HARBINGER GROUP INC.
Form 424B3
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Registration No. 333-192714

PROSPECTUS

HARBINGER GROUP INC.

Exchange Offer for $925,000,000

7.875% Senior Secured Notes due 2019

The Notes

We are offering to exchange $700,000,000 of our outstanding 7.875% Senior Secured Notes due 2019 and $225,000,000 of our outstanding 7.875% Senior Secured Notes due 2019, which were issued on December 24, 2012 and July 25, 2013, respectively, in private offerings and which we collectively refer to as the initial notes, for a like aggregate amount of our registered 7.875% Senior Secured Notes due 2019, which we collectively refer to as the exchange notes. The exchange notes will be issued under the indenture dated as of December 24, 2012, which we refer to as the indenture. We refer to the initial notes and the exchange notes collectively as the notes.

The exchange notes will mature on July 15, 2019; *provided* that unless we have redeemed, repurchased, otherwise retired or converted all of our outstanding existing preferred stock on or prior to May 13, 2018, then the exchange notes will mature on May 13, 2018. We will pay interest on the exchange notes semi-annually on January 15 and July 15 of each year, commencing on January 15, 2014, at a rate of 7.875% per annum, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.

Our obligations under the exchange notes will be secured, together with the obligations under any initial notes, by a first priority lien on all of our assets, other than excluded property, and subject to certain permitted collateral liens. See Description of Notes.

Terms of the Exchange Offer

The exchange offer will expire at 5:00 p.m., New York City time, on January 30, 2014, unless we extend it.

If all the conditions to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the exchange notes.

You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled Risk Factors commencing on page 11.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is December 31, 2013.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

Each prospective purchaser of the exchange notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes or possesses or distributes this prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the exchange notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and we shall not have any responsibility therefor.

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INCORPORATION OF DOCUMENTS BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these documents at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available over the Internet at the SEC s website at http://www.sec.gov.

The SEC allows us to incorporate by reference information into this prospectus, which means that we can disclose important information to you by referring to those documents. We hereby incorporate by reference the documents listed below, which means that we are disclosing important business and financial information to you by referring you to those documents.

our Annual Report on Form 10-K for the year ended September 30, 2013, filed on November 27, 2013 (as amended, our 2013 Annual Report); and Amendment Number 1 to the 2013 Annual Report on Form 10-K/A, filed on December 6, 2013;

our Current Reports on Form 8-K/A filed on March 4, 2013 and May 3, 2013 and our Current Reports on Form 8-K filed on December 20, 2013, December 20, 2013 and December 26, 2013; and

future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (other than the portions of those made pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information furnished and not filed with the SEC) after the date of this prospectus and before the termination of this offering.

Upon your oral or written request, we will provide you with a copy of any of these filings at no cost. Requests should be directed to Thomas A. Williams, Executive Vice President and Chief Financial Officer, Harbinger Group Inc., 450 Park Avenue, 30th Floor, New York, NY 10023, Telephone No. (212) 906-8555.

To obtain timely delivery, you must request the filings no later than five business days before the expiration date of the exchange offer. That means that you must request the filings before 5:00 p.m., New York City time, on January 30, 2014.

Except as expressly provided above, no other information, including none of the information on our website, is incorporated by reference into this prospectus.

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PROSPECTUS SUMMARY

The following summary highlights basic information about us, the exchange offer and the exchange notes. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business and the offering, you should read this entire prospectus and the documents incorporated by reference herein, including the sections entitled Risk Factors included or incorporated by reference herein. Certain statements in this summary are forward-looking statements. See Special Note Regarding Forward-Looking Statements.

The term initial notes refers to the 7.875% Senior Secured Notes due 2019 that were issued on December 24, 2012 and July 23, 2013 in private offerings, and the term exchange notes refers to the 7.875% Senior Secured Notes due 2019 offered by this prospectus. The term notes refers to the initial notes and the exchange notes, collectively. Unless otherwise indicated in this prospectus or the context requires otherwise, in this prospectus, references to the Company, HGI, we, us or our refers to Harbinger Group Inc. and, where applicable, its consolidated subsidiaries; Harbinger Capital refers to Harbinger Capital Partners LLC; Energy Partnership refers to EXCO/HGI Production Partners, LP; and the Energy General Partner refers to EXCO/HGI GP, LLC; EXCO Parent refers to EXCO Resources, Inc.; EXCO refers to EXCO Parent and, where applicable, its consolidated subsidiaries; the EXCO/HGI JV refers to the oil and gas joint venture owned by HGI Energy (as defined below) and EXCO Parent; FGL refers to Fidelity & Guaranty Life (formerly, Harbinger F&G, LLC) and, where applicable, its consolidated subsidiaries; FGH refers to Fidelity & Guaranty Life Holdings, Inc. (formerly, Old Mutual U.S. Life Holdings, Inc.) and, where applicable, its consolidated subsidiaries; Fiscal 2012 refers to fiscal year ended September 30, 2012; Fiscal 2013 refers to fiscal year ended September 30, 2013; Front Street refers to FS Holdco Ltd. and, where applicable, its consolidated subsidiaries; Five Island refers to Five Island Asset Management, LLC (formerly, HGI Asset Management, LLC); HCP Stockholders refers, collectively, to Harbinger Capital Partners Master Fund I, Ltd. (the Master Fund), Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd.; HGI Energy refers to HGI Energy Holdings, LLC; HGI Funding refers to HGI Funding LLC; Russell Hobbs refers to Russell Hobbs, Inc. and, where applicable, its consolidated subsidiaries; HHI Business refers to the hardware and home improvement business previously owned by Stanley Black & Decker and certain of its subsidiaries; Salus refers to Salus Capital Partners, LLC; Stanley Black & Decker refers to Stanley Black & Decker, Inc.; SBI refers to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries; and Spectrum Brands refers to Spectrum Brands Holdings, Inc. and, where applicable, its consolidated subsidiaries.

Our Company

We are a diversified holding company focused on acquiring businesses with attractive assets that we consider to be undervalued or fairly valued and growing our acquired businesses. Our principal holdings include the following: (i) Spectrum Brands, our subsidiary that provides global branded consumer products; (ii) FGL, our subsidiary that provides life insurance and annuity products; (iii) Front Street, our subsidiary engaged in the business of providing long-term reinsurance, including reinsurance to the specialty insurance sector of fixed, deferred and payout annuities; (iv) Salus, our subsidiary engaged primarily in the business of providing secured asset-based loans across a variety of industries; and (v) HGI Energy, our subsidiary that holds our interests in the EXCO/HGI JV, a joint venture engaged in owning and operating producing conventional oil and gas assets. While we search for additional acquisition opportunities, we manage a portion of our available cash and acquire interests in possible acquisition targets through our wholly-owned subsidiary, HGI Funding. We also own 97.9% of Zap.Com Corporation (Zap.Com), a public shell company that may seek assets or businesses to acquire or may sell assets and/or liquidate. We were incorporated in Delaware in 1954 under the name Zapata Corporation and reincorporated in Nevada in April 1999 under the same name. On December 23, 2009, we reincorporated in

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Delaware under the name Harbinger Group Inc. Our common stock trades on the New York Stock Exchange (NYSE) under the symbol HRG. Our principal executive offices are located at 450 Park Avenue, 30th Floor, New York, New York 10022.

Corporate Structure

The following represents our corporate structure as of September 30, 2013:

(1) Zap.Com, a 98% owned subsidiary of HGI, which has no current operations, is not reflected in the structure chart above. Also not reflected in the above structure chart are entities below HGI s first tier corporate structure.

Corporate Information

We are a Delaware corporation and the address of our principal executive office is 450 Park Avenue, 30th Floor, New York, New York 10022. Our telephone number is (212) 906-8555. Our website address is www.harbingergroupinc.com. Information contained on our website is not part of this prospectus.

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Summary of the Exchange Offer

We are offering to exchange $925,000,000 aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them, and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn.

Exchange Offer	We will issue our exchange notes in exchange for a like aggregate principal amount of our initial notes. Initial notes may be exchanged only for a minimum principal denomination of $2,000 and in integral multiples of $1,000 in excess thereof.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on January 30, 2014 (the expiration date), unless we decide to extend it.
Exchange Notes	The exchange notes will be identical in all material respects to the initial notes except that: the exchange notes have been registered under the Securities Act and will be freely tradable by persons who are not affiliates of ours or subject to restrictions due to being broker-dealers; the exchange notes are not entitled to the registration rights applicable to the initial notes under the applicable registration rights agreements dated December 24, 2012 and July 23, 2013 (together, the Registration Rights Agreements); and our obligation to pay additional interest on the initial notes due to the failure to consummate the exchange offer by a prior date does not apply to the exchange notes.
Conditions to the Exchange Offer	We will complete this exchange offer only if: there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer; there is no change in the current interpretation of the staff of the Securities and Exchange Commission (the SEC) which permits resales

of the exchange notes;

there is no stop order issued by the SEC or any state securities authority suspending the effectiveness of the registration statement which includes this prospectus or the qualification of the indenture for the exchange notes under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), and there are no proceedings initiated or, to our knowledge, threatened for that purpose;

there is no action or proceeding instituted or threatened in any court or before any governmental agency or body that would reasonably be expected to prohibit, prevent or otherwise impair our ability to proceed with this exchange offer; and

we obtain all the governmental approvals that we in our sole discretion deem necessary to complete this exchange offer.

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	Please refer to the section in this prospectus entitled The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Initial Notes	To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to Wells Fargo Bank, National Association, as exchange agent (the exchange agent), at its address indicated under The Exchange Offer Exchange Agent. In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes.
Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your initial notes by using the guaranteed delivery procedures described under the section of this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes Guaranteed Delivery Procedure.
Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under The Exchange Offer Exchange Agent before 5:00 p.m., New York City time, on the expiration date of the exchange offer.
Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer before 5:00 p.m., New York City time, on the expiration date. We will return any initial notes that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled The Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.

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U.S. Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled Certain U.S. Federal Income Tax Considerations.
Exchange Agent	Wells Fargo Bank, National Association, is serving as exchange agent in the exchange offer.
Fees and Expenses	We will bear the expenses of soliciting tenders in this exchange offer, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses. Please refer to the section of this prospectus entitled The Exchange Offer Fees and Expenses.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy certain of our obligations under the Registration Rights Agreements.
Consequences to Holders Who Do Not Participate in the Exchange Offer	If you do not participate in this exchange offer:

except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act;

you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act; and

the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.

You will not be able to require us to register your initial notes under the Securities Act unless:

because of any change in law or in applicable interpretations thereof by the SEC staff, we are not permitted to effect the exchange offer;

the exchange offer is not consummated by the 410th day after December 24, 2012;

any initial purchaser so requests with respect to initial notes held by it that are not eligible to be exchanged for exchange notes in this exchange offer; or

any other holder is prohibited by law or SEC policy from participating in this exchange offer or any holder (other than an exchanging broker-dealer) that participates in the exchange offer does not receive freely tradable exchange notes on the date of the exchange and, in each case, such holder so requests.

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	In these cases, the Registration Rights Agreements require us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any initial notes that remain outstanding after completion of the exchange offer.
	Please refer to the section of this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.
Resales	It may be possible for you to resell the exchange notes without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under Obligations of Broker-Dealers below.
	To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:
	you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto;
	the exchange notes acquired by you are being acquired in the ordinary course of business;
	you have no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes;
	you are not an affiliate (as defined in Rule 405 under the Securities Act) of ours, or if you are an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;
	if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes; and

if you are a broker-dealer, and the initial notes to be exchanged were acquired by you as a result of market-making or other trading activities, you will deliver a prospectus in connection with any resale of such exchange notes.

We have agreed that, for a period of 180 days after the exchange offer is consummated, we will make additional copies of this prospectus and any amendment or supplement to this prospectus available to any broker-dealer for use in connection with any resales of the exchange notes.

Please refer to the sections of this prospectus entitled The Exchange Offer Procedure for Tendering Initial Notes Proper Execution and

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	Delivery of Letters of Transmittal, Risk Factors Risks Related to the Exchange Offer Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes and Plan of Distribution.
Obligations of Broker-Dealers	If you are a broker-dealer that receives exchange notes, you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the exchange notes. If you are a broker-dealer who acquired the initial notes as a result of market-making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes. If you are a broker-dealer who acquired the initial notes directly from us in the initial offering and not as a result of market-making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

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Summary of Terms of the Exchange Notes

The following is a summary of the terms of the exchange notes. For a more complete description of these notes as well as the definitions of certain capitalized terms used below, see Description of Notes in this prospectus.

Issuer	Harbinger Group Inc.
Exchange Notes	$925 million aggregate principal amount of 7.875% Senior Secured Notes due 2019. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, the exchange notes will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under the applicable Registration Rights Agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture.
Maturity	July 15, 2019; provided that unless we have redeemed, repurchased, otherwise retired or converted all of our existing preferred stock on or prior to May 13, 2018, then the notes will mature on May 13, 2018. See Description of Notes Maturity and Interest.
Interest	Interest will be payable in cash on January 15 and July 15 of each year, beginning January 15, 2014.
Optional Redemption	On or after January 15, 2016, we may redeem some or all of the notes at any time at the redemption prices set forth in Description of Notes Optional Redemption. In addition, prior to January 15, 2016, we may redeem the notes at a redemption price equal to 100% of the principal amount of the notes plus a make-whole premium.
	Before January 15, 2016, we may redeem up to 35% of the notes, including additional notes, with the proceeds of equity sales at a price of 107.875% of principal plus accrued interest, provided that at least 65% of the original aggregate principal amount of the notes issued under the indenture remains outstanding after the redemption, as further described in Description of Notes Optional Redemption.
Change of Control	Upon a change of control (as defined under Description of Notes), we will be required to make an offer to purchase the notes. The purchase

	price will equal 101% of the principal amount of the notes on the date of purchase plus accrued interest. We may not have sufficient funds available at the time of any change of control to make any required debt repayment (including repurchases of the notes). See Risk Factors Risks Related to the Notes We may be unable to repurchase the notes upon a change of control.
Guarantors	Any subsidiary that guarantees our debt will guarantee the notes. You should not expect that any subsidiaries will guarantee the notes.

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Ranking	The exchange notes will be our senior secured obligations and will:
	rank senior in right of payment to our future debt and other obligations that expressly provide for their subordination to the notes;
	rank equally in right of payment to all of our existing and future unsubordinated debt and be effectively senior to all of our unsecured debt to the extent of the value of the collateral; and
	be effectively subordinated to all liabilities of our non-guarantor subsidiaries.
	As of September 30, 2013, we had no debt other than the initial notes. As of September 30, 2013, the total liabilities of Spectrum Brands were approximately \$4.7 billion, including trade payables. As of September 30, 2013, the total liabilities of FGL were approximately \$21.3 billion, including approximately \$15.2 billion in annuity contractholder funds, approximately \$3.6 billion in future policy benefits and approximately \$300.0 million of indebtedness under the 6.375% senior notes due 2021 issued by FGH (the FGH Notes). As of September 30, 2013, the total liabilities of HGI Asset Management Holdings, LLC were approximately \$0.4 million and were approximately \$504.7 million when consolidated with Salus and Five Island. As of September 30, 2013, the total liabilities of HGI Energy were approximately \$431.6 million.
Collateral	Our obligations under the exchange notes will be, and the initial notes and the indenture are, secured by a first priority lien on all of our assets (except for certain Excluded Property as defined under Description of Notes), including, without limitation:
	all equity interests of our directly held subsidiaries and certain related assets;
	all cash and investment securities owned by us;
	all general intangibles owned by us; and
	any proceeds thereof (collectively, the collateral).

We will be able to incur additional debt in the future that could equally and ratably share in the collateral. The amount of such debt will be limited by the covenants described under Description of Notes Certain Covenants Limitation on Debt and Disqualified Stock and Description of Notes Certain Covenants Limitation on Liens.

Certain Covenants	The indenture contains covenants, subject to specified exceptions, limiting our ability and, in certain cases, our subsidiaries ability to:

- incur additional indebtedness;
- create liens or engage in sale and leaseback transactions;

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- pay dividends or make distributions in respect of capital stock;
- make certain restricted payments;
- sell assets;
- engage in certain transactions with affiliates, except on an arms -length basis; or
- consolidate or merge with, or sell substantially all of our assets to, another person.

We are also required to maintain compliance with certain financial tests, including minimum liquidity and collateral coverage ratios.

You should read Description of Notes Certain Covenants for a description of these covenants.

Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See Use of Proceeds.
Absence of a Public Market for the Exchange Notes	The exchange notes will be issued as part of the same class as the initial notes under the indenture, but the trading market for the exchange notes is expected to be limited. We cannot assure you that a market for the exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Related to the Exchange Offer There is no active trading market for the exchange notes.
Form of the Exchange Notes	The exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company (DTC) with Wells Fargo Bank, National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus entitled Book Entry; Delivery and Form Exchange of Book-Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by

	DTC with respect to its participants.
Risk Factors	Investing in the notes involves substantial risks and uncertainties. See Risk Factors and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in any notes, including the exchange notes.

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RISK FACTORS

Before investing in the notes, you should carefully consider the risk factors discussed below and the risk factors incorporated by reference into this prospectus. See Incorporation of Documents by Reference. Any of these risk factors could materially and adversely affect our or our subsidiaries business, financial condition and results of operations. These risk factors are not the only risks that we or our subsidiaries may face. Additional risks and uncertainties not presently known to us or our subsidiaries or that are not currently believed to be material also may adversely affect us or our subsidiaries. These risk factors may be amended, supplemented or superseded from time to time in supplements to this prospectus and by other reports we file with the SEC in the future.

Risks Related to the Notes

We are a holding company and our only material assets are our equity interests in our operating subsidiaries and our other investments; as a result, our principal source of revenue and cash flow is distributions from our subsidiaries; our subsidiaries may be limited by law and by contract in making distributions to us.

As a holding company, our only material assets are our cash on hand, the equity interests in our subsidiaries and other investments. As of September 30, 2013, excluding cash, equivalents and short-term investments held by FGL and Spectrum Brands, we had approximately $301.2 million in cash, cash equivalents and short-term investments, which includes $43.1 million held by our wholly-owned subsidiary, HGI Funding. Our principal source of revenue and cash flow is distributions from our subsidiaries. Thus, our ability to service our debt, finance acquisitions and pay dividends to our stockholders in the future is dependent on the ability of our subsidiaries to generate sufficient net income and cash flows to make upstream cash distributions to us. Our subsidiaries are and will be separate legal entities, and although they may be wholly-owned or controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends, distributions or otherwise. The board of directors of our subsidiaries may consider a range of factors and consider their stockholders constituencies (including public shareholders) as a whole when making decisions about dividends. The ability of our subsidiaries to distribute cash to us will also be subject to, among other things, restrictions that are contained in our subsidiaries financing agreements, availability of sufficient funds in such subsidiaries and applicable state laws and regulatory restrictions. Claims of creditors of our subsidiaries generally will have priority as to the assets of such subsidiaries over our claims and claims of our creditors and stockholders. To the extent the ability of our subsidiaries to distribute dividends or other payments to us could be limited in any way, our ability to grow, pursue business opportunities or make acquisitions that could be beneficial to our businesses, or otherwise fund and conduct our business could be materially limited.

As an example, our subsidiary Spectrum Brands is a holding company with limited business operations of its own and its main assets are the capital stock of its subsidiaries, principally SBI. The terms of Spectrum Brands indebtedness may limit its ability to pay dividends to us. See Part I, Item IA. Risk Factors Risks Related to Spectrum Brands SBI s substantial indebtedness may limit its financial and operating flexibility, and it may incur additional debt, which could increase the risks associated with its substantial indebtedness and Part I, Item IA. Risk Factors Risks Related to Spectrum Brands Restrictive covenants in SBI s Senior Secured Facilities and the 2020 Indenture may restrict SBI s ability to pursue its business strategies contained in our 2013 Annual Report.

FGL is also a holding company with limited business operations of its own. Its main assets are the capital stock of its subsidiaries, which are principally regulated insurance companies, whose ability to pay dividends is limited by applicable insurance laws. Accordingly, FGL s payment of dividends is dependent, to a significant extent, on the generation of cash flow by its subsidiaries and their ability to make such cash available to FGL, by dividend or otherwise. FGL s subsidiaries may not be able to, or may not be permitted to, make distributions to

enable FGL to meet its obligations and pay dividends. Each subsidiary is a distinct legal entity and legal and contractual restrictions may also limit FGL s ability to obtain cash from its subsidiaries. See Part I, Item 1. Business Our Operating Subsidiaries FGL Regulation Financial Regulation Dividend and Other Distribution Payment Limitations and Part I, Item 1A. Risk Factors Risks Related to FGL The indenture governing the FGH Notes imposes significant operating and financial restrictions, which may prevent FGL from capitalizing on business opportunities contained in our 2013 Annual Report. In addition, if FGL s initial public offering is completed, our proportion of any dividends paid by FGL will be proportionally reduced to match our ownership interest in FGL.

Additionally, the terms of EXCO/HGI JV s indebtedness may adversely affect its cash flow and may limit its ability to pay distributions to us. See Part I, Item 1A. Risk Factors Risks Related to EXCO/HGI JV The EXCO/HGI JV has a substantial amount of indebtedness, which may adversely affect its cash flow and ability to operate its business, remain in compliance with debt covenants and make payments on its debt and distributions to us contained in our 2013 Annual Report.

Furthermore, these restrictions on our subsidiaries to pay dividends may limit our ability to incur additional indebtedness or refinance our existing indebtedness in the future as well. Our ability to refinance our indebtedness will depend on our ability to generate future cash flow, and we are dependent on our subsidiaries ability to pay dividends or pay distributions to us.

The notes are structurally subordinated to all liabilities of our subsidiaries and may be diluted by liens granted to secure future indebtedness.

The notes are our senior secured obligations, secured on a first-lien basis by a pledge of substantially all of our assets, including our equity interests in our directly held subsidiaries and all cash and investment securities owned by us. The notes are not, and are not expected to be, guaranteed by any of our current or future subsidiaries. As a result of our holding company structure, claims of creditors of our subsidiaries will generally have priority as to the assets of our subsidiaries over our claims and over claims of the holders of our indebtedness, including the notes. As of September 30, 2013, the total liabilities of Spectrum Brands were approximately $4.7 billion, including trade payables. As of September 30, 2013, the total liabilities of FGL were approximately $21.3 billion, including approximately $15.2 billion in annuity contractholder funds, approximately $3.6 billion in future policy benefits and approximately $300.0 million of indebtedness under the FGH Notes. As of September 30, 2013, the total liabilities of HGI Asset Management Holdings, LLC were approximately $0.4 million and were approximately $504.7 million when consolidated with Salus and Five Island. As of September 30, 2013, the total liabilities of the HGI Energy were $431.6 million.

The creditors of our subsidiaries have direct claims on the subsidiaries and their assets and the claims of holders of the notes are structurally subordinated to any existing and future liabilities of our subsidiaries. This means that the creditors of our subsidiaries have priority in their claims on the assets of the subsidiaries over our creditors, including the noteholders. All of our other consolidated liabilities, other than the notes, are obligations of our subsidiaries and are effectively senior to the notes.

As a result, upon any distribution to the creditors of any subsidiary in bankruptcy, liquidation, reorganization or similar proceedings, or following acceleration of our indebtedness or an event of default under such indebtedness, the lenders or noteholders, as the case may be, of the indebtedness of our subsidiaries will be entitled to be repaid in full by such subsidiaries, before any payment is made to HGI. The indenture does not restrict the ability of our subsidiaries to incur additional indebtedness or grant liens secured by assets of our subsidiaries. Further, we may incur future indebtedness, some of which may be secured by liens on the collateral securing the notes, to the extent permitted by the indenture. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. Holders of the exchange notes will participate ratably with all holders of our senior secured indebtedness secured by the collateral, including the initial notes, to the extent of the value of the collateral and potentially with all of our general creditors.

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The ability of the collateral agent to foreclose on the equity of our subsidiaries may be limited.

The majority of the collateral for our obligations under the notes is a pledge of our equity interests in our current and future directly held subsidiaries. There can be no assurance of the collateral agent s ability to liquidate in an orderly manner our equity interests in our directly held subsidiaries following its exercise of remedies with respect to the collateral. As of September 30, 2013, none of our directly held subsidiaries, other than Spectrum Brands, is publicly traded. If the collateral agent is required to exercise remedies and foreclose on the stock of Spectrum Brands pledged as collateral, it will have the right to require Spectrum Brands to file and have declared effective a shelf registration statement permitting resales of such stock. However, Spectrum Brands may not be able to cause such shelf registration statement to become effective or stay effective. The collateral agent s ability to sell Spectrum Brands stock without a registration statement may be limited by the securities laws and by the terms of the Spectrum Brands stockholder agreement.

As the indirect parent company of Fidelity & Guaranty Life Insurance Company and Fidelity & Guaranty Life Insurance Company of New York, FGL is subject to the insurance holding company laws of Iowa and New York. Most states, including Iowa and New York, have insurance laws that require regulatory approval of a direct or indirect change of control of an insurer or an insurer s holding company. As a result, the ability of the collateral agent to foreclose upon the equity of FGL or dispose of such equity will be limited by applicable insurance laws.

The right and ability of the collateral agent to foreclose upon the equity of our subsidiaries upon the occurrence of an event of default is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy proceeding were to be commenced by or against us or a subsidiary of ours prior to the collateral agent having foreclosed upon and sold the equity. Under applicable bankruptcy law, a secured creditor such as the collateral agent may be prohibited from foreclosing upon its security from a debtor in a bankruptcy case or from disposing of security repossessed from such debtor without bankruptcy court approval, which may not be given.

Moreover, the U.S. Bankruptcy Code (the Bankruptcy Code) may preclude the secured party from obtaining relief from the automatic stay in order to foreclose upon the equity if the debtor provides adequate protection. The meaning of the term adequate protection varies according to circumstances, but it is generally intended to protect the value of the secured creditor s interest in the collateral from any diminution in the value of the collateral as a result of the stay of repossession or the disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case and may include, if approved by the court, cash payments or the granting of additional security. A bankruptcy court may determine that a secured creditor may not require compensation for a diminution in the value of its collateral if the value of the collateral exceeds the debt it secures.

In view of the lack of a precise definition of the term adequate protection and the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the notes could be delayed following commencement of a bankruptcy case, whether or when the collateral agent could repossess or dispose of the collateral, the value of the collateral at the time of the bankruptcy filing, or whether or to what extent holders of the notes would be compensated for any delay in payment or diminution in the value of the collateral. The holders of the notes may receive in exchange for their claims a recovery that could be substantially less than the amount of their claims (potentially even nothing) and any such recovery could be in the form of cash, new debt instruments or some other security. Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the notes, the holders of the notes would have an undersecured claim, which means that they would have a secured claim to the extent of the value of the collateral and an unsecured claim for the difference. Applicable federal bankruptcy laws do not permit the payment or accrual of post-petition interest, costs and attorneys fees for undersecured claims during the debtor s bankruptcy case.

If any of our subsidiaries commenced, or had commenced against it, a bankruptcy proceeding (but we had not commenced a bankruptcy proceeding), the plan of reorganization of such subsidiary could result in the cancellation of our equity interests in such subsidiary and the issuance of the equity in the subsidiary to the creditors of such subsidiary in satisfaction of their claims. At any time, a majority of the assets of our directly held subsidiaries can be pledged to secure indebtedness or other obligations of the subsidiary. See The notes are structurally subordinated to all liabilities of our subsidiaries and may be diluted by liens granted to secure future indebtedness.

As a result of the foregoing, the collateral agent s ability to exercise remedies and foreclose on our equity interests in our directly held subsidiaries may be limited.

Foreclosure on the stock of our subsidiaries pledged as collateral could constitute a change of control under the agreements governing our subsidiaries debt or other obligations.

If the collateral agent were to exercise remedies and foreclose on a sufficient amount of the common stock of Spectrum Brands or FGL pledged as collateral for the notes, the foreclosure could constitute a change of control under certain of the agreements governing such subsidiary s debt. Under SBI s senior secured term loans (the SBI Term Loans) and SBI s asset based revolving facility (the SBI ABL Facility), a change of control is an event of default and, if a change of control were to occur, SBI would be required to get an amendment to these agreements to avoid a default. If SBI was unable to get such an amendment, the lenders could accelerate the maturity of each of the SBI Term Loans and the SBI ABL Facility. In addition, under the indenture governing SBI s 6.75% senior notes due 2020 (the 6.75% Notes), the indenture governing SBI s 6.375% senior notes due 2020 and 6.625% senior notes due 2022 and the indenture governing the FGH Notes, upon a change of control SBI or FGL, as applicable, is required to offer to repurchase such notes from the holders at a price equal to 101% of the principal amount of the notes plus accrued interest or obtain a waiver of default from the holders of such notes. If SBI or FGL were unable to make the change of control offer or to obtain a waiver of default, it would be an event of default under the applicable indenture that could allow holders of such notes to accelerate the maturity of those notes. In the event the lenders under the SBI loan agreements or holders of SBI s notes exercised remedies in connection with a default, their claims to SBI s assets would have priority over any claims of the holders of the notes. Additionally, in the event the holders of the FGH Notes exercised remedies in connection with a default, their claims to FGL s assets would have priority over any claims of the holders of the notes.

Our current and future subsidiaries could also incur debt with similar features in the future.

Perfection of security interests in some of the collateral may not occur and, as such, holders of the notes may lose the benefit of such security interests to the extent a default should occur prior to such perfection or if such security interest is perfected during the period immediately preceding our bankruptcy or insolvency or the bankruptcy or insolvency of any guarantor.

Under the terms of the indenture, if any collateral is not automatically subject to a perfected security interest, then, promptly after the acquisition of such collateral, we will be required to provide security over such collateral. However, perfection of such security interests may not occur immediately. If a default should occur prior to the perfection of such security interests, holders of the notes may not benefit from such security interests.

In addition, if perfection of such security interests were to occur during a period shortly preceding our bankruptcy or insolvency or the bankruptcy or insolvency of any guarantor (if any), such security interests may be subject to categorization as a preference and holders of the notes may lose the benefit of such security interests. In addition, applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the collateral securing the notes may not be perfected with respect to the claims of the notes if the collateral agent is not able to take the actions necessary to perfect any of these liens. The trustee or the collateral agent may not monitor, or we may not inform the trustee or the collateral agent of, the future acquisition of property and rights that constitute collateral, and necessary action may not be taken to properly perfect the security interest in such after-acquired collateral. Neither the trustee nor the collateral agent has an obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest in favor of the notes against third parties. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the notes against third parties.

There are circumstances other than repayment or discharge of the notes under which the collateral securing the notes will be released automatically, without the consent of the holders of the notes or the trustee.

Under various circumstances, collateral securing the notes and guarantees, if any, will be released automatically, including:

- upon payment in full of the principal, interest and all other obligations on the notes or a discharge or defeasance thereof;
- with respect to collateral held by a guarantor (if any), upon the release of such guarantor from its guarantee; and
- a disposition of such collateral to any person other than to us or a guarantor in a transaction that is permitted by the indenture; provided that, except in the case of any disposition of cash equivalents in the ordinary course of business, upon such disposition and after giving effect thereto, no default shall have occurred and be continuing, and we would be in compliance with the covenants set forth under Description of Notes Certain Covenants Maintenance of Liquidity, and Description of Notes Maintenance of Collateral Coverage (calculated as if the disposition date was a fiscal quarter-end).

See Description of Notes Security Release of Liens.

The value of collateral may not be sufficient to repay the notes in full.

The value of our collateral in the event of liquidation will depend on many factors. In particular, the equity interests of our subsidiaries that is pledged only has value to the extent that the assets of such subsidiaries are worth more than the liabilities of such subsidiaries (and, in a bankruptcy or liquidation, will only receive value after payment upon all such liabilities, including all debt of such subsidiaries). Consequently, liquidating the collateral may not produce proceeds in an amount sufficient to pay any amounts due on the notes. The fair market value of the collateral is subject to fluctuations based on factors that include, among others, prevailing interest rates, the ability to sell the collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the collateral would be dependent on numerous factors, including the actual fair market value of the collateral at such time and the timing and the manner of the sale. By its nature, the collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the collateral will be sufficient to pay our obligations under the notes. Any claim for the difference between the amount, if any, realized by holders of the notes from the sale of collateral securing the notes and the obligations under the notes will rank equally in right of payment with all of our other unsecured senior debt and other unsubordinated obligations, including trade payables. To the extent that third parties establish liens on the collateral such third parties could have rights and remedies with respect to the assets subject to such liens that, if exercised, could adversely affect the value of the collateral or the ability of the collateral agent or the holders of the notes to realize or foreclose on the collateral. We may also incur obligations which would be secured by the collateral, the effect of which would be to increase the amount of debt secured equally and ratably by the collateral. The ability of the holders to realize on the collateral may also be subject to certain bankruptcy law limitations in the event of a bankruptcy. See The ability of the collateral agent to foreclose on the equity of our subsidiaries may be limited.

We will in most cases have control over the collateral.

So long as no event of default shall have occurred and be continuing, and subject to certain terms and conditions, we will be entitled to exercise any voting and other consensual rights pertaining to all equity interests

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in our subsidiaries pledged pursuant to the security and pledge agreement and to remain in possession and retain exclusive control over the collateral (other than as set forth in the security and pledge agreement) and to collect, invest and dispose of any income thereon.

We may and our subsidiaries may incur substantially more indebtedness. This could exacerbate the risks associated with our leverage.

Subject to the limitations set forth in the indenture, we and our subsidiaries may incur additional indebtedness (including additional first-lien obligations) in the future. If we incur any additional indebtedness that ranks equally with the notes, the holders of that indebtedness will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. If we incur additional secured indebtedness, the holders of such indebtedness will share equally and ratably in the collateral. This may have the effect of reducing the amount of proceeds paid to holders of the notes. If new indebtedness is added to our current levels of indebtedness, the related risks that we now face, including our possible inability to service our debt, could intensify. Additionally, if our subsidiaries incur additional debt, the notes will be structurally subordinated to such debt. See The notes are structurally subordinated to all liabilities of our subsidiaries and may be diluted by liens granted to secure future indebtedness.

We may be unable to repurchase the notes upon a change of control.

Under the indenture, each holder of notes may require us to repurchase all of such holder s notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if certain change of control events occur. However, it is possible that we will not have sufficient funds when required under the indenture to make the required repurchase of the notes. If we fail to repurchase notes in that circumstance, we will be in default under the indenture. If we are required to repurchase the notes, we may require third party financing as such funds may otherwise only be available to us through a distribution by our subsidiaries to us. We cannot be sure that we would be able to obtain third party financing on acceptable terms, or at all, or obtain such funds through distributions from our subsidiaries.

Changes in credit ratings issued by nationally recognized statistical ratings organizations could adversely affect our cost of financing and the market price of our securities, including the notes.

Credit rating agencies rate our debt securities and our subsidiaries debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us or our subsidiaries on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or our subsidiaries debt securities or placing us or our subsidiaries on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the notes offered hereby.

Risks Related to the Exchange Offer

If you do not properly tender your initial notes, you will continue to hold unregistered initial notes and be subject to the same limitations on your ability to transfer initial notes.

We will only issue exchange notes for initial notes that are timely received by the exchange agent together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the initial notes and you should carefully follow the instructions on how to tender your initial notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the initial notes. If you are eligible to participate in the

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exchange offer and do not tender your initial notes or if we do not accept your initial notes because you did not tender your initial notes properly, then, after we consummate the exchange offer, you will continue to hold initial notes that are subject to the existing transfer restrictions and will no longer have any registration rights or be entitled to any additional interest with respect to the initial notes. In general, you may only offer or sell the initial notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the Registration Rights Agreements, we do not currently anticipate that we will register under the Securities Act, any initial notes that remain outstanding after the exchange offer. In addition:

- if you tender your initial notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes; and

- if you are a broker-dealer that receives exchange notes for your own account in exchange for initial notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of those exchange notes.

We have agreed that, for a period of 180 days after the exchange offer is consummated, we will make additional copies of this prospectus and any amendment or supplement to this prospectus available to any broker-dealer for use in connection with any resales of the exchange notes. After the exchange offer is consummated, if you continue to hold any initial notes, you may have difficulty selling them because there will be fewer initial notes outstanding.

There is no active trading market for the exchange notes.

The exchange notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or, if developed, that it will continue or that you will be able to sell your exchange notes at a particular time or at favorable prices. We have not applied, and do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system.

The liquidity of any market for the exchange notes is subject to a number of factors, including:

- the number of holders of exchange notes;

- our operating performance and financial condition;

- our ability to complete the exchange offer;

- the market for similar securities;

- the interest of securities dealers in making a market in the exchange notes; and prevailing interest rates.

We understand that one or more of the initial purchasers with respect to the initial notes presently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offer or the pendency of an applicable shelf registration statement.

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that

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most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the Commission contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under Plan of Distribution, you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, this liability.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, the documents incorporated by reference and certain oral statements made by our representatives from time to time may contain, forward-looking statements that are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by such statements. 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 concerning possible or assumed future 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 cou or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation: 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, capital market conditions, HGI s 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 and other regulatory matters, potential and contingent liabilities, management s plans, changes in regulations and taxes.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements.

Forward-looking statements are not guarantees of performance. You should understand that the following important factors, in addition to those discussed under Risk Factors in this prospectus and under Part I: Item 1A. Risk Factors contained in our 2013 Annual Report, which are incorporated by reference herein, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. You should also understand that many factors described under one heading below may apply to more than one section in which we have grouped them for the purpose of this presentation. As a result, you should consider all of the following factors, together with all of the other information presented herein, in evaluating the business of us and our subsidiaries.

HGI

HGI s actual results or other outcomes may differ from those expressed or implied by forward-looking statements contained or incorporated herein due to a variety of important factors, including, without limitation, the following:

- our dependence on distributions from our subsidiaries to fund our operations and payments on our debt and other obligations;

- limitations on our ability to successfully identify additional suitable acquisition and investment opportunities and to compete for these opportunities with others who have greater resources;

- the need to provide sufficient capital to our operating businesses;

the impact of covenants in the indenture, the certificates of designation governing our preferred stock (the Certificates of Designation), and future financing or refinancing agreements, on our ability to operate our business and finance our pursuit of additional acquisition opportunities;

our ability to incur new debt and refinance our existing indebtedness;

the impact on our business and financial condition of our substantial indebtedness and the significant additional indebtedness and other financing obligations we and our subsidiaries may incur;

the impact on the holders of our common stock if we issue additional shares of our common stock or preferred stock;

the impact on the aggregate value of our assets and our stock price from changes in the market prices of publicly traded equity interests we hold, particularly during times of volatility in security prices;

the impact of additional material charges associated with our oversight of acquired or target businesses and the integration of our financial reporting;

the impact of restrictive stockholder agreements and securities laws on our ability to dispose of equity interests we hold;

the impact of decisions by our significant stockholders, whose interest may differ from those of our other stockholders, or their ceasing to remain significant stockholders;

the effect any interests of our officers, directors, stockholders and their respective affiliates may have in certain transactions in which we are involved;

our dependence on certain key personnel, and regulatory matters with respect to our Chief Executive Officer and certain funds affiliated with the HCP Stockholders;

our and our subsidiaries ability to attract and retain key employees;

the impact of potential losses and other risks from changes in our portfolio of securities;

our ability to effectively increase the size of our organization, if needed, and manage our growth;

the impact of a determination that we are an investment company or personal holding company;

the impact of future claims arising from operations, agreements and transactions involving former subsidiaries;

the impact of expending significant resources in considering acquisition targets or business opportunities that are not consummated;

- our ability to successfully integrate the EXCO/HGI JV into our existing operations and achieve the expected economic benefits;

- tax consequences associated with our acquisition, holding and disposition of target companies and assets;

- the impact of delays or difficulty in satisfying the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 or negative reports concerning our internal controls;

- the impact of the relatively low market liquidity for our common stock; and

- the effect of price fluctuations in our common stock caused by general market and economic conditions and a variety of other factors, including factors that affect the volatility of the common stock of any of our publicly held subsidiaries.

Spectrum Brands

Spectrum Brands actual results or other outcomes may differ from those expressed or implied by the forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

- the impact of Spectrum Brands substantial indebtedness on its business, financial condition and results of operations;

- the impact of restrictions in Spectrum Brands debt instruments on its ability to operate its business, finance its capital needs or pursue or expand business strategies;

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any failure to comply with financial covenants and other provisions and restrictions of Spectrum Brands debt instruments;

Spectrum Brands ability to successfully integrate the HHI Business and achieve the expected synergies from that integration at the expected costs;

the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities;

the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers willingness to advance credit;

interest rate and exchange rate fluctuations;

the loss of, or a significant reduction in, sales to any significant retail customer(s);

competitive promotional activity or spending by competitors or price reductions by competitors;

the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands;

the effects of general economic conditions, including inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or changes in trade, monetary or fiscal policies in the countries where Spectrum Brands does business;

changes in consumer spending preferences and demand for Spectrum Brands products;

Spectrum Brands ability to develop and successfully introduce new products, protect its intellectual property and avoid infringing the intellectual property of third parties;

Spectrum Brands ability to successfully implement, achieve and sustain manufacturing and distribution cost efficiencies and improvements, and fully realize anticipated cost savings;

the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations);

public perception regarding the safety of Spectrum Brands products, including the potential for environmental liabilities, product liability claims, litigation and other claims;

the impact of pending or threatened litigation;

changes in accounting policies applicable to Spectrum Brands business;

government regulations;

the seasonal nature of sales of certain of Spectrum Brands products;

the effects of climate change and unusual weather activity;

the effects of political or economic conditions, terrorist attacks, acts of war or other unrest in international markets;

the significant costs expected to be incurred in connection with the integration of Spectrum Brands and the HHI Business;

the risk that Spectrum Brands may become responsible for certain liabilities of the HHI Business;

the risk that integrating Spectrum Brands business with that of the HHI Business may divert Spectrum Brands management attention;

Spectrum Brands dedicating resources of the HHI Business to supply certain products and services to Stanley Black & Decker and its subsidiaries as required following the acquisition of the HHI Business;

general customer uncertainty related to the acquisition of the HHI Business; and

the limited period of time for which Spectrum Brands has the right to use certain Stanley Black & Decker trademarks, brand names and logos.

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FGL, Front Street and Five Island

FGL s, Front Street s and Five Island s actual results or other outcomes may differ from those expressed or implied by forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

- the accuracy of FGL s assumptions and estimates;
- the accuracy of FGL s assumptions regarding the fair value and future performance of its investments;
- FGL s and its insurance subsidiaries ability to maintain or improve their financial strength ratings;
- FGL s and its insurance subsidiaries potential need for additional capital to maintain their financial strength and credit ratings and meet other requirements and obligations;
- FGL s ability to manage its business in a highly regulated industry, which is subject to numerous legal restrictions and regulations;
- regulatory changes or actions, including those relating to regulation of financial services affecting (among other things) underwriting of insurance products and regulation of the sale, underwriting and pricing of products and minimum capitalization and statutory reserve requirements for insurance companies, or the ability of FGL s insurance subsidiaries to make cash distributions to FGL (including dividends or payments on surplus notes those subsidiaries issue to FGL);
- the impact of FGL s reinsurers failing to meet or timely meet their assumed obligations, increasing their reinsurance rates, or becoming subject to adverse developments that could materially adversely impact their ability to provide reinsurance to FGL at consistent and economical terms;
- restrictions on FGL s ability to use captive reinsurers;
- FGL being forced to sell investments at a loss to cover policyholder withdrawals;
- the impact of covenants in the indenture governing the FGH Notes;
- the impact of interest rate fluctuations on FGL;

the availability of credit or other financings and the impact of equity and credit market volatility and disruptions on both FGL s ability to obtain capital and the value and liquidity of FGL s investments;

changes in the U.S. federal income tax laws and regulations that may affect the relative income tax advantages of FGL s products;

increases in FGL s valuation allowance against FGL s deferred tax assets, and restrictions on FGL s ability to fully utilize such assets;

FGL being the target or subject of and FGL s ability to defend itself against litigation (including class action litigation) and respond to enforcement investigations or regulatory scrutiny;

the performance of third parties including distributors and technology service providers, and providers of outsourced services;

interruption or other operational failures in telecommunication, information technology and other operational systems, or a failure to maintain the security, integrity, confidentiality or privacy of sensitive data residing on such systems;

the continued availability of capital required for FGL s insurance subsidiaries to grow;

the impact on FGL s business of new accounting rules or changes to existing accounting rules;

the risk that FGL s risk management policies and procedures could leave FGL exposed to unidentified or unanticipated risk;

general economic conditions and other factors, including prevailing interest and unemployment rate levels and stock and credit market performance which may affect (among other things) FGL s ability to

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sell its products, its ability to access capital resources and the costs associated therewith, the fair value of its investments, which could result in impairments and other-than-temporary impairments, and certain liabilities, and the lapse rate and profitability of policies;

FGL s ability to protect its intellectual property;

difficulties arising from FGL s outsourcing relationships;

the impact on FGL of man-made catastrophes, pandemics, computer viruses, network security breaches and malicious and terrorist acts;

FGL s ability to compete in a highly competitive industry and maintain competitive unit costs;

the adverse consequences if the independent contractor status of FGL s independent insurance marketing organizations is successfully challenged;

the adverse tax consequence to FGL if FGL generates passive income in excess of operating expenses;

the operating and financial restrictions applicable to FGL, which may prevent FGL from capitalizing on business opportunities;

the ability of FGL s subsidiaries and affiliates to generate sufficient cash to service all of their obligations;

the ability of FGL s subsidiaries to pay dividends to FGL;

the ability to maintain or obtain approval of the regulatory authorities, including the Iowa Insurance Division and the New York State Department of Financial Services as required for FGL s operations and those of its insurance subsidiaries;

FGL s ability to attract and retain national marketing organizations and independent agents;

the ability of FGL s subsidiaries and affiliates to generate sufficient cash to service all of their obligations; and

the ability of Front Street and/or Five Island to effectively implement their respective business strategy.

Salus

Salus actual results or other outcomes may differ from those expressed or implied by the forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

- Salus ability to recover amounts that are contractually owed to it by its borrowers;
- Salus ability to continue to address a number of issues to implement its strategy and grow its business;
- the impact on Salus resulting from further deterioration in economic conditions;
- Salus ability to compete with traditional competitors and new market entrants;
- Salus ability to address a variety of operational risks, including reputational risk, legal and compliance risk, the risk of fraud or theft, operational errors and systems malfunctions; and
- Salus ability to continue to find attractive lending opportunities given its rapid growth.

HGI Energy

HGI Energy s actual results or other outcomes may differ from those expressed or implied by the forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

- fluctuations in oil, natural gas liquids and natural gas prices sold by EXCO/HGI JV;
- changes in the differential between the New York Mercantile Exchange or other benchmark prices of oil, natural gas liquids and natural gas and the reference or regional index price used to price the EXCO/HGI JV s actual oil and natural gas sales;

the EXCO/HGI JV not having any of its own employees and relying on employees supplied by EXCO Parent and its subsidiaries;

the failure to resolve any material disagreements between HGI Energy and EXCO Parent relating to the business or operation of EXCO/HGI JV;

the impact of the EXCO/HGI JV s substantial indebtedness on its business, financial condition and results of operations;

the EXCO/HGI JV s ability to acquire or develop additional reserves, accurately evaluate reserve data or the exploitation potential of its properties, and control the development of its properties;

the EXCO/HGI JV s ability to market and sell its oil, natural gas liquids and natural gas and its exposure to the credit risk of its customers and other counterparties and the risks associated with drilling activities;

the inherent uncertainty of estimates of oil and natural gas reserves;

the risk that the EXCO/HGI JV will be unable to identify or complete, or complete on economically attractive terms, the acquisition of additional properties;

the EXCO/HGI JV s ability to successfully operate in a highly regulated and litigious environment, including exposure to operating hazards and uninsured risks;

EXCO/HGI JV s ability to effectively mitigate the impact of commodity price volatility from its cash flows with its hedging strategy;

changes in the U.S. federal income tax laws and regulations that may affect the relative income tax advantages of HGI Energy s products;

the impact of future and existing environmental regulations;

the effects of climate change and unusual weather activity;

the intense competition in the oil and gas industry, including acquiring properties, contracting for drilling equipment and hiring experienced personnel; and the unavailability of pipelines or other facilities interconnected to the EXCO/HGI JV s gathering and transportation pipelines.

We caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this prospectus or the date of documents incorporated by reference herein. Neither we nor any of our subsidiaries undertake any duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect actual outcomes.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to combined fixed charges for each of the periods indicated. For the purpose of calculating the consolidated ratio of earnings to fixed charges, earnings represents pre-tax income (loss) from continuing operations plus fixed charges, and less any interest capitalized. Fixed charges consists of interest expense, whether expensed or capitalized, amortization of debt financing costs, and one-third of lease expense. You should read these ratios in connection with our consolidated financial statements, including the notes to those statements, incorporated by reference in this prospectus.

	Predecessor	Successor				
	Period from October 1, 2008 through August 30, 2009	Period from August 31, 2009 through September 30, 2009	Year ended September 30, 2010	2011	2012	2013
			(in millions, except ratios)			
Ratio of earnings to fixed charges	7.2	(a)	(a)	1.2	1.1	1.2
Deficiency of (loss) earnings to fixed charges (a)		$ (20.0)	$ (132.3)			

(a) Due to losses for the period ended August 31, 2009 to September 30, 2009 and for the year ended September 30, 2010, the coverage ratio was less than 1:1. We would have needed to generate additional earnings of $20.0 million and $132.3 million, respectively, in each of these periods in order to achieve a ratio of 1:1.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. In consideration for issuing the exchange notes, we will receive initial notes in like aggregate principal amount.

CAPITALIZATION

The following table sets forth our unaudited consolidated cash and cash equivalents, short-term investments and consolidated capitalization as of September 30, 2013 on an actual basis.

This table should be read together with Use of Proceeds and our financial statements and related notes incorporated by reference into this prospectus.

(In millions)		**HGI as of September 30, 2013**
Cash and cash equivalents	$	1,899.7
Debt:		
HGI Debt:		
7.875% Senior Secured Notes due 2019 (1)	$	925.0
SBI Debt:		
SBI Term Loans (2)		1,744.7
SBI Senior Notes (3,4)		1,390.0
SBI ABL Facility (5)		
Other notes and obligations		28.5
Capital leases and other		67.4
FGL Debt:		
FGH Notes (6)		300.0
EXCO/HGI Partnership Debt:		
Revolving Credit Facility (7)		271.2
Salus Debt:		
Unaffiliated long term debt of consolidated variable interest entity		182.9
Original issuance net premium (discount) on debt		(13.6)
Total debt		4,896.1
Preferred Stock (8)		329.4
Total HGI stockholders equity		724.7
Total capitalization	$	5,950.2

(1) Consists of $700.0 million and $225.0 million aggregate principal amount of initial notes that were issued at a price equal to 99.36% and 101.50%, respectively, of the principal amount thereof.

(2) On December 17, 2012, SBI entered into a new term loan facility (the Term Loan Facility). The Term Loan Facility provided for borrowings in an aggregate principal amount of $800.0 million, with $100.0 million in Canadian dollar equivalents to be made available to one of the borrower s Canadian subsidiaries. The terms of the Term Loan Facility allowed SBI, subject to certain conditions, to increase the commitments under the Term Loan Facility, in an aggregate incremental amount not to exceed $350.0 million plus an additional amount subject to

compliance with certain secured net leverage ratio requirements. The Term Loan Facility has a seven-year term. On September 4, 2013 (the Term Loan Closing Date), SBI closed on $1.15 billion of term loans (the New Term Loans) and entered into an amendment to the Term Loan Facility (as amended, the Amended Term Loan Facility). The New Term Loans comprise two new tranches under the Amended Term Loan Facility: (i) tranche A term loans in aggregate principal amount of $850 million (the Tranche A Loans) and (ii) tranche C term loans in an aggregate amount of $300 million (the Tranche C Loans). The existing term loans outstanding on the Term Loan Facility are referred to as the Tranche B Loans. Tranche A Loans will mature four years from the Term Loan Closing Date and Tranche C Loans will mature on the sixth anniversary of the Term Loan Closing Date. As of September 30, 2013, SBI had $850 million Tranche A Loans, $595 million Tranche B Loans and $300 million Tranche C Loans outstanding.

(3) On March 15, 2012, SBI issued $300.0 million aggregate principal amount of 6.75% Senior Notes due 2020 at a price of 100% of the par value. The 6.75% Notes are unsecured and guaranteed by SBI s parent company, SB/RH Holdings, LLC, as well as by existing and future domestic restricted subsidiaries.

(4) On December 17, 2012, SBI assumed $520.0 million aggregate principal amount of the 6.375% Senior Notes due 2020 and $570.0 million aggregate principal amount of the 6.625% Senior Notes due 2022. SBI used the net proceeds from the offering to fund a portion of the purchase price and related fees and expenses for the acquisition of the HHI Business.

(5) The SBI ABL Facility is governed by a credit agreement with the Bank of America as administrative agent. The SBI ABL Facility consists of revolving loans, with a portion available for letters of credit and a portion available as swing line loans, in each case subject to certain terms and limits. The revolving loans may be drawn, repaid and re-borrowed without premium or penalty. As of September 30, 2013, the SBI ABL Facility provides for aggregate borrowings of up to $400.0 million from time to time, subject to a borrowing base formula, and includes a letter of credit sub-facility and a swingline sub-limit. As at September 30, 2013, SBI had aggregate borrowing availability of approximately $288.9 million, net of lender reserves of $8.6 million and outstanding letters of credit of $37.2 million. The SBI ABL Facility is due on May 24, 2017.

(6) On March 27, 2013, FGL issued $300.0 million aggregate principal amount of 6.375% senior notes due April 1, 2021. FGL used the net proceeds from that offering to pay a $73.0 million dividend, purchase a $195.0 million surplus note from FGL Insurance (which funds will be used to support the growth of its business and for general corporate purposes) and for FGL s general corporate purposes.

(7) On February 14, 2013, in connection with the closing of the transactions in connection with the formation of the EXCO/HGI JV, the EXCO/HGI JV entered into a revolving credit facility. The revolving credit facility provides for borrowings of up to $470.0 million. As of September 30, 2013, $364.0 million was drawn under this agreement and HGI s proportionate share of the obligation was $271.2 million.

(8) On May 13, 2011 and August 5, 2011, we issued 280,000 shares of Series A Preferred Stock (the Series A) and 120,000 shares of Series A-2 Preferred Stock (the Series A-2 and together with the Series A, the Preferred Stock), respectively, in private placements pursuant to securities purchase agreements, for aggregate gross proceeds of $400.0 million. The Preferred Stock (i) is redeemable for cash (or, if a holder does not elect cash, automatically converted into common stock) on May 13, 2018, (ii) is convertible, at the option of the holder at any time, into our common stock at an initial conversion price of $6.50 per share for the Series A and $7.00 per share for the Series A-2, both subject to anti-dilution adjustments, (iii) has a liquidation preference of the greater of 150% of the purchase price or the value that would be received if it were converted into common stock, (iv) accrues a cumulative quarterly cash dividend at an annualized rate of 8% and (v) has a quarterly non-cash principal accretion at an annualized rate of 4% that will be reduced to 2% or 0% if we achieve specified rates of growth measured by increases in its net asset value. Effective April 1, 2012, and October 1, 2012, such accretion rate was reduced from, respectively, 4% to 2% for the remainder of Fiscal 2012, and then from 2% to 0% for the period subsequent to Fiscal 2012, as a result of achieving a specified level of growth in our net asset value as calculated in accordance with the terms of the certificates of designation governing the Preferred Stock. The Preferred Stock is entitled to vote, subject to certain regulatory limitations, and to receive cash dividends and in-kind distributions on an as-converted basis with the common stock. See Note 18 to the Consolidated Financial Statements in our 2013 Annual Report.

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HARBINGER GROUP INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(Amounts in millions, except per share amounts)

On September 4, 2013, Harbinger Group Inc. (HGI or the Company) announced that its majority owned subsidiary, Spectrum Brands Holdings Inc. (collectively with its consolidated subsidiaries, Spectrum Brands), issued new term loans in two tranches in the aggregate principal amount of $1.15 billion (in aggregate, defined as the Spectrum Brands New Term Loans). The first tranche (Tranche A) was issued in the aggregate principal amount of $850.0, and the second tranche (Tranche C) was issued in the aggregate principal amount of $300.0. Tranche A will bear interest at a rate of 3.0% and mature on September 4, 2017. Tranche C will bear interest at a rate of 3.625% and mature on September 4, 2019. The Spectrum Brands New Term Loans were priced at 99.5% of par. Spectrum Brands existing term loans outstanding are referred to as the Tranche B Loans, and are reflected in our historical consolidated financial statements. Spectrum Brands used the net proceeds from this offering (i) to fund the consummation of the previously announced cash tender offer and consent solicitation to purchase all of its outstanding 9.5% senior secured notes (9.5% Notes) due 2018, (ii) to fund the satisfaction and discharge with respect to the 9.5% Notes not tendered in the above mentioned tender offer and consent solicitation and (iii) retained the remainder for working capital and general corporate purposes. Unless as indicated otherwise, words defined in this section have the meaning ascribed to them solely for purposes of this section.

HGI issued $225.0 aggregate principal amount of incremental 7.875% Senior Secured Notes due 2019 (New Notes) at a premium of 101.5% in July 2013. The New Notes were incremental to the $700.0 aggregate principal amount 7.875% Senior Secured Notes due 2019 issued in December 2012 at an aggregate price equal to 99.36% of the principal amount thereof, with a net original issue discount of $4.5 (the 7.875% Notes) and used part of the proceeds of the offering to accept for purchase $500.0 aggregate principal amount of its 10.625% Senior Secured Notes due 2015 (the 10.625% Notes) pursuant to a tender offer and redemption of the 10.625% Notes.

On February 14, 2013, HGI Energy Holdings, LLC (HGI Energy), a Delaware limited liability company and a wholly-owned subsidiary of HGI completed a joint venture with EXCO Resources, Inc. (EXCO) to create a private oil and natural gas limited partnership (the Partnership) which purchased and will operate EXCO s producing U.S. conventional oil and natural gas assets located in West Texas, including and above the Canyon Sand formation, as well as in the Danville, Waskom, Holly and Vernon fields in East Texas and North Louisiana, including and above the Cotton Valley (the Contributed Properties). In addition, on March 5, 2013, the Partnership acquired conventional oil and natural gas assets from an affiliate of BG Group plc (BG Acquisition). As a result of the BG Acquisition, the Partnership acquired certain conventional oil and natural gas assets in the Danville, Waskom and Holly fields in East Texas and North Louisiana, including and above the Cotton Valley formation, from an affiliate of BG Group plc. These properties represent an incremental working interest in certain properties already purchased by the Partnership from EXCO. For the purposes of these unaudited pro forma condensed combined financial statements, the Partnership with EXCO will be referred to as the Joint Venture.

The Company, through its majority-owned subsidiary Spectrum Brands, has also acquired the residential hardware and home improvement business (the HHI Group) from Stanley Black & Decker, Inc. (Stanley Black & Decker), which includes (i) the equity interests of certain subsidiaries of Stanley Black & Decker engaged in the business and (ii) certain assets of Stanley Black & Decker used or held for use in connection with the business (the HHI Group Acquisition). The HHI Group has a broad portfolio of recognized brand names, including Kwikset, Weiser, Baldwin, National Hardware, Stanley, FANAL and Pfister, as well as patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect. A portion of the HHI Group Acquisition closed on December 17, 2012 (the First Closing) and a second portion closed on April 8, 2013, consisting of the purchase of certain assets of Tong Lung Metal Industry Co. Ltd., a Taiwan Corporation (TLM Taiwan), which is involved in the production of residential locksets (the Second Closing).

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In connection with the HHI Group Acquisition, Spectrum Brands assumed $520.0 aggregate principal amount of 6.375% Senior Notes due 2020 (the 6.375% Notes) and $570.0 aggregate principal amount of 6.625% Senior Notes due 2022 (the 6.625% Notes). Spectrum Brands financed the remaining portion of the HHI Group Acquisition with a new $800.0 term loan facility, of which $100.0 is stated in Canadian dollar equivalents (the Term Loan). A portion of the Term Loan proceeds was also used to refinance the former term loan facility, maturing June 17, 2016, which had an aggregate amount outstanding of $370.2 prior to refinancing.

In March 2013, Fidelity & Guaranty Life Holdings, Inc. (F&G), a wholly-owned subsidiary of the Company, issued $300.0 of 6.375% Senior Notes due 2021 (the Insurance Notes).

The unaudited pro forma condensed combined financial statements shown below reflect historical financial information and have been prepared on the basis that the HHI Group Acquisition by Spectrum Brands and the oil and natural gas assets acquired by the Joint Venture were accounted for as business combinations using the acquisition method of accounting. Accordingly, the consideration transferred and the assets acquired and liabilities assumed have been measured at their respective fair values with any excess of the consideration transferred over the fair value of the net assets acquired reflected as goodwill. The unaudited pro forma condensed combined financial statements presented assume that the HHI Group is a wholly-owned subsidiary of Spectrum Brands. In addition, the Joint Venture is accounted for by HGI using the equity method of accounting, pursuant to a gross proportionate presentation, as HGI has significant influence but does not control the joint venture for consolidation purposes under accounting principles generally accepted in the United States of America or U.S. GAAP . Accordingly, HGI has reflected 74.5% of the Joint Venture s assets, liabilities, revenues and expenses in its financial statements, which is equal to its economic interest in the Joint Venture.

As of September 30, 2013, the (i) First Closing and Second Closing of the HHI Group Acquisition and related financing, (ii) the refinancing of the 10.625% Notes with the 7.875% Notes, (iii) the Joint Venture, (iv) the issuance of the Insurance Notes, (v) the issuance of the New Notes and (vi) the issuance of the Spectrum Brands New Term Loans and related extinguishment of the 9.5% Notes are reflected in HGI s historical audited consolidated balance sheet. Therefore, no unaudited pro forma condensed combined balance sheet has been included herein. See below for further description of the pro forma effect of each of the above-described transactions on the unaudited pro forma condensed combined statement of operations for the year ended September 30, 2013.

The unaudited pro forma condensed combined statement of operations for the year ended September 30, 2013 is presented to reflect (i) the full-period effect of the HHI Group Acquisition and related financing, (ii) the full-period effect of the Joint Venture, (iii) the full-period effect of the refinancing of the 10.625% Notes with the 7.875% Notes, (iv) the full-period effect of the issuance of the Insurance Notes, (v) the full-period effect of the issuance of the New Notes, and (vi) the full-period effect of the issuance of the Spectrum Brands New Term Loans and related extinguishment of the 9.5% Notes.

The unaudited pro forma condensed combined financial statements and the notes thereto were based on and should be read in conjunction with:

- HGI s historical audited consolidated financial statements and notes thereto for the year ended September 30, 2013; and

Spectrum Brands historical audited consolidated financial statements and notes thereto for the year ended September 30, 2013.

The fair values of the Joint Venture and the HHI Group are based upon our current valuation and the estimates and assumptions used in such valuation are subject to change, which could be significant, within the measurement period (up to one year from the acquisition date). A final determination of the fair values of the assets acquired and liabilities assumed will include management s consideration of a final valuation. HGI currently expects that the process of determining fair value of the tangible and intangible assets acquired and

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liabilities assumed will be completed within one year of the acquisition date. Material revisions to HGI s estimates could be necessary as more information becomes available through the completion of this final determination. The final amounts may be materially different from the information presented in these unaudited pro forma condensed combined financial statements due to a number of factors, including changes in market conditions and financial results which may impact cash flow projections used in the valuation and the identification of additional conditions that existed as of the date of the acquisition.

HGI s historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the HHI Group Acquisition and related financing, the Joint Venture, the refinancing of the 10.625% Notes with the 7.875% Notes, the issuance of the Insurance Notes, the issuance of the New Notes, and the issuance of the Spectrum Brands New Term Loans and related extinguishment of the 9.5% Notes, (ii) factually supportable, and (iii) expected to have a continuing impact on HGI s results. The unaudited pro forma condensed combined financial statements do not reflect any revenue enhancements, cost savings from operating efficiencies, synergies or other restructuring, or the costs that would be incurred to achieve such revenue enhancements and cost savings, which could result from the above transactions.

The pro forma adjustments are based upon available information and assumptions that management believes reasonably reflect the HHI Group Acquisition and the related financing; the Joint Venture; the refinancing of the 10.625% Notes with the 7.875% Notes; the issuance of the Insurance Notes; the issuance of the New Notes; and the issuance of the Spectrum Brands New Term Loans and related extinguishment of the 9.5% Notes. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what our actual consolidated results of operations or our consolidated financial position would have been had the transactions described above, and other identified events occurred on the date assumed, nor are they necessarily indicative of our future consolidated results of operations or financial position.

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Harbinger Group Inc. and Subsidiaries

Unaudited Pro Forma Condensed Combined Statement of Operations

For The Year Ended September 30, 2013

(Amounts in millions, except per share amounts)

	Historical Year Ended September 30, 2013		Pro Forma Adjustments							
	Harbinger Group Inc.	Joint Venture (74.5%)	Notes	HHI	Notes	Insurance Notes, 7.875% Notes and New Notes	Notes	Spectrum Brands New Term Loans	Notes	Pro Forma Combined
Revenues:										
Net consumer product sales	$ 4,085.6	$		$ 226.2	3(h)	$		$		$ 4,311.8
Oil and natural gas	90.2	53.7	4(g)							143.9
Insurance premiums	58.8									58.8
Net investment income	734.7									734.7
Net investment gains	511.6									511.6
Insurance and investment product fees and other	62.5									62.5
Total revenues	5,543.4	53.7		226.2						