



## Harbinger Group Inc. Announces Consent Solicitation

June 16, 2011

NEW YORK, June 15, 2011 /PRNewswire via COMTEX/ --

Harbinger Group Inc. (NYSE: HRG) (the "Company") today announced that it is soliciting consents from the holders of its 10.625% Senior Secured Notes Due 2015 (the "Notes") (CUSIP No.: 41146A AA4 / ISIN: US41146AAA43 (144A) / CUSIP No.: U24520 AA3 / ISIN: USU24520AA36 (Reg S)). The Company is seeking consents (the "Consent Solicitation") to proposed amendments to the indenture, dated November 15, 2010 (the "Indenture"), which governs the Notes.

The terms and conditions of the Consent Solicitation are described in the Notice of Consent Solicitation, dated June 15, 2011 (the "Notice of Consent Solicitation"). Under the Indenture, the Company currently is permitted to incur additional Pari-Passu Obligations (as such term is defined in the Indenture) secured by liens on the collateral securing the Notes under two baskets: \$50 million of additional indebtedness under clause (b)(1) of the Limitation on Debt and Disqualified Stock covenant of the Indenture, and additional Pari-Passu Obligations as "Contribution Debt" with a maturity after the maturity of the existing Notes (so long as such Contribution Debt and other Pari-Passu Obligations do not exceed \$500 million). The purpose of the Consent Solicitation is to amend the Indenture to revise the definition of "Contribution Debt" to permit the Company to incur, as a result of its prior issuance of convertible preferred stock, up to \$150 million of additional indebtedness that has the same maturity and is secured equally and ratably with the existing Notes as Contribution Debt, while eliminating the ability of the Company to incur any further Pari-Passu Obligations as "Permitted Debt" under clause (b)(1) of the Limitation on Debt and Disqualified Stock covenant of the Indenture. The result is to effectively combine the two baskets, with the amount of permitted Pari-Passu Obligations limited to \$500 million (including the existing Notes), but to permit all such indebtedness to have the same maturity as the Notes, including through the issuance of Additional Notes.

The Company believes that issuing any new additional debt as Additional Notes (as such term is defined in the Indenture) rather than a separate series of Notes will enhance the liquidity of the existing Notes and the Additional Notes, although there can be no assurance that such liquidity will actually develop or persist over time.

In the event that the Company receives the requisite consents of not less than a majority in aggregate principal amount of the Notes (excluding Notes owned by the Company or any affiliate of the Company) and the other conditions of the Consent Solicitation are satisfied or waived, the Company will pay to the holders of record of Notes as of 5:00 p.m., New York City time, on May 10, 2011, who delivered valid and unrevoked consents prior to the Expiration Time (as defined below), a cash payment for consents delivered by such holder of Notes (the "Consent Fee"). Holders of Notes for which no consent is delivered will not receive a Consent Fee, even though the proposed amendments to the Indenture, if approved, will bind all holders of Notes and their transferees. The Consent Solicitation is scheduled to expire at 5:00 p.m., New York City time, on June 22, 2011 (the "Expiration Time"). Consents delivered may be revoked at any time prior to the earlier of the date on which the supplemental indenture reflecting the proposed amendments to the Indenture (the "Supplemental Indenture") is executed or the Expiration Time. Subject to applicable law, the Consent Solicitation may be abandoned or terminated for any reason at any time, in which case any consents received will be voided and no consent fee will be paid to any holders. The Company intends to execute the Supplemental Indenture promptly following the receipt of the requisite consents of not less than a majority in aggregate principal amount of the Notes. Under the terms of the Indenture, in determining whether the Requisite Consents have been received, Notes owned by the Company or any affiliate of the Company will be considered as though not outstanding.

The Company has engaged Credit Suisse Securities (USA) LLC as its solicitation agent for the Consent Solicitation (the "Solicitation Agent"). Questions and requests for assistance regarding the Consent Solicitation should be directed to the Solicitation Agent at (800) 820-1653 (toll free) or (212) 538-2147 (collect). Requests for additional copies of the consent documents and questions and requests for assistance relating to the consent documents may be directed to Global Bondholder Services Corporation, which is acting as the information agent (the "Information Agent") for the Consent Solicitation, at (866) 470-3700 (toll free) or (212) 430-3774 (collect).

None of the representatives or employees of the Company or any of its subsidiaries, the Solicitation Agent, the Information Agent or Wells Fargo Bank, National Association, as trustee under the Indenture and tabulation agent for the Consent Solicitation, make any recommendations as to whether or not holders of the Notes should issue their consents pursuant to the Consent Solicitation, and no one has been authorized by any of them to make such recommendations.

This press release does not constitute a solicitation of consents of holders of the Notes and shall not be deemed a solicitation of consents with respect to any other securities of the Company. The Consent Solicitation will be made solely by the Notice of Consent Solicitation and the accompanying consent form. All statements herein regarding the terms of the Consent Solicitation, the proposed amendments, the Supplemental Indenture and the Indenture are qualified in their entirety by reference to the text of the Notice of Consent Solicitation and the accompanying consent form, the Supplemental Indenture and the Indenture. The completion of the Consent Solicitation and the execution of the Supplemental Indenture is subject to a number of conditions. No assurance can be given that any such Consent Solicitation can or will be completed on terms that are acceptable to the Company, or at all, or that the Supplemental Indenture will be executed.

### About Harbinger Group Inc.

Harbinger Group Inc. (the "Company") is a diversified holding company. The Company's principal operations are conducted through subsidiaries that offer life insurance and annuity products, and branded consumer products such as batteries, pet supplies, home and garden control products, personal care and small appliances. The Company focuses on opportunities in these sectors as well as financial products, telecommunications, agriculture, power generation and water and natural resources. For more information on the Company, please see the Company's website at [www.harbingergroupinc.com](http://www.harbingergroupinc.com).

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