Recognition of deferred tax liabilities for fair value adjustments		7,833
		<u> </u>
Goodwill		<u>\$ 763,670</u>

Historical goodwill balance is eliminated.

(f) Adjustment to Jefferies historical deferred tax asset, net for the following:

Elimination of Jefferies deferred tax liability for excess of book goodwill over tax deductible goodwill	\$ 60,067
Increase to deferred tax asset for share based awards adjusted to reflect Leucadia's share price	1,271
	<u> </u>
Adjustment to historical deferred tax asset, net	<u>\$ 61,338</u>

(g) Adjustment to reflect mortgage servicing rights at fair value.

(h) Adjustment to reflect long term publicly traded bond debt at fair value, based on market quotations.

(i) The holder of Jefferies mandatorily redeemable convertible preferred stock has informed Jefferies that it intends to exchange its interest for a new mandatorily redeemable convertible preferred stock to be issued by Leucadia with terms based on current market conditions for similar instruments. Actual terms are subject to approval by the boards of the holder, Leucadia and Jefferies. For purposes of the pro forma condensed combined financial statements, it has been assumed that the terms of the preferred stock to be issued by Leucadia will reflect market and as such Leucadia will record the preferred stock at redemption value when issued. Since Jefferies preferred stock is recorded at its redemption value, no pro forma adjustment is required.

(j) Eliminate historical equity accounts of Jefferies.

(k) Adjustment to eliminate commissions earned by Jefferies on services provided to Leucadia.

(l) Adjustment to reclassify Jefferies equity in earnings of associated companies to conform to Leucadia's presentation.

(m) Adjustment for amortization of mortgage servicing rights to reflect fair value adjustment.

(n) Adjustment for amortization of premium on long-term debt based on acquisition date fair value.

(o) Eliminate interest on mandatorily redeemable preferred interests held by Leucadia.

(p) Adjustment to reclassify Jefferies depreciation and amortization expenses to conform to Leucadia's presentation.

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- (q) Adjustment to remove actual transaction related costs recorded during 2012.
 - (r) Adjustment to record tax effect of pro forma adjustments at combined statutory income tax rate of 40%.
 - (s) Adjustments to equity in earnings of associated companies for the following:
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**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (CONTINUED)**
(In thousands, except per share amounts)

	September 2012	Annual 2011
	<u> </u>	<u> </u>
Reclassify Jefferies income from associated companies to conform to Leucadia	\$ 53,973	\$ 53,234
Eliminate interest on mandatorily redeemable preferred interests held by Leucadia	(34,604)	(3,622)
Eliminate Leucadia's (income) loss in Jefferies under fair value option	(9,571)	668,282
	<u> </u>	<u> </u>
Pre-tax	9,798	717,894
Income tax provision	(3,919)	(287,158)
	<u> </u>	<u> </u>
Net	\$ 5,879	\$ 430,736
	<u> </u>	<u> </u>

- (t) The unaudited pro forma combined basic and dilutive share calculations are based on the combined basic and diluted shares. The historical basic and diluted shares of Jefferies, excluding Jefferies stock owned by Leucadia, are assumed to be replaced by shares issued by Leucadia at an exchange ratio of .81 Leucadia shares for each Jefferies share. The new mandatorily redeemable preferred stock assumed to be issued in exchange for the Jefferies preferred stock increased diluted shares outstanding by 1,296 shares. Pro forma diluted shares outstanding for the year ended December 31, 2011 also includes Leucadia's existing convertible notes as if converted (4,284 shares) the effect of which was antidilutive on an historical basis.

(1) ***National Beef Acquisition***

Cash paid pursuant to the agreement	\$ 875,369
Less cash received on sale of .7% to TMK	(7,500)
	<u> </u>
Aggregate net cash consideration	\$ 867,869
	<u> </u>

Leucadia used cash and cash equivalents and sold securities from its investment portfolio to fund the purchase price.

The purchase price has been allocated to acquired assets and liabilities as indicated below. If applicable, estimated useful lives and amortization periods are shown next to the amount allocated to the particular asset; all intangible and tangible assets are depreciated on the straight-line method over their respective lives.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (CONTINUED)**
(In thousands, except per share amounts)

	<u>Amount</u>	<u>Useful Life</u>	<u>Amortization Depreciation 2011</u>
Intangible assets, net and goodwill:			
Noncontractual customer relationships	\$ 406,530	18 years	\$ 22,510
Trade name	260,059	20 years	13,003
Cattle supply contracts	143,600	15 years	9,567
Non-compete agreements	830	10 years	83
Goodwill	9,601		
	<u>820,620</u>		<u>45,163</u>
Property, equipment and leasehold improvements, net:			
Buildings and improvements	177,670	15-25 years	7,079
Machinery and equipment	217,197	3-8 years	24,199
Other	49,163	3-5 years	1,074
	<u>444,030</u>		<u>32,352</u>
Working capital accounts and other assets and liabilities, net	243,342		
Long-term debt	(328,267)		
	<u>1,179,725</u>		<u>\$ 77,515</u>
Redeemable noncontrolling interest in subsidiary:			
Fair value of net assets acquired	\$ 1,179,725		
Less, cash paid to Sellers	(875,369)		
	<u>304,356</u>		
Initial redeemable noncontrolling interest	304,356		
Redemption of TKK and TMK interests	(75,947)		
Sale of LUK interest to Tim Klein	7,500		
	<u>235,909</u>		
Pro forma redeemable noncontrolling interest in subsidiary	\$ 235,909		

- (2) Reclassifies National Beef's historical salaries, incentive compensation and employee benefit expenses to conform to Leucadia's classification.
- (3) Adjustment to reflect additional interest expense for the borrowing under National Beef's revolving credit facility to redeem the TKK and TMK interests.
- (4) Adjustment to eliminate amortization expenses related to National Beef's historical deferred debt issuance costs.
- (5) Adjustment to eliminate historical depreciation and amortization expenses of National Beef.
- (6) Adjustment to record depreciation and amortization expenses based on the purchase price allocations and useful lives shown above.
- (7) Adjustment to record a tax provision for the pro forma adjustments and for National Beef's historical pre-tax income using a combined statutory income tax rate of 40%. A tax provision needs to be applied to National Beef's historical results since National Beef did not provide income tax expense on substantially all of its income since it is a pass-thru entity for income tax purposes. Income tax expense has not been provided on income attributable to the noncontrolling interest since National Beef remains a pass-thru entity for income tax purposes.

- (8) Records an adjustment for National Beef's historical income, net of pro forma adjustments, attributable to the noncontrolling interest since Leucadia did not purchase 100% of National Beef.

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COMPARATIVE STOCK PRICE DATA AND DIVIDENDS

Stock Prices

Leucadia common shares are listed on the NYSE under the trading symbol LUK. Jefferies common stock is listed on NYSE under the trading symbol JEF. The following table sets forth the closing sales prices per Leucadia common share and Jefferies common stock, on an actual and equivalent per share basis, on the NYSE on the following dates:

November 9, 2012, the last full trading day prior to the public announcement of the merger, and

[], the last trading day for which this information could be calculated prior to the filing of this joint proxy statement/prospectus.

	Leucadia Common Shares	Jefferies Common Stock	Jefferies Equivalent Per Share (1)
November 9, 2012	\$ 21.80	\$ 14.27	\$ 17.66
[], 2013	\$ []	\$ []	\$ []

(1) The equivalent per share data for Jefferies common stock has been determined by multiplying the market price of a Leucadia common share times the exchange ratio of \$0.81 implied per share value of the merger consideration based on the exchange ratio. Does not reflect the implied per share value of the merger consideration determined by multiplying the relevant per share market price, reduced by the Crimson dividend amount of \$0.81 per Leucadia common share, by the exchange ratio of 0.81.

The following table sets forth, for the periods indicated, the high and low sales prices of per Leucadia common share and Jefferies common stock as reported on the NYSE.

Leucadia Common Shares

	Leucadia Price Range		Cash Dividends
	High	Low	
Fiscal Year ended December 31, 2012			
Fourth Quarter (through November 30, 2012)	\$ 23.18	\$ 20.48	
Third Quarter	23.91	20.56	
Second Quarter	25.99	19.84	
First Quarter	29.72	23.89	
Fiscal Year ended December 31, 2011			
Fourth Quarter	\$ 28.61	\$ 20.42	\$ 0.25
Third Quarter	35.85	22.68	
Second Quarter	39.02	32.11	
First Quarter	37.61	29.77	
Fiscal Year ended December 31, 2010			
Fourth Quarter	\$ 29.64	\$ 23.26	\$ 0.25
Third Quarter	24.21	18.80	
Second Quarter	28.37	19.43	
First Quarter	26.06	21.30	

Jefferies Common Stock

	Jefferies Price Range		Cash Dividends
	High	Low	
Fiscal Year ended November 30, 2013			
First Quarter (through December 5, 2012)	\$ 17.87	\$ 17.39	\$
Fiscal Year ended November 30, 2012			
Fourth Quarter	\$ 17.32	\$ 13.50	\$ 0.075
Third Quarter	14.63	11.77	0.075
Second Quarter	19.49	12.80	0.075
First Quarter	16.63	11.30	0.075
Fiscal Year ended November 30, 2011			
Fourth Quarter	\$ 16.40	\$ 9.50	\$ 0.075
Third Quarter	22.11	14.33	0.075
Second Quarter	25.81	21.42	0.075
First Quarter	27.12	23.43	0.075

As of December [], 2012, the latest practicable date prior to the filing of this joint proxy statement/prospectus, there were [] shares of Jefferies common stock outstanding and approximately [] holders of record of Jefferies common stock, and [] Leucadia common shares outstanding and approximately [] holders of record of Leucadia common shares.

Because the merger consideration will not be adjusted for changes in the market price of either Jefferies common stock or Leucadia common shares, the market value of the Leucadia common shares that holders of New Jefferies common stock will have the right to receive on the date the second merger becomes effective may vary significantly from the market value of the Leucadia common shares that holders of New Jefferies common stock would receive if the second merger were completed on the date of this joint proxy statement/prospectus. Therefore, you should obtain recent market prices of the Jefferies common stock and Leucadia common shares prior to voting. See Risk Factors Risk Factors Relating to the Transactions .

Dividends

Jefferies paid quarterly dividends of \$0.075 per share in 2010, 2011 and 2012. Leucadia paid an annual dividend of \$0.25 per share in 2010 and 2011 and has declared a \$0.25 per share dividend payable on December 28, 2012 to shareholders of record on December 17, 2012.

**DIRECTORS AND OFFICERS AND THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF LEUCADIA
FOLLOWING THE TRANSACTIONS**

Directors and Officers of Leucadia following the Transactions

The following persons will serve as directors and executive officers of Leucadia at the effective time of the second merger, all of whom are current executive officers and/or directors of Leucadia, with the exception of (i) Richard B. Handler, Brian P. Friedman, W. Patrick Campbell, Richard G. Dooley, Robert E. Joyal and Michael T. O Kane, each of whom currently is a director of Jefferies, who will join the Leucadia board of directors as of the effective time of the second merger and (ii) Michael J. Sharp. Effective as of, and subject to the occurrence of, the effective time of the second merger, Mr. Handler will become the Chief Executive Officer of Leucadia, as well as one of its directors; Mr. Friedman will become Leucadia's President and one of its directors; Mr. Sharp will become an executive Vice President of Leucadia and its General Counsel; Mr. Steinberg will become Chairman of the Board of Leucadia and will continue to work full time as an executive of Leucadia; and Mr. Cumming will retire as Chairman of the Board and Chief Executive Officer of Leucadia and remain a Leucadia director. The other Leucadia officers will continue in their present positions.

Name	Age	Position with Leucadia
W. Patrick Campbell	65	Director
Ian M. Cumming	72	Director
Richard G. Dooley	82	Director
Paul M. Dougan	74	Director
Brian P. Friedman	57	President and Director
Richard B. Handler	52	Chief Executive Officer and Director
Alan J. Hirschfield	76	Director
James E. Jordan	67	Director
Robert E. Joyal	66	Director
Jeffrey C. Keil	68	Director
Jesse Clyde Nichols, III	72	Director
Michael T. O Kane	66	Director
Michael Sorkin	69	Director
Joseph S. Steinberg	68	Chairman of the Board
Thomas E. Mara	66	Executive Vice President
Michael J. Sharp	57	Executive Vice President and General Counsel
Joseph A. Orlando	56	Vice President and Chief Financial Officer
Justin R. Wheeler	40	Vice President and Chief Operating Officer
Barbara L. Lowenthal	58	Vice President and Comptroller
Rocco J. Nittoli	53	Vice President and Treasurer
Joseph M. O Connor	36	Vice President

W. PATRICK CAMPBELL. Mr. Campbell has been a director of Jefferies since January 2000. Mr. Campbell was Chairman and Chief Executive Officer of Magex Limited from August 2000 to April 2002 and is currently an independent consultant in the media and telecom field. From 1994 until October 1999, Mr. Campbell was Executive Vice President of Corporate Strategy and Business Development at Ameritech Corp. where he was a member of the Management Committee and directed all corporate strategy and merger and acquisition activity. From 1989 to 1994, Mr. Campbell served as President and Chief Executive Officer of Columbia TriStar Home Video, a Sony Pictures Entertainment Company, and has previously been President of RCA/Columbia Pictures International Video. Mr. Campbell has also been a director of Black & Veatch since November 1999. Mr. Campbell is Chairman of Jefferies Audit Committee, and a member of Jefferies Compensation Committee and Corporate Governance and Nominating Committee.

IAN M. CUMMING. Mr. Cumming has served as a director since June 1978 and served as Leucadia's Chairman of the Board since June 1978. Mr. Cumming is also a director of Skywest, Inc., a Utah-based regional air carrier and HomeFed Corporation (referred to as HomeFed), a publicly held real estate development company, in which Leucadia has an approximate 31.4% equity interest; Mr. Cumming has an approximate 7.7% equity interest in HomeFed and a private charitable foundation, as to which Mr. Cumming disclaims beneficial ownership, has an approximate 2.2% equity interest in HomeFed. Mr. Cumming also serves as a director of Jefferies. Mr. Cumming serves on the boards of HomeFed and Jefferies at the request of Leucadia to oversee Leucadia's significant investment in each company. Mr. Cumming previously served as a director and was Chairman of the Board of FINOVA Group Inc. (referred to as FINOVA) and was a director of AmeriCredit Corp. (referred to as ACF), Fortescue Metals Group Ltd (referred to as Fortescue) and Mueller Industries Inc. (referred to as Mueller). Mr. Cumming serves on the Boards of HomeFed and Jefferies at the request of the Leucadia, to oversee its significant investment in each such company. Mr. Cumming has managerial and investing experience in a broad range of businesses through his more than 30 years as Chairman and Chief Executive Officer of the Leucadia. He also has experience serving on the boards of directors and committees of both public and private companies.

RICHARD G. DOOLEY. Mr. Dooley has been a director of Jefferies since November 1993. From 1978 until his retirement in June 1993, Mr. Dooley was Executive Vice President and Chief Investment Officer of Massachusetts Mutual Life Insurance Company. Mr. Dooley was a consultant to MassMutual from 1993 to 2003. Mr. Dooley has been a director of Kimco Realty Corporation since 1990 and is a member of its Compensation Committee. Mr. Dooley is Chairman of Jefferies Compensation Committee and a member of Jefferies Audit Committee and Corporate Governance and Nominating Committee. Mr. Dooley is also a Chartered Financial Analyst.

PAUL M. DOUGAN. Mr. Dougan has served as a director since May 1985. Mr. Dougan is a private investor. Until July 2004, he was a director and President and Chief Executive Officer of Equity Oil Company, a company engaged in oil and gas exploration and production. Mr. Dougan has managerial experience in the independent energy sector, particularly in connection with exploration of natural resources and development of energy related businesses and in real estate development. He also has experience serving on the boards of directors of both public and private companies. He has served on committees of Leucadia's board of directors.

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BRIAN P. FRIEDMAN. Mr. Friedman has been a director of Jefferies and an executive officer of Jefferies since July 2005, and has been Chairman of the Executive Committee of Jefferies since 2002. Since 1997, Mr. Friedman has also been President of Jefferies Capital Partners (formerly known as FS Private Investments), a private equity fund management company now owned by Mr. Friedman and Jefferies. Mr. Friedman splits his time between his role with Jefferies and his position with Jefferies Capital Partners. Mr. Friedman was previously employed by Furman Selz LLC and its successors, including serving as Head of Investment Banking and a member of its Management and Operating Committees. Prior to his 17 years with Furman Selz and its successors, Mr. Friedman

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was an attorney with the New York City law firm of Wachtell, Lipton, Rosen & Katz. As a result of his management of various private equity funds and the significant equity positions those funds hold in their portfolio companies and Mr. Friedman serves on several boards of directors of private portfolio companies, currently serves on the Board of Fiesta Restaurant Group, Inc., a public company that owns and operates two restaurant chains.

RICHARD B. HANDLER. Mr. Handler has been Chairman of Jefferies since February 2002, and Chief Executive Officer of Jefferies since January 2001. Mr. Handler has also served as Chief Executive Officer of Jefferies & Company, Inc., Jefferies' principal operating subsidiary, since January 2001 and as President of Jefferies since May 2006. Mr. Handler was first elected to the Board of Jefferies in May 1998. He was Managing Director of High Yield Capital Markets at Jefferies from May 1993 until February 2000, after co-founding that group as an Executive Vice President in April 1990. Mr. Handler has also been the President and Chief Executive Officer of the Jefferies Partners Opportunity family of funds and is Chief Executive Officer of their successor entities, Jefferies High Yield Trading, LLC and Jefferies High Yield Holdings, LLC. He is also Chairman and Chief E