

JEFFERIES FINANCIAL GROUP INC.
ANNOUNCES THIRD QUARTER 2018 RESULTS

New York, New York, October 25, 2018--Jefferies Financial Group Inc. (NYSE: JEF) today announced its financial results for the three and nine month periods ended September 30, 2018. Consistent with the estimates in our press release of October 4, 2018, Net income attributable to Jefferies common shareholders was \$193 million, or \$0.55 per diluted share, for the third quarter, and \$1.04 billion, or \$2.91 per diluted share, for the nine month period. Pre-tax income, from continuing and discontinued operations, was \$273 million for the three month period and \$1.4 billion for the nine month period. The results for the third quarter include a pre-tax gain of \$222 million recorded as a result of the August closing of the previously reported sale of our interests in Garcadia and its associated real estate, partially offset by a \$49 million mark-to-market decrease in the value of our Spectrum Brands investment and a \$48 million pre-tax impairment charge related to our investment in Golden Queen, of which \$12 million is attributable to the noncontrolling interest.

Rich Handler, our CEO, and Brian Friedman, our President, said, "As we discussed during our recent Investor Day, we are pleased and confident in our momentum and future prospects."

Our Board of Directors has declared a quarterly cash dividend equal to \$0.125 per Jefferies common share, payable on November 30, 2018 to record holders of Jefferies common shares on November 19, 2018. Our Board also has approved changing our fiscal year-end to November 30. Effective with the fourth quarter of 2018, our reporting will be harmonized with our wholly-owned subsidiary, Jefferies Group LLC.

* * * *

More information on the Company's results of operations for the three and nine months ended September 30, 2018 will be provided upon filing of the Company's Form 10-Q with the Securities and Exchange Commission.

This press 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 and statements that are not historical facts. These forward-looking statements are usually preceded by the words "should," "expect," "intend," "may," "will," or similar expressions. Forward-looking statements may contain expectations regarding revenues, earnings, operations, and other results, and may include statements of future performance, plans, and objectives. Forward-looking statements also include statements pertaining to our strategies for future development of our businesses and products. Forward-looking statements represent only our 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, including Risk Factors that could cause actual results to differ, perhaps materially, from those in our forward-looking statements is contained in reports we file with the SEC. You should read and interpret any forward-looking statement together with reports we file with the SEC.

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal the corresponding indicated performance level(s).

SUMMARY FOR JEFFERIES FINANCIAL GROUP AND SUBSIDIARIES

(In thousands, except per share amounts)

(Unaudited)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------|--------------------------------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net revenues | \$ 1,150,846 | \$ 857,223 | \$ 2,957,440 | \$ 3,020,610 |
| Income (loss) from continuing operations before income taxes and income (loss) related to associated companies | \$ 253,825 | \$ (4,509) | \$ 263,650 | \$ 497,212 |
| Income (loss) related to associated companies | 18,867 | 30,057 | 84,320 | (84,413) |
| Income from continuing operations before income taxes | 272,692 | 25,548 | 347,970 | 412,799 |
| Income tax provision | 90,391 | 9,770 | 51,560 | 127,198 |
| Income from continuing operations | 182,301 | 15,778 | 296,410 | 285,601 |
| Income from discontinued operations, net of income tax provision of \$0, \$53,490, \$47,045 and \$90,856 | — | 120,989 | 130,063 | 219,151 |
| Gain on disposal of discontinued operations, net of income tax provision \$0, \$0, \$229,553 and \$0 | — | — | 643,921 | — |
| Net income | 182,301 | 136,767 | 1,070,394 | 504,752 |
| Net (income) loss attributable to the noncontrolling interests | 12,000 | (28) | 13,208 | 1,941 |
| Net income attributable to the redeemable noncontrolling interests | (390) | (36,216) | (37,294) | (64,538) |
| Preferred stock dividends | (1,276) | (1,172) | (3,619) | (3,203) |
| Net income attributable to Jefferies Financial Group Inc. common shareholders | \$ 192,635 | \$ 99,351 | \$ 1,042,689 | \$ 438,952 |
| Basic earnings per common share attributable to Jefferies Financial Group Inc. common shareholders: | | | | |
| Income from continuing operations | \$ 0.56 | \$ 0.04 | \$ 0.86 | \$ 0.77 |
| Income from discontinued operations | — | 0.23 | 0.26 | 0.42 |
| Gain on disposal of discontinued operations | — | — | 1.82 | — |
| Net income | \$ 0.56 | \$ 0.27 | \$ 2.94 | \$ 1.19 |
| Number of shares in calculation | 341,434 | 367,828 | 353,300 | 368,736 |
| Diluted earnings per common share attributable to Jefferies Financial Group Inc. common shareholders: | | | | |
| Income from continuing operations | \$ 0.55 | \$ 0.04 | \$ 0.85 | \$ 0.76 |
| Income from discontinued operations | — | 0.23 | 0.26 | 0.41 |
| Gain on disposal of discontinued operations | — | — | 1.80 | — |
| Net income | \$ 0.55 | \$ 0.27 | \$ 2.91 | \$ 1.17 |
| Number of shares in calculation | 350,307 | 370,198 | 357,169 | 375,233 |

A summary of results for the three months ended September 30, 2018 is as follows (in thousands):

| 2018 | Financial Services | | | | Parent Company Interest | Total |
|------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------|-----------------------------|------------------|----------------------------------------|--------------|
| | Jefferies Group | Other Financial Services | Merchant Banking | Corporate | | |
| Net revenues | \$ 774,749 | \$ 45,457 | \$ 321,948 | \$ 8,692 | \$ — | \$ 1,150,846 |
| Expenses: | | | | | | |
| Compensation and benefits | 428,033 | 9,973 | 9,493 | 13,766 | — | 461,265 |
| Cost of sales | — | — | 84,876 | — | — | 84,876 |
| Floor brokerage and clearing fees | 44,570 | — | — | — | — | 44,570 |
| Interest expense | — | 12,723 | 1,359 | — | 14,755 | 28,837 |
| Depreciation and amortization | 17,175 | 1,379 | 12,889 | 852 | — | 32,295 |
| Selling, general and other expenses | 198,817 | 16,008 | 21,716 | 8,637 | — | 245,178 |
| Total expenses | 688,595 | 40,083 | 130,333 | 23,255 | 14,755 | 897,021 |
| Income (loss) from continuing operations before income taxes and income related to associated companies | 86,154 | 5,374 | 191,615 | (14,563) | (14,755) | 253,825 |
| Income related to associated companies | — | 16,502 | 2,365 | — | — | 18,867 |
| Income (loss) from continuing operations before income taxes | \$ 86,154 | \$ 21,876 | \$ 193,980 | \$ (14,563) | \$ (14,755) | 272,692 |
| Income tax provision from continuing operations | | | | | | 90,391 |
| Net income | | | | | | \$ 182,301 |

A summary of results for the three months ended September 30, 2017 is as follows (in thousands):

| | Financial Services | | | | Parent Company Interest | Total |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------|-----------------------------|--------------------|----------------------------------------|-------------------|
| | Jefferies Group | Other Financial Services | Merchant Banking | Corporate | | |
| 2017 | | | | | | |
| Net revenues | \$ 802,909 | \$ 22,742 | \$ 29,657 | \$ 1,915 | \$ — | \$ 857,223 |
| Expenses: | | | | | | |
| Compensation and benefits | 462,933 | 9,072 | 10,656 | 10,810 | — | 493,471 |
| Cost of sales | — | — | 71,596 | — | — | 71,596 |
| Floor brokerage and clearing fees | 42,852 | — | — | — | — | 42,852 |
| Interest expense | — | 4,966 | 5,909 | — | 14,737 | 25,612 |
| Depreciation and amortization | 15,928 | 2,244 | 9,723 | 865 | — | 28,760 |
| Selling, general and other expenses | 153,084 | 15,941 | 23,865 | 6,551 | — | 199,441 |
| Total expenses | <u>674,797</u> | <u>32,223</u> | <u>121,749</u> | <u>18,226</u> | <u>14,737</u> | <u>861,732</u> |
| Income (loss) from continuing operations before income taxes and income (loss) related to associated companies | 128,112 | (9,481) | (92,092) | (16,311) | (14,737) | (4,509) |
| Income (loss) related to associated companies | — | 31,119 | (1,062) | — | — | 30,057 |
| Income (loss) from continuing operations before income taxes | <u>\$ 128,112</u> | <u>\$ 21,638</u> | <u>\$ (93,154)</u> | <u>\$ (16,311)</u> | <u>\$ (14,737)</u> | 25,548 |
| Income tax provision from continuing operations | | | | | | 9,770 |
| Income from discontinued operations, net of income tax provision | | | | | | <u>120,989</u> |
| Net income | | | | | | <u>\$ 136,767</u> |

A summary of results for the nine months ended September 30, 2018 is as follows (in thousands):

| | Financial Services | | | | Parent Company Interest | Total |
|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------|---------------------|-------------|-------------------------------|--------------|
| | Jefferies Group | Other Financial Services | Merchant Banking | Corporate | | |
| 2018 | | | | | | |
| Net revenues | \$ 2,419,410 | \$ 53,297 | \$ 469,980 | \$ 14,753 | \$ — | \$ 2,957,440 |
| Expenses: | | | | | | |
| Compensation and benefits | 1,326,887 | 29,935 | 29,577 | 43,040 | — | 1,429,439 |
| Cost of sales | — | — | 257,501 | — | — | 257,501 |
| Floor brokerage and clearing fees | 131,792 | — | — | — | — | 131,792 |
| Interest expense | — | 26,367 | 3,996 | — | 44,251 | 74,614 |
| Depreciation and amortization | 50,829 | 4,837 | 34,095 | 2,599 | — | 92,360 |
| Selling, general and other expenses | 572,980 | 54,081 | 56,201 | 24,822 | — | 708,084 |
| Total expenses | 2,082,488 | 115,220 | 381,370 | 70,461 | 44,251 | 2,693,790 |
| Income (loss) from continuing operations before income taxes and income related to associated companies | 336,922 | (61,923) | 88,610 | (55,708) | (44,251) | 263,650 |
| Income related to associated companies | — | 58,204 | 26,116 | — | — | 84,320 |
| Income (loss) from continuing operations before income taxes | \$ 336,922 | \$ (3,719) | \$ 114,726 | \$ (55,708) | \$ (44,251) | 347,970 |
| Income tax provision from continuing operations | | | | | | 51,560 |
| Income from discontinued operations, net of income tax provision | | | | | | 130,063 |
| Gain on disposal of discontinued operations, net of income tax provision | | | | | | 643,921 |
| Net income | | | | | | \$ 1,070,394 |

A summary of results for the nine months ended September 30, 2017 is as follows (in thousands):

| | Financial Services | | | | Parent Company Interest | Total |
|-------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------|---------------------|-------------|-------------------------------|--------------|
| | Jefferies Group | Other Financial Services | Merchant Banking | Corporate | | |
| 2017 | | | | | | |
| Net revenues | \$ 2,381,967 | \$ 109,284 | \$ 525,102 | \$ 4,257 | \$ — | \$ 3,020,610 |
| Expenses: | | | | | | |
| Compensation and benefits | 1,374,127 | 26,248 | 32,981 | 35,017 | — | 1,468,373 |
| Cost of sales | — | — | 210,834 | — | — | 210,834 |
| Floor brokerage and clearing fees | 133,145 | — | — | — | — | 133,145 |
| Interest expense | — | 13,830 | 18,731 | — | 44,201 | 76,762 |
| Depreciation and amortization | 46,877 | 7,435 | 25,218 | 2,599 | — | 82,129 |
| Selling, general and other expenses | 444,724 | 36,641 | 47,333 | 23,457 | — | 552,155 |
| Total expenses | 1,998,873 | 84,154 | 335,097 | 61,073 | 44,201 | 2,523,398 |
| Income (loss) from continuing operations before income taxes and income (loss) related to associated companies | 383,094 | 25,130 | 190,005 | (56,816) | (44,201) | 497,212 |
| Income (loss) related to associated companies | — | (87,838) | 3,425 | — | — | (84,413) |
| Income (loss) from continuing operations before income taxes | \$ 383,094 | \$ (62,708) | \$ 193,430 | \$ (56,816) | \$ (44,201) | 412,799 |
| Income tax provision from continuing operations | | | | | | 127,198 |
| Income from discontinued operations, net of income tax provision | | | | | | 219,151 |
| Net income | | | | | | \$ 504,752 |