

Harbinger Group Offers to Acquire Central Garden & Pet Company for \$10.00 per Share in Cash

June 23, 2014 7:00 AM ET

—Offer Represents a 27.5% Premium to CENT's Unaffected Share Price—

—Alternative Proposal Seeks to Acquire CENT's Pet Segment for \$750 million in Cash—

—Urges Board to Fulfill its Fiduciary Duties to all Stockholders—

NEW YORK--(BUSINESS WIRE)--Jun. 23, 2014-- Harbinger Group Inc. ("HRG") today released its most recent letter that it sent to the Board of Directors ("CENT Board") of Central Garden & Pet Company ("CENT") on June 16, 2014. As outlined in such letter (a copy of which is provided below), HRG is offering to acquire, directly or through one of its affiliates, all of CENT for \$10.00 in cash per share of Common Stock, Class A Common Stock and Class B stock, representing a 27.5% premium over the Company's unaffected Common Stock price of \$7.84 at the close of business on June 6 (the last trading day before HRG publicly released its previous letter to CENT), or alternatively to acquire CENT's Pet Segment for \$750 million in cash. HRG also indicated that it may be able to further increase the value of its current proposals if the CENT Board engages in a constructive dialogue and grants access to customary diligence materials.

In addition to its [previous letter](#) sent to the CENT Board on June 9, 2014, HRG has repeatedly attempted to communicate with the CENT Board regarding the opportunity to create value from a potential transaction with CENT, including offering to meet in person with the Chairman of the Board. To date, the CENT Board and management have been unresponsive. In light of HRG's desire to commence meaningful dialogue with the CENT Board and management team, and the complete lack of response from CENT, HRG is making its most recent letter public.

Based on reactions of other CENT shareholders in response to its previous letter of June 9th, HRG believes that there is wide and emphatic support for the CENT Board to engage with HRG and consider its proposals.

HRG believes that the CENT Board should impartially assess HRG's proposal and determine the course of action that is in the best interest of all of the Company's stockholders and not only in the best interest of Mr. Brown. Accordingly, as a minority shareholder, HRG urges the CENT independent directors to promptly form a special committee of the CENT Board and retain legal and financial advisors who are independent and do not have a long standing relationships with the Company or Mr. Brown. HRG believes that the formation of a special committee and retention of independent advisors is an important first step in the CENT Board fulfilling its fiduciary obligations to all of its stockholders.

Full text of the HRG letter follows:

Members of the Board of Directors
Central Garden & Pet Company
1340 Treat Blvd., Suite 600
Walnut Creek, California 94597

Ladies and Gentlemen:

On behalf of Harbinger Group Inc., I write further to my letter, dated June 9, 2014, to again express our interest in entering into an acquisition transaction with Central Garden & Pet Company (the "Company"). As a clear sign of our seriousness to effect a transaction, we are prepared (directly or through one or more of our affiliates) to enter into one of the following two alternative acquisition proposals:

(i) acquire the Company at a price of \$10.00 in cash per share of Common Stock, Class A Common Stock and Class B Stock, representing a 27.5% premium over the Company's unaffected stock price of \$7.84 at the close of business on June 6 (the last trading day before we publicly released our previous letter to you); or

(ii) acquire the Pet segment for \$750 million in cash.

We firmly believe that either transaction would provide the Company's stockholders with a tremendous opportunity to realize the Company's value.

The valuation underlying our proposals is based solely on publicly available information because, despite numerous prior requests, we have not been provided with the opportunity to engage in a dialogue with the Company. We believe that through a constructive dialogue with the Company's Board and access to customary diligence materials, we will be able to further increase the value of our current proposals. We are confident that we can provide you with the highest price, but are also willing, if necessary, to provide you with sufficient time after signing a transaction agreement to test the market for interest in a transaction at an even higher premium.

In the face of the significant premium we are offering, combined with your ability to potentially obtain even greater value from either us or from a third party, we urge you as members of the Board to fulfill your fiduciary duties to all the stockholders by engaging with us regarding our value creating proposals. Based on the reactions we have heard from many of the Company's stockholders in response to our June 9 letter, we believe that the Company's stockholders emphatically support the Board's entering into a constructive and professional dialogue with us, and see absolutely no downside in doing so.

We are a diversified holding company and, together with our affiliates, have a proven track record of successfully executed transactions, including transactions in the branded consumer products sector. We and our affiliates have substantial current liquidity and have discussed with, and received further assurances from, our financial advisor that we have the ability to finance the consideration for either transaction.

Our proposals are subject to customary confirmatory due diligence review of the Company. We are prepared to devote considerable resources to completing such review and consummating either of the transactions proposed in this letter quickly, and are confident that with your cooperation we will be able to execute a definitive transaction agreement within 45 days.

We are prepared to meet immediately with you and your advisors in order to answer any questions about our proposals and to work out the details for moving toward a completed transaction. Nothing in this letter is intended to create a legally binding obligation, and no such obligation will exist unless and until a definitive transaction agreement is executed.

We are very much looking forward to working toward a mutually beneficial transaction.

Very truly yours,

/s/ Philip A. Falcone
Philip A. Falcone
Chief Executive Officer

About Harbinger Group Inc.

Harbinger Group Inc. is a diversified holding company. HRG's principal operations are conducted through companies that: offer life insurance and annuity products; offer branded consumer products (such as consumer batteries, residential locksets, residential builders' hardware, faucets, shaving and grooming products, personal care products, small household appliances, specialty pet supplies, lawn, garden and home pest control products, personal insect repellents); provide asset-backed loans; and own energy assets. HRG is principally focused on acquiring controlling and other equity stakes in businesses across a diversified range of industries and growing its existing businesses. In addition to HRG's intention to acquire controlling equity interests, HRG may also make investments in debt instruments and acquire minority equity interests in companies. HRG is headquartered in New York and traded on the New York Stock Exchange under the symbol HRG. For more information on HRG, visit: www.harbingergroupinc.com.

Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: This release contains, and certain oral

statements made by our representatives from time to time may contain, forward-looking statements, including statements regarding the proposals and potential transactions described herein and those contained in the letters (“Letters”) sent to the Board of Directors of Central Garden & Pet Company (“CENT”) and the potential impact of such transactions. Such statements are based on the beliefs and assumptions of HRG's management and the management of HRG's subsidiaries (including target businesses). Generally, forward-looking statements include information concerning the transactions described herein, other actions, events, results, strategies and expectations and are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will,” “could,” “might,” or “continues” or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation, that possibility that no discussions are had between HRG and CENT or such discussion are terminated, no transaction is consummated with CENT, a materially different transaction is consummated with CENT than those described herein or in the Letters and/or HRG or its affiliates change their intentions or plans with respect to CENT, including their desire to consummate a transaction or continue their investment in CENT. Other general factors that could cause actual results, events and developments to differ include: capital market conditions, the ability of HRG’s subsidiaries (including, target businesses following their acquisition) to generate sufficient net income and cash flows to make upstream cash distributions, HRG’s and its subsidiaries’ ability to identify any suitable future acquisition opportunities and their ability to achieve efficiencies/cost avoidance, cost savings, income and margins, growth, economies of scale and combined operations, future economic performance, conditions to, and the timetable for, completing the integration of financial reporting of acquired or target businesses with HRG or HRG subsidiaries, completing future acquisitions and dispositions, litigation, potential and contingent liabilities, management's plans, changes in regulations, taxes and the risks that may affect the performance of the operating subsidiaries of HRG and those factors listed under the caption “Risk Factors” in HRG's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, filed with the Securities and Exchange Commission. All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. Neither HRG nor any of its affiliates undertake any obligation to update or revise forward-looking statements, including to reflect changed facts, assumptions or the occurrence of future events or results.

Source: Harbinger Group Inc.

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