

Chartwell Investments

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Dear Friends,

It is with great pleasure that we announce that Chartwell Investments has established a new investment partnership with Leucadia National Corporation. The partnership will seek to invest \$50 million to \$150 million of equity per transaction in middle market companies and build a diversified portfolio of investments across a wide spectrum of industries including manufacturing, distribution, service, retail and consumer product businesses. Transaction types will include buyouts, recapitalizations, and growth equity investments in niche market leaders as well as turnarounds and restructurings in out of favor and cyclical sectors. Chartwell and Leucadia hope to invest significant funds in this effort.

While targeting transactions in the \$100-\$300 million enterprise value range, the partnership will have the flexibility to invest in larger transactions on an opportunistic basis. The partnership is structured to be friendly to management teams and sellers. We do not have a defined exit horizon; have the financial resources to close transactions quickly without relying on external debt providers and will utilize only 50% leverage post closing. The focus will be on companies with primarily U.S.-based earnings in order to take advantage of significant NOL carryforwards.

Since its founding in 1992, Chartwell's primary investment focus has been on acquiring ownership interests in market-leading consumer product, light manufacturing, distribution and service companies that can benefit from our strategic, financial and operational support. Chartwell has completed nearly \$2 billion in transactions. We recently finished investing our second fund which totaled approximately \$250 million and currently oversee investments in Carey International, Riddell Bell Sports, Richard Childress Racing, Playcore and PPC Industries. We will continue to actively oversee our existing portfolio.

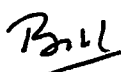
Leucadia National Corporation (LUK: NYSE) is a diversified holding company engaged in a variety of businesses, including telecommunications, healthcare services, banking and insurance and manufacturing. Leucadia has substantial experience in the turnaround/restructuring arena including partnering with Berkshire Hathaway in the reorganization of The Finova Group. Leucadia has a current equity market capitalization of \$3.8 billion and \$1.6 billion in cash.

We look forward to speaking with you directly to discuss how we can work together.

Warm regards,



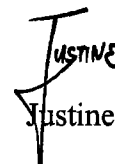
Michael Shein



William Reid



Sarah Foley



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