

Harbinger Group Inc. Announces Conversion of its Preferred Stock

May 9, 2014 8:37 AM ET

NEW YORK--(BUSINESS WIRE)--May 9, 2014-- Harbinger Group Inc. (NYSE:HRG) (“HGI” or the “Company”) announced today that it is exercising its option to convert its issued and outstanding shares of Series A Participating Convertible Preferred Stock (“Series A Preferred Shares”) and Series A-2 Participating Convertible Preferred Stock (“Series A-2 Preferred Shares”) and, together with the Series A Preferred Shares, the “Preferred Shares”) into common stock of the Company, par value \$0.01 (“Common Stock”). The conversion will be effective May 15, 2014 (the “Conversion Date”). The Company is acting pursuant to Section 5(b) of the respective certificate of designation governing the Preferred Shares.

On the Conversion Date, holders of the Series A Preferred Shares will receive approximately 160.95 shares of common stock per Series A Preferred Share converted and holders of Series A-2 Preferred Share will receive approximately 148.11 shares of common stock per Series A-2 Preferred Share converted. The holders will also receive cash in lieu of fractional shares and for any and all accrued but unpaid dividends.

Following the Conversion Date, all rights of the Preferred Shareholders, including rights to dividends, will terminate except that, in accordance with and for so long as required by the certificate of designation governing the Series A Preferred Shares, a certain number of Preferred Shares held by CF Turul LLC (“CF Turul”), an affiliate of Fortress Investment Group LLC, will not be converted in order to give effect to the limitation on voting applicable to CF Turul prior to its receipt of applicable insurance regulatory approval, and a Preferred Share held by CF Turul will not be converted in order to preserve CF Turul’s continuing rights under the certificate of designation governing the Series A Preferred Shares. The Preferred Shares held by CF Turul following the Conversion Date will not be entitled to receive dividends and distributions.

The Company expects that the conversion will reduce its cash interest and related obligations and create additional liquidity in the trading of the Company's common stock.

About Harbinger Group Inc.

Harbinger Group Inc. is a diversified holding company. HGI’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. HGI 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 HGI’s intention to acquire controlling equity interests, HGI may also make investments in debt instruments and acquire minority equity interests in companies. HGI is headquartered in New York and traded on the New York Stock Exchange under the symbol HRG. For more information on HGI, 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 the commencement and/or completion of the conversion of the Preferred Shares and its expected results. These statements are based on the beliefs and assumptions of HGI’s management and the management of HGI’s subsidiaries (including target businesses). Generally, forward-looking statements include information describing the offering and 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, capital market conditions, the ability of HGI’s subsidiaries (including, target businesses following their acquisition) to generate sufficient net income and cash flows to make upstream cash distributions, HGI and its subsidiaries ability to identify any suitable future acquisition opportunities, efficiencies/cost avoidance, cost savings, income and margins, growth, economies of scale, combined operations, future economic performance, conditions to, and the timetable for, completing the integration of financial reporting of acquired or target businesses with HGI or HGI 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 HGI and those factors

listed under the caption “Risk Factors” in HGI’s most recent Annual Report on Form 10-K, 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. HGI does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results.

Source: Harbinger Group Inc.

Investors:

Harbinger Group Inc.

James Hart, 212-906-8560

Investor Relations

investorrelations@harbingergroupinc.com

or

Media:

Sard Verbinnen & Co

Jamie Tully / David Millar, 212-687-8080