

SUPPLEMENT

Jefferies

Jefferies Group LLC

U.S.\$2,000,000,000 Euro Medium Term Note Programme

This Fifth Supplement dated 17 December 2014 (this “**Supplement**”) to the Base Prospectus dated 9 May 2014 (as supplemented by the First Supplement dated 20 June 2014, the Second Supplement dated 11 July 2014, the Third Supplement dated 17 September 2014 and the Fourth Supplement dated 10 October 2014, the “**Base Prospectus**”) is prepared in connection with the U.S.\$2,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by Jefferies Group LLC (the “**Issuer**”).

This Supplement has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This document constitutes a Supplement for the purposes of the Prospectus Directive. References herein to this document are to this Supplement including the document annexed thereto. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement, is in accordance with the facts and does not omit anything likely to affect the import of such information.

A copy of the Issuer’s current report on Form 8-K as filed with the United States Securities and Exchange Commission (the “**SEC**”) on 16 December 2014 has been filed with the Central Bank and is annexed hereto.

Any statement contained in a document incorporated by reference in the Base Prospectus shall be considered to be modified or superseded to the extent that a statement contained or incorporated by reference in this Supplement or in any other subsequently filed document that is incorporated by reference in the Base Prospectus modifies or supersedes such statement.

Certain statements included or incorporated by reference herein may constitute “forward looking statements”. Forward looking statements include statements about the Issuer’s future and statements that are not historical facts. These forward looking statements are usually preceded by the words “believe,” “intend,” “may,” “will,” or similar expressions. Forward looking statements may contain expectations regarding revenues, earnings, operations and other financial projections, and may include statements of future performance, plans and objectives. Forward looking statements also include statements pertaining to the Issuer’s strategies for future development of its business and products. Forward looking statements represent only the Issuer’s belief regarding future events, many of which by their nature are inherently uncertain. It is possible that the actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Information regarding important factors that could cause actual results to differ, perhaps materially, from those in the Issuer’s forward looking statements is contained in the Base Prospectus and other documents the Issuer files. Any forward looking statement

speaks only as of the date on which that statement is made. The Issuer will not update any forward looking statement to reflect events or circumstances that occur after the date on which the statement is made, except as required by applicable law.

Where there is any inconsistency among the Base Prospectus and this Supplement, the language used in this Supplement shall prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of this Supplement.

Save as disclosed in this Supplement, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries, taken as a whole, since 30 November 2014. Save as disclosed in the Base Prospectus and this Supplement, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole since 30 November 2013.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 16, 2014

Jefferies Group LLC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

1-14947

(Commission File Number)

95-4719745

(IRS Employer Identification
No.)

520 Madison Ave., New York, New York

(Address of principal executive offices)

10022

(Zip Code)

Registrant's telephone number, including area code: 212-284-2550

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On December 16, 2014, we issued a press release announcing financial results for the quarter ended November 30, 2014. A copy of the press release is attached hereto as Exhibit 99 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

The following exhibit is furnished with this report:

<u>Number</u>	<u>Exhibit</u>
99	December 16, 2014 press release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Jefferies Group LLC

Date: December 16, 2014

/s/ Roland T. Kelly

Roland T. Kelly
Assistant Secretary

EXHIBIT INDEX

Exhibit No.	Description
99	December 16, 2014 press release.

Jefferies Reports Fiscal Fourth-Quarter 2014 Financial Results; Pursuing Strategic Alternatives for Bache Business

NEW YORK--(BUSINESS WIRE)--December 16, 2014--Jefferies Group LLC today announced financial results for its fiscal fourth quarter 2014.

Highlights for the three months ended November 30, 2014, with adjusted amounts excluding the operating results and goodwill and intangible asset impairments attributable to our Bache business:

- Total Net revenues of \$538 million
- Total Adjusted Net Revenues (excluding Bache) of \$494 million¹
- Pre-tax earnings of negative \$101 million, which includes both a goodwill impairment of \$52 million and a write off of \$8 million of intangible assets related to our Bache business, and a \$52 million bad debt provision in respect of a receivable from OW Bunker
- Adjusted Operating income (excluding Bache) of positive \$30 million¹
- Net earnings of negative \$93 million, reflecting the same items as noted in pre-tax earnings; the charge due to the impairment of Bache goodwill is not tax-deductible and the full-year tax rate has been trued up for the final regional mix of pre-tax earnings, which was significantly impacted by the OW Bunker bad debt provision
- Adjusted Net earnings (excluding Bache) of \$19 million¹

Highlights for the twelve months ended November 30, 2014:

- Total Net revenues of \$3,003 million
- Investment Banking Net revenues of \$1,529 million
- Equities and Fixed Income Net revenues of \$1,457 million
- Total Adjusted Net revenues (excluding Bache) of \$2,828 billion¹
- Pre-tax earnings of \$316 million
- Adjusted Operating income (excluding Bache) of \$517 million¹
- Net earnings of \$168 million
- Adjusted Net earnings of \$325 million¹

Richard B. Handler, Chairman and Chief Executive Officer, and Brian P. Friedman, Chairman of the Executive Committee, commented: “After four consecutive strong quarters, we experienced a very challenging fourth quarter. Our Net revenues for the quarter were \$538 million and our pre-tax earnings were negative \$101 million. Excluding Bache, our adjusted Net revenues for the quarter were \$494 million and our adjusted pre-tax profits were \$30 million. Despite these results and our decision in respect of pursuing strategic alternatives for our Bache business, we believe Jefferies’ prospects for 2015 are solid, with our Investment Banking backlog currently robust, and an expectation of more normal trading markets.”

¹ Adjusted financial measures are non-GAAP financial measures. Management believes such measures provide meaningful information to investors as they enable investors to evaluate the Company's results in the context of our pursuing various strategic alternatives for the Bache business. Refer to the Supplemental Schedules on pages 6-7 for a reconciliation of Adjusted measures to the respective direct U.S. GAAP financial measures.

“Heightened volatility from mid-September through mid-November and a tepid trading environment throughout the quarter led to poor Fixed Income results, including mark-to-market write-downs in our inventory. Fixed Income revenues were \$61 million for

the quarter, compared to \$227 million for the fourth quarter of last year, a decline of 73%, or \$166 million. In particular, our distressed trading revenues for the quarter were negative \$55 million versus positive \$29 million for the comparable quarter last year, a decline of \$84 million, much of which is unrealized. This decline was primarily due to mark to market inventory losses as a result of the broad sell-off in distressed and post-reorganization securities that followed the September 30 court decision regarding Fannie Mae and Freddie Mac. Mark downs between about \$1 million and \$5 million per name were recorded in securities of over twenty distressed and post re-organization issuers held by our core trading desks, including Freddie Mac and Fannie Mae, various issues in the energy and transport sectors, as well as several high yield municipal issuers, with most of the mark downs below \$2 million per issuer. As is the nature of the distressed market making business, Jefferies holds positions of varying sizes across sectors where the firm is most active, with mark to market gains and losses recognized on a daily basis. The balance of our Fixed Income year-over-year quarterly revenue decline of about \$82 million is primarily attributable to slower activity, heightened volatility and more modest inventory write downs in our other U.S. and international credit businesses, where no write downs exceeded \$3 million for any individual security position.”

“While adversely impacted by events in October, our core Equities business otherwise performed well. Equities Net revenues for the period were \$158 million compared to \$290 million in the same quarter last year, a decrease of \$132 million. \$126 million of this decrease may be attributed to the mark to market gains of \$110 million recorded in last year’s fourth quarter in respect of KCG and Harbinger, and the \$16 million mark to market loss we recorded this quarter with respect to our investment in KCG. The Harbinger position was sold to Leucadia, at the then market price, during the second quarter of fiscal 2014.”

“Jefferies Investment Banking Net revenues of \$316 million are below last year’s \$417 million fourth quarter, primarily as a result of dampened capital markets activity due to the unsettled markets, which in turn led to the postponement of deals into future periods. The impact from the unusual publicity in late October and November was immaterial.”

“As a result of the growth and margin challenges we have recently faced in the Bache business we acquired in mid-2011, we are pursuing strategic alternatives for this business, and discussions with third parties in this regard are already underway. We are focused on the potential combination of Bache with another similar business that improves the combined businesses’ competitive standing and margin. In connection with this, we have reversed the entire \$52 million in goodwill and \$8 million of the intangible assets that were both allocated to the Bache business as a function of the purchase accounting that arose upon our 2013 transaction with Leucadia. This goodwill was not initially recorded as a result of our acquisition of Bache, which we acquired below tangible book value. This amount is included in our non-compensation expenses, as is a 100% bad debt provision in respect of a \$52 million receivable we hold from OW Bunker, which abruptly declared bankruptcy in early November after saying it uncovered risk-management issues that would result in \$150 million in losses and a separate fraud that would result in a further \$125 million in losses, the combined effect of which would wipe out its equity. We provided futures clearing and execution services to OW Bunker, which was a public company in Denmark, the stock market capitalization of which was over \$1 billion only six weeks before its bankruptcy filing. The amount of our receivable was increased considerably by the relatively high volatility in energy prices at the time of OW Bunker’s failure to meet margin calls and during our realization process. We are pursuing a recovery of the amounts owed to us by OW Bunker. Since the bankruptcy process is in its early stages and we cannot currently estimate what portion of the receivable is likely to be recovered, we have written off the entire amount and value our unsecured creditor position at zero.”

This release contains “forward looking statements” within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward looking statements include statements about our future. These forward looking statements are usually preceded by the words “believe,” “intend,” “expect” or similar expressions. Forward looking statements include our belief as to our future prospects, including our strategy for our Bache business. Forward looking statements represent only our belief regarding future events, many of which by their nature are inherently uncertain. We will not update any forward looking statement to reflect future events or circumstances, except as required by applicable law.

The attached financial tables should be read in connection with our Quarterly Report on Form 10-Q for the quarter ended August 31, 2014 and our Annual Report on Form 10-K for the year ended November 30, 2013.

Jefferies, the global investment banking firm focused on serving clients for over 50 years, is a leader in providing insight, expertise and execution to investors, companies and governments. The firm provides a full range of investment banking, sales, trading, research and strategy across the spectrum of equities, fixed income, foreign exchange, futures and commodities, as well as wealth management, in the Americas, Europe and Asia. Jefferies Group LLC is a wholly-owned subsidiary of Leucadia National Corporation (NYSE:LUK), a diversified holding company.

JEFFERIES GROUP LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Amounts in Thousands)
(Unaudited)

	Successor		
	Quarter Ended November 30, 2014	Quarter Ended August 31, 2014	Quarter Ended November 30, 2013
Revenues:			
Commissions	\$ 180,275	\$ 159,085	\$ 156,435
Principal transactions	(21,071)	144,354	289,430
Investment banking	316,012	467,793	417,044
Asset management fees and investment income from managed funds	1,728	8,463	12,017
Interest income	237,911	249,251	224,911
Other revenues	20,919	26,489	39,320
Total revenues	<u>735,774</u>	<u>1,055,435</u>	<u>1,139,157</u>
Interest expense	198,195	212,126	188,609
Net revenues	<u>537,579</u>	<u>843,309</u>	<u>950,548</u>
Non-interest expenses:			
Compensation and benefits	308,187	477,268	546,257
Non-compensation expenses:			
Floor brokerage and clearing fees	55,829	55,967	52,706
Technology and communications	66,363	67,286	67,578
Occupancy and equipment rental	26,115	28,477	28,271
Business development	27,791	27,800	22,759
Professional services	28,206	31,231	18,014
Bad debt provision	48,989	927	(2,639)
Goodwill impairment	54,000	-	-
Other	23,580	18,718	41,942
Total non-compensation expenses	<u>330,873</u>	<u>230,406</u>	<u>228,631</u>
Total non-interest expenses	<u>639,060</u>	<u>707,674</u>	<u>774,888</u>
Earnings (loss) before income taxes	(101,481)	135,635	175,660
Income tax expense (benefit)	(8,763)	51,762	61,186
Net earnings (loss)	(92,718)	83,873	114,474
Net earnings attributable to noncontrolling interests	(360)	312	4,531
Net earnings (loss) attributable to Jefferies Group LLC	<u>\$ (92,358)</u>	<u>\$ 83,561</u>	<u>\$ 109,943</u>
Pretax operating margin	-18.9%	16.1%	18.5%
Effective tax rate	8.6%	38.2%	34.8%

JEFFERIES GROUP LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Amounts in Thousands)
(Unaudited)

	Successor		Predecessor
	Year Ended November 30, 2014	Nine Months Ended November 30, 2013	Quarter Ended February 28, 2013
Revenues:			
Commissions	\$ 668,801	\$ 472,596	\$ 146,240
Principal transactions	545,062	399,091	300,278
Investment banking	1,529,274	1,003,517	288,278
Asset management fees and investment income from managed funds	17,047	36,093	10,883
Interest income	1,019,970	714,248	249,277
Other revenues	78,881	94,195	27,004
Total revenues	<u>3,859,035</u>	<u>2,719,740</u>	<u>1,021,960</u>
Interest expense	856,127	579,059	203,416
Net revenues	<u>3,002,908</u>	<u>2,140,681</u>	<u>818,544</u>
Interest on mandatorily redeemable preferred interests of consolidated subsidiaries	-	3,368	10,961
Net revenues, less interest on mandatorily redeemable preferred interests of consolidated subsidiaries	<u>3,002,908</u>	<u>2,137,313</u>	<u>807,583</u>
Non-interest expenses:			
Compensation and benefits	1,698,230	1,213,908	474,217
Non-compensation expenses:			
Floor brokerage and clearing fees	215,329	150,774	46,155
Technology and communications	268,212	193,683	59,878
Occupancy and equipment rental	107,767	86,701	24,309
Business development	106,984	63,115	24,927
Professional services	109,601	72,802	24,135
Bad debt provision	53,572	179	1,945
Goodwill impairment	54,000	-	-
Other	73,653	91,856	12,530
Total non-compensation expenses	<u>989,118</u>	<u>659,110</u>	<u>193,879</u>
Total non-interest expenses	<u>2,687,348</u>	<u>1,873,018</u>	<u>668,096</u>
Earnings before income taxes	315,560	264,295	139,487
Income tax expense	147,199	94,686	48,645
Net earnings	<u>168,361</u>	<u>169,609</u>	<u>90,842</u>
Net earnings attributable to noncontrolling interests	3,400	8,418	10,704
Net earnings attributable to Jefferies Group LLC/common stockholders	<u>\$ 164,961</u>	<u>\$ 161,191</u>	<u>\$ 80,138</u>
Pretax operating margin	10.5%	12.4%	17.3%
Effective tax rate	46.6%	35.8%	34.9%

JEFFERIES GROUP LLC AND SUBSIDIARIES
CONSOLIDATED ADJUSTED SELECTED FINANCIAL DATA
(Amounts in Thousands)
(Unaudited)

	Successor				
	Quarter Ended November 30, 2014				
	<u>GAAP</u>	<u>Adjustments</u>			<u>Adjusted</u>
Net revenues	\$ 537,579	\$ 43,627	(1)		\$ 493,952
Non-interest expenses:					
Compensation and benefits	308,187	27,163	(2)		281,024
Non-compensation expenses	330,873	148,287	(3)		182,586
Total non-interest expenses	<u>639,060</u>	<u>175,450</u>			<u>463,610</u>
Operating income (loss)	<u>\$ (101,481)</u>	<u>\$ (131,823)</u>			<u>\$ 30,342</u>
Net earnings (loss)	<u>\$ (92,718)</u>	<u>\$ (111,899)</u>			<u>\$ 19,181</u>
Compensation ratio (a)	57.3%				56.9%

	Successor				
	Quarter Ended August 31, 2014				
	<u>GAAP</u>	<u>Adjustments</u>			<u>Adjusted</u>
Net revenues	\$ 843,309	\$ 43,350	(1)		\$ 799,959
Non-interest expenses:					
Compensation and benefits	477,268	26,416	(2)		450,852
Non-compensation expenses	230,406	38,944	(4)		191,462
Total non-interest expenses	<u>707,674</u>	<u>65,360</u>			<u>642,314</u>
Operating income (loss)	<u>\$ 135,635</u>	<u>\$ (22,010)</u>			<u>\$ 157,645</u>
Net earnings (loss)	<u>\$ 83,873</u>	<u>\$ (13,591)</u>			<u>\$ 97,464</u>
Compensation ratio (a)	56.6%				56.4%

	Successor				
	Quarter Ended November 30, 2013				
	<u>GAAP</u>	<u>Adjustments</u>			<u>Adjusted</u>
Net revenues	\$ 950,548	\$ 45,760	(1)		\$ 904,788
Non-interest expenses:					
Compensation and benefits	546,257	42,816	(2)		503,441
Non-compensation expenses	228,631	35,037	(4)		193,594
Total non-interest expenses	<u>774,888</u>	<u>77,853</u>			<u>697,035</u>
Operating income	<u>\$ 175,660</u>	<u>\$ (32,093)</u>			<u>\$ 207,753</u>
Net earnings (loss)	<u>\$ 114,474</u>	<u>\$ (22,311)</u>			<u>\$ 136,785</u>
Compensation ratio (a)	57.5%				55.6%

(a) Reconciliation of the compensation ratio for U.S. GAAP to Adjusted is a derivation of the reconciliation of the components above.

This presentation of Adjusted financial information is an unaudited non-GAAP financial measure. Adjusted financial information begins with information prepared in accordance with U.S. GAAP and then those results are adjusted to exclude the operations of the Company's Bache business. The Company believes that the disclosed Adjusted measures and any adjustments thereto, when presented in conjunction with comparable U.S. GAAP measures are useful to investors as they enable investors to evaluate the Company's results in the context of pursuing various strategic alternatives for the Bache business. These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP.

JEFFERIES GROUP LLC AND SUBSIDIARIES
CONSOLIDATED ADJUSTED SELECTED FINANCIAL DATA
(Amounts in Thousands)
(Unaudited)

	Successor		
	Year Ended November 30, 2014		
	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Net revenues, less interest on mandatorily redeemable preferred interests of consolidated subsidiaries	\$ 3,002,908	\$ 175,283 (1)	\$ 2,827,625
Non-interest expenses:			
Compensation and benefits	1,698,230	118,412 (2)	1,579,818
Non-compensation expenses	989,118	258,760 (3)	730,358
Total non-interest expenses	<u>2,687,348</u>	<u>377,172</u>	<u>2,310,176</u>
Operating income (loss)	<u>\$ 315,560</u>	<u>\$ (201,889)</u>	<u>\$ 517,449</u>
Net earnings (loss)	<u>\$ 168,361</u>	<u>\$ (156,442)</u>	<u>\$ 324,803</u>
Compensation ratio (a)	56.6%		55.9%

	Successor		
	Nine Months Ended November 30, 2013		
	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Net revenues, less interest on mandatorily redeemable preferred interests of consolidated subsidiaries	\$ 2,137,313	\$ 140,701 (1)	\$ 1,996,612
Non-interest expenses:			
Compensation and benefits	1,213,908	101,414 (2)	1,112,494
Non-compensation expenses	659,110	106,129 (4)	552,981
Total non-interest expenses	<u>1,873,018</u>	<u>207,543</u>	<u>1,665,475</u>
Operating income (loss)	<u>\$ 264,295</u>	<u>\$ (66,842)</u>	<u>\$ 331,137</u>
Net earnings (loss)	<u>\$ 169,609</u>	<u>\$ (44,925)</u>	<u>\$ 214,534</u>
Compensation ratio (a)	56.8%		55.7%

	Predecessor		
	Quarter Ended February 28, 2013		
	<u>GAAP</u>	<u>Adjustments</u>	<u>Adjusted</u>
Net revenues, less interest on mandatorily redeemable preferred interests of consolidated subsidiaries	\$ 807,583	\$ 59,532 (1)	\$ 748,051
Non-interest expenses:			
Compensation and benefits	474,217	35,981 (2)	438,236
Non-compensation expenses	193,879	36,441 (4)	157,438
Total non-interest expenses	<u>668,096</u>	<u>72,422</u>	<u>595,674</u>
Operating income (loss)	<u>\$ 139,487</u>	<u>\$ (12,890)</u>	<u>\$ 152,377</u>
Net earnings (loss)	<u>\$ 90,842</u>	<u>\$ (7,249)</u>	<u>\$ 98,091</u>
Compensation ratio (a)	58.7%		58.6%

(a) Reconciliation of the compensation ratio for U.S. GAAP to Adjusted is a derivation of the reconciliation of the components above.

This presentation of Adjusted financial information is an unaudited non-GAAP financial measure. Adjusted financial information begins with information prepared in accordance with U.S. GAAP and then those results are adjusted to exclude the operations of the Company's Bache business. The Company believes that the disclosed Adjusted measures and any adjustments thereto, when presented in conjunction with comparable U.S. GAAP measures are useful to investors as they enable investors to evaluate the Company's results in the context of pursuing various strategic alternatives for the Bache business. These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP.

JEFFERIES GROUP LLC AND SUBSIDIARIES
CONSOLIDATED ADJUSTED SELECTED FINANCIAL DATA
FOOTNOTES

- (1) Revenues generated by the Bache business, including commissions, principal transaction revenues and net interest revenue, for the presented period have been classified as a reduction of revenue in the presentation of Adjusted financial measures.
- (2) Compensation expense and benefits recognized during the presented period for employees whose sole responsibilities pertain to the activities of the Bache business, including front office personnel and dedicated support personnel, have been classified as a reduction of Compensation and benefits expense in the presentation of Adjusted financial measures.
- (3) The following expenses incurred as part of the Bache business during the period presented are excluded from Adjusted non-compensation expenses:

\$ thousands	Quarter Ended November 30, 2014	Year Ended November 30, 2014
Floor brokerage, technology and communications, business development, professional services and other estimated expenses directly incurred by the Bache business in conducting operations	\$ 36,553	\$ 147,026
Bad debt expense incurred on customer default and close-out	52,300	52,300
Impairment of goodwill attributed to the Bache reporting unit	51,900	51,900
Impairment of certain intangible assets attributed to the Bache reporting unit	7,534	7,534
	<u>\$ 148,287</u>	<u>\$ 258,760</u>

- (4) Expenses directly related to the operations of the Bache business for the presented periods have been excluded from Adjusted non-compensation expenses. These expenses include Floor brokerage and clearing fees, amortization of capitalized software used directly by the Bache business in conducting its business activities, technology expenses directly related to conducting Bache business operations and business development and professional services expenses incurred by the Bache business as part of its client sales and trading activities, including estimates of certain support costs dedicated to the Bache business.
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JEFFERIES GROUP LLC AND SUBSIDIARIES
SELECTED STATISTICAL INFORMATION
(Amounts in Thousands, Except Other Data)
(Unaudited)

	Successor		
	Quarter Ended November 30, 2014	Quarter Ended August 31, 2014	Quarter Ended November 30, 2013
Revenues by Source			
Equities	\$ 158,452	\$ 171,708	\$ 289,727
Fixed income	61,387	195,345	227,136
Total	219,839	367,053	516,863
Other	-	-	4,624
Equity	67,910	93,309	118,348
Debt	131,901	175,597	162,031
Capital markets	199,811	268,906	280,379
Advisory	116,201	198,887	136,665
Investment banking	316,012	467,793	417,044
Asset management fees and investment income (loss) from managed funds:			
Asset management fees	4,930	7,379	5,563
Investment (loss) income from managed funds	(3,202)	1,084	6,454
Total	1,728	8,463	12,017
Net revenues	\$ 537,579	\$ 843,309	\$ 950,548
Other Data			
Number of trading days	63	64	63
Average firmwide VaR (in millions) (A)	\$ 12.75	\$ 13.50	\$ 12.61
Average firmwide VaR excluding Knight Capital (in millions) (A)	\$ 8.77	\$ 8.25	\$ 10.37
Average firmwide VaR excluding Knight Capital and Harbinger Group Inc. (in millions) (A)	\$ 8.77	\$ 8.25	\$ 7.32

(A) VaR estimates the potential loss in value of our trading positions due to adverse market movements over a one-day time horizon with a 95% confidence level. For a further discussion of the calculation of VaR, see "Value at risk" in Part II, Item 7 "Management's Discussion and Analysis" in our Annual Report on Form 10-K for the year ended November 30, 2013.

JEFFERIES GROUP LLC AND SUBSIDIARIES
SELECTED STATISTICAL INFORMATION
(Amounts in Thousands, Except Other Data)
(Unaudited)

	<u>Successor</u>		<u>Predecessor</u>
	<u>Year Ended</u> <u>November 30, 2014</u>	<u>Nine Months Ended</u> <u>November 30, 2013</u>	<u>Quarter Ended</u> <u>February 28, 2013</u>
<u>Revenues by Source</u>			
Equities	\$ 696,221	\$ 582,355	\$ 167,354
Fixed income	760,366	504,092	352,029
Total	1,456,587	1,086,447	519,383
Other	-	4,624	-
Equity	339,683	228,394	61,380
Debt	627,536	415,932	140,672
Capital markets	967,219	644,326	202,052
Advisory	562,055	369,191	86,226
Investment banking	1,529,274	1,013,517	288,278
Asset management fees and investment income (loss) from managed funds:			
Asset management fees	26,682	26,473	11,083
Investment (loss) income from managed funds	(9,635)	9,620	(200)
Total	17,047	36,093	10,883
Net revenues	3,002,908	2,140,681	818,544
Interest on mandatorily redeemable preferred interests of consolidated subsidiaries	-	3,368	10,961
Net revenues, less mandatorily redeemable preferred interests of consolidated subsidiaries	\$ 3,002,908	\$ 2,137,313	\$ 807,583
<u>Other Data</u>			
Number of trading days	251	191	60
Average firmwide VaR (in millions) (A)	\$ 14.35	\$ 10.79	\$ 9.27
Average firmwide VaR excluding Knight Capital (in millions) (A)	\$ 9.54	\$ 7.78	\$ 5.99
Average firmwide VaR excluding Knight Capital and Harbinger Group Inc. (in millions) (A)	\$ 8.55	\$ 6.77	\$ 5.99

(A) VaR estimates the potential loss in value of our trading positions due to adverse market movements over a one-day time horizon with a 95% confidence level. For a further discussion of the calculation of VaR, see "Value at risk" in Part II, Item 7 "Management's Discussion and Analysis" in our Annual Report on Form 10-K for the year ended November 30, 2013.

JEFFERIES GROUP LLC AND SUBSIDIARIES
FINANCIAL HIGHLIGHTS
(Amounts in Millions, Except Where Noted)
(Unaudited)

	Successor		
	Quarter Ended November 30, 2014	Quarter Ended August 31, 2014	Quarter Ended November 30, 2013
<u>Financial position:</u>			
Total assets (1)	\$ 44,517	\$ 44,764	\$ 40,177
Average total assets for the period (1)	\$ 51,030	\$ 51,369	\$ 46,439
Average total assets less goodwill and intangible assets for the period (1)	\$ 49,077	\$ 49,387	\$ 44,455
Cash and cash equivalents (1)	\$ 4,080	\$ 4,035	\$ 3,561
Cash and cash equivalents and other sources of liquidity (1) (2)	\$ 5,500	\$ 5,913	\$ 5,282
Cash and cash equivalents and other sources of liquidity - % total assets (1) (2)	12.4%	13.2%	13.1%
Cash and cash equivalents and other sources of liquidity - % total assets less goodwill and intangible assets (1) (2)	12.9%	13.8%	13.8%
Financial instruments owned (1)	\$ 18,648	\$ 18,420	\$ 16,650
Goodwill and intangible assets (1)	\$ 1,904	\$ 1,978	\$ 1,986
Total equity (including noncontrolling interests)	\$ 5,471	\$ 5,602	\$ 5,422
Total member's equity	\$ 5,432	\$ 5,571	\$ 5,305
Tangible member's equity (3)	\$ 3,527	\$ 3,593	\$ 3,318
Bache assets (4)	\$ 4,202	\$ 3,641	\$ 3,534
<u>Level 3 financial instruments:</u>			
Level 3 financial instruments owned (1) (5)	\$ 527	\$ 499	\$ 457
Level 3 financial instruments owned with economic exposure (1) (6)	\$ 527	\$ 480	\$ 457
Level 3 financial instruments owned - % total assets (1)	1.2%	1.1%	1.1%
Level 3 financial instruments owned - % total financial instruments owned (1)	2.8%	2.7%	2.7%
Level 3 financial instruments owned with economic exposure - % total financial instruments owned (1)	2.8%	2.6%	2.7%
Level 3 financial instruments owned with economic exposure - % tangible member's equity (1)	14.9%	13.4%	13.8%
<u>Other data and financial ratios:</u>			
Total capital (1) (7)	\$ 11,276	\$ 11,970	\$ 11,199
Leverage ratio (1) (8)	8.1	8.0	7.4
Adjusted leverage ratio (1) (9)	10.3	10.5	9.5
Tangible gross leverage ratio (1) (10)	12.1	11.9	11.5
Leverage ratio - excluding impacts of the Leucadia transaction (1) (11)	10.3	10.1	9.3
Number of trading days	63	64	63
Average firmwide VaR (12)	\$ 12.75	\$ 13.50	\$ 12.61
Average firmwide VaR excluding Knight Capital (12)	\$ 8.77	\$ 8.25	\$ 10.37
Average firmwide VaR excluding Knight Capital and Harbinger Group Inc. (12)	\$ 8.77	\$ 8.25	\$ 7.32
Number of employees, at period end	3,915	3,885	3,797

JEFFERIES GROUP LLC AND SUBSIDIARIES
FINANCIAL HIGHLIGHTS - FOOTNOTES

- (1) Amounts pertaining to November 30, 2014 represent a preliminary estimate as of the date of this earnings release and may be revised in our Annual Report on Form 10-K for the fiscal year ended November 30, 2014.
- (2) At November 30, 2014, other sources of liquidity include high quality sovereign government securities and reverse repurchase agreements collateralized by U.S. government securities and other high quality sovereign government securities of \$1,057 million, in aggregate, and \$364 million, being the total of the estimated amount of additional secured financing that could be reasonably expected to be obtained from our financial instruments that are currently not pledged at reasonable financing haircuts and additional funds available under the committed senior secured revolving credit facility available for working capital needs of Jefferies Bache. The corresponding amounts included in other sources of liquidity at August 31, 2014 were \$1,530 million and \$348 million, and at November 30, 2013, were \$1,317 million and \$404 million, respectively.
- (3) Tangible member's equity (a non-GAAP financial measure) represents total member's equity less goodwill and identifiable intangible assets. We believe that tangible member's equity is meaningful for valuation purposes, as financial companies are often measured as a multiple of tangible member's equity, making these ratios meaningful for investors.
- (4) Bache assets (a non-GAAP financial measure) includes Cash and cash equivalents, Cash and securities segregated, Financial instruments owned, Securities purchased under agreements to resell and Receivables attributable to our Bache business.
- (5) Level 3 financial instruments represent those financial instruments classified as such under Accounting Standards Codification 820, accounted for at fair value and included within Financial instruments owned.
- (6) Level 3 financial instruments owned with economic exposure represent Level 3 financial instruments owned adjusted for Level 3 financial instruments that are financed by nonrecourse secured financing or attributable to third party or employee noncontrolling interests in certain consolidated entities.
- (7) As of November 30, 2014, August 31, 2014 and November 30, 2013, total capital includes our long-term debt of \$5,806 million, \$6,368 million and \$5,777 million, respectively, and total equity. Long-term debt included in total capital is reduced by amounts outstanding under the revolving credit facility and the amount of debt maturing in less than one year, where applicable.
- (8) Leverage ratio equals total assets divided by total equity.
- (9) Adjusted leverage ratio (a non-GAAP financial measure) equals adjusted assets divided by tangible total equity, being total equity less goodwill and identifiable intangible assets. Adjusted assets (a non-GAAP financial measure) equals total assets less securities borrowed, securities purchased under agreements to resell, cash and securities segregated, goodwill and identifiable intangibles plus financial instruments sold, not yet purchased (net of derivative liabilities). At November 30, 2014, August 31, 2014 and November 30, 2013, adjusted assets were \$36,906 million, \$38,100 million and \$32,559 million, respectively. We believe that adjusted assets is a meaningful measure as it excludes certain assets that are considered of lower risk as they are generally self-financed by customer liabilities through our securities lending activities.
- (10) Tangible gross leverage ratio (a non-GAAP financial measure) equals total assets less goodwill and identifiable intangible assets divided by tangible member's equity. The tangible gross leverage ratio is used by rating agencies in assessing our leverage ratio.
- (11) Leverage ratio - excluding impacts of the Leucadia transaction (a non-GAAP financial measure) is calculated as follows:

\$ millions	November 30, 2014	August 31, 2014	November 30, 2013
Total assets	\$ 44,517	\$ 44,764	\$ 40,177
Goodwill and acquisition accounting fair value adjustments on the transaction with Leucadia	(1,957)	(1,957)	(1,957)
Net amortization to date on asset related purchase accounting adjustments	108	42	27
Total assets excluding transaction impacts	<u>\$ 42,668</u>	<u>\$ 42,849</u>	<u>\$ 38,247</u>
Total equity	\$ 5,471	\$ 5,602	\$ 5,422
Equity arising from transaction consideration	(1,426)	(1,426)	(1,426)
Preferred stock assumed by Leucadia	125	125	125
Net amortization to date of purchase accounting adjustments, net of tax	(9)	(58)	(25)
Total equity excluding transaction impacts	<u>\$ 4,161</u>	<u>\$ 4,243</u>	<u>\$ 4,096</u>
Leverage ratio - excluding impacts of the Leucadia transaction	<u>10.3</u>	<u>10.1</u>	<u>9.3</u>

- (12) VaR estimates the potential loss in value of our trading positions due to adverse market movements over a one-day time horizon with a 95% confidence level. For a further discussion of the calculation of VaR, see "Value at risk" in Part II, Item 7 "Management's Discussion and Analysis" in our Annual Report on Form 10-K for the year ended November 30, 2013.

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Chief Financial Officer