



Harbinger Group Inc. Urges Board of Central Garden & Pet to Fulfill its Fiduciary Duties to Shareholders, Calls Upon Shareholders to Voice Opinions Regarding Proposed Transactions

October 21, 2014

NEW YORK, Oct. 20, 2014 /PRNewswire/ -- Harbinger Group Inc. ("HRG"; NYSE: HRG), a diversified holding company seeking to acquire and grow attractive businesses that can, in the long term, generate sustainable free cash flow, today released a letter to the Board of Directors ("CENT Board") of Central Garden & Pet Company ("CENT") expressing disappointment with the CENT Board announcement rejecting HRG's proposal to acquire all of CENT for \$10.00 in cash per share or alternatively to acquire CENT's Pet Segment for \$750 million in cash.

HRG remains committed to pursuing a transaction with CENT and has called upon the members of the CENT Board to fulfill their responsibilities as fiduciaries to all shareholders of CENT by engaging in a constructive dialogue with HRG regarding its proposals, or otherwise to resign from the CENT Board. HRG is also encouraging CENT shareholders to communicate their opinion of these proposals, as well as the way in which these proposals were reviewed and dismissed, to the CENT Board.

HRG's letter to the CENT Board follows:

October 20, 2014

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

Ladies and Gentlemen:

On behalf of Harbinger Group Inc. ("HRG"), I write to express our extreme disappointment in the total lack of engagement by Central Garden & Pet Company ("CENT" or the "Company") with us, which culminated in your announcement on October 14, 2014 declaring that the Company will not pursue our proposals.

It has been more than four months since we submitted our proposals, including acquiring CENT for \$10.00 per share in cash, and requested that you engage in a constructive dialogue and grant us access to customary diligence materials. During this time, the Company, members of its Board of Directors (the "Board"), and the Company's financial and legal advisors did not make any attempt to initiate a constructive dialogue with HRG, to provide any feedback to our proposals or to allow for any form of due diligence on the Company's operations and financials. Further, despite numerous attempts, our requests to have a dialogue were completely ignored and no explanation was provided regarding the Board's review of our offers.

We believe that the Board's process in evaluating and responding to our proposals was deeply flawed and this Board continues to shirk its duty to act as an unbiased steward and fiduciary to all of the Company's shareholders. As part of its "process", on October 6, 2014, your financial advisor and counsel to Mr. Brown (notably, not the counsel CENT publicly announced as being the advisor to the Board), invited us and our advisors to a short and unproductive meeting where they simply asked us to reiterate our proposals, despite the fact that we had previously specified our proposals in numerous written communications. During the meeting, the Company, through its financial advisor and Mr. Brown's personal lawyer, did not make an attempt to exchange any information, provide any feedback or communicate any pertinent facts regarding the process that the Company was undertaking.

We believe that this is part of a consistent pattern in which CENT management and its Board hide from their responsibilities and fail to take their duties seriously, disadvantaging all of CENT shareholders, particularly the minority shareholders. For example, by denying shareholders a conference call after the announcement of, yet again, disappointing financial results for the 3rd fiscal quarter of 2014, CENT did not provide an explanation to the shareholders for CENT's continued operational underperformance and did not provide a path forward that will result in the Company getting back on track. We believe it is simply impossible to square this conduct with the Company's statement in the October 14, 2014 announcement that "we believe the [HRG] proposals do not reflect Central's future growth opportunities or the value we expect to deliver to our shareholders in the coming years". We believe that the Company has consistently and continuously underperformed versus all relevant industry benchmarks, as well as its own publicly stated strategic goals, and has not articulated to its shareholders any path, let alone one that is credible, to ever achieving a stock price of \$10.00 per share on a standalone basis.

HRG remains committed to acquiring all of CENT for \$10.00 in cash per share or alternatively acquiring CENT's Pet Segment for \$750 million in cash. HRG's \$10.00 per share offer represented a premium of 27.5% to the trading value of CENT common shares immediately before the offer. As a result of the announcement of HRG's offer, the CENT common shares traded up to as high as \$10.01 per share. However, the lack of action by CENT and its Board has allowed the CENT common shares to decline below the level of its share price before HRG made its offer public. Today, our \$10.00 per share offer now represents a premium of 44.5% to the current trading value of CENT common shares.

We implore all Board members, but in particular, the independent Board members, to take their responsibilities seriously or to resign from the Board. We strongly encourage shareholders to take action and voice their opinions in support of our proposals and against

the Board's failure to take its responsibilities seriously.

Sincerely,

/s/ Philip A. Falcone

Philip A. Falcone
Chief Executive Officer

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, and personal insect repellents); provide asset management services, including asset-backed loans, high-yield investing, infrastructure lending and real estate investing; 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 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. 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, 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, 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 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. 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.

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To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/harbinger-group-inc-urges-board-of-central-garden--pet-to-fulfill-its-fiduciary-duties-to-shareholders-calls-upon-shareholders-to-voice-opinions-regarding-proposed-transactions-412124558.html>

SOURCE Harbinger Group Inc.