HRG GROUP, INC.
Form S-3ASR
February 04, 2016

As filed with the Securities and Exchange Commission on February 4, 2016
Registration No.333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HRG Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	3690	74-1339132
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

450 Park Avenue, 29th Floor, New York, NY 10022
(212) 906-8555
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Ehsan Zargar
Senior Vice President, General Counsel and Corporate Secretary
450 Park Avenue, 29th Floor, New York, NY 10022
(212) 906-8555
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Raphael M. Russo, Esq.
Paul, Weiss, Rifkind, Wharton& Garrison LLP
1285 Avenue of the Americas, New York, New York 10019
(212) 373-3000

Approximate Date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement, as determined by market conditions.
If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨
If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.x
If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.¨
If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same

offering.¨

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	x		Accelerated filer	¨
Non-accelerated filer	¨	(Do not check if a smaller reporting company)	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
7.750% Senior Notes due 2022	(1)	(1)	(1)	(2)

(1) This Registration Statement relates to offers and sales of an indeterminate amount of the registrant's 7.750% Senior Notes due 2022 (the "Securities") in connection with ongoing market-making transactions in the Securities by and through affiliates of the registrant.

(2) Pursuant to Rule 457(q) under the Securities Act of 1933, as amended (the "Securities Act"), no filing fee is required for the registration of an indeterminate amount of the Securities to be offered and sold in market-making transactions by affiliates of the registrant.

HRG Group, Inc.
7.750% Senior Notes due 2022
(CUSIP No.: 40434J AC4)

This prospectus of HRG Group, Inc., which we refer to as the "Company," "HRG," "we," "us," or "our," may be used by our affiliate, Jefferies LLC or any of its affiliates, which we refer to as "Jefferies," in connection with offers and sales by Jefferies of our 7.750% Senior Notes due 2022 (the "Notes") in market-making transactions effected from time to time. Market-making transactions in the Notes may occur in the open market or may be privately negotiated at prevailing market prices at a time of resale or at related or negotiated prices. In these transactions, Jefferies may act as principal or agent, including as agent for the counterparty in a transaction in which Jefferies acts as principal, or as agent for both counterparties in a transaction in which Jefferies does not act as a principal. Jefferies may receive compensation in the form of discounts and commissions, including from both counterparties in some cases.

We will not receive any proceeds from these market-making transactions.

Jefferies does not have any obligation to make a market in the Notes, and Jefferies may discontinue market-making activities at any time without notice.

The Notes are not listed on any securities exchange and we do not intend to apply for listing the Notes on any securities exchange or for inclusion of the Notes in any automated quotation system.

An investment in the Notes involves risks. See "Risk Factors" beginning on page 6 of this prospectus, as well as the "Risk Factors" section of our latest Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein.

Neither 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.

The date of this prospectus is February 4, 2016.

TABLE OF CONTENTS

You should carefully read the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. We take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. This document may only be used where the offer and sale of the Notes is permitted. The information contained in this prospectus is as of the date hereof and subject to change, completion or amendment without notice. The delivery of this prospectus at any time shall not, under any circumstances, create any implication that there has been no change in the information set forth in this prospectus or in our affairs since the date of this prospectus.

FORWARD-LOOKING STATEMENTS

CAUTIONARY STATEMENT FOR PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

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 HRG’s management and the management of HRG’s subsidiaries and affiliates (including target businesses). Forward-looking statements include information concerning possible or assumed future actions, events, results, strategies and expectations, including plans and expectations regarding future acquisitions, dispositions, distributions, and similar activities, and are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will,” “could,” “m or similar expressions.

Such forward-looking statements 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 HRG’s management and the management of HRG’s subsidiaries (including target businesses). Factors that could cause actual results, events and developments to differ include, without limitation: the ability of HRG’s subsidiaries (including target businesses following their acquisition) to generate sufficient net income and cash flows to make upstream cash distributions; the decision of the HRG subsidiaries’ boards to make upstream cash distributions, which is subject to numerous factors such as restrictions contained in applicable financing agreements, state and regulatory restrictions and other relevant considerations as determined by the applicable board; HRG’s liquidity, which may be impacted by a variety of factors, including the capital needs of HRG’s current and future subsidiaries; capital market conditions; commodity market conditions; foreign exchange rates; HRG’s and its subsidiaries’ ability to identify, pursue or complete any suitable future acquisition or disposition opportunities, including realizing such transaction’s expected benefits, efficiencies/cost avoidance or savings, income and margins, growth, economies of scale, streamlined/combined operations, economic performance and conditions to, and the timetable for, completing applicable financial reporting requirements; litigation; potential and contingent liabilities; management’s plans; changes in regulations; taxes; and the risks that may affect the performance of the operating subsidiaries of HRG.

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. All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. HRG does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results, except as required by law.

In addition, you should understand that the following important factors, in addition to those discussed in the section titled “Risk Factors” in this prospectus, 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 the Company and our subsidiaries.

HRG

HRG’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;
- the decision of our subsidiaries’ boards to make upstream cash distributions, which is subject to numerous factors such as restrictions contained in applicable financing agreements, state and regulatory restrictions and other relevant considerations as determined by the applicable board;
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our and our subsidiaries' liquidity, which may be impacted by a variety of factors, including the capital needs of us and our current and future subsidiaries;

- limitations on our ability to successfully identify suitable acquisition, disposition and other strategic 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 governing our 7.875% Senior Secured Notes due 2019, the covenants in the indenture governing the Notes, the continuing covenants contained in the certificate of designation governing our Series A Participating Convertible Preferred Stock and future financing or refinancing agreements, on our ability to operate our business and finance our pursuit of our business strategy;
- 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 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 covenants and applicable laws, including 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 any of them 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;
- the impact on us and/or our subsidiaries from 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;
- our and our subsidiaries' ability to attract and retain key employees;
- the impact of potential losses and other risks from changes in the value of our assets;
- 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 claims or litigation arising from operations, agreements and transactions, including litigation arising from or involving former subsidiaries;
- the impact of expending significant resources in considering acquisition or disposition targets or business opportunities that are not consummated;
- our ability to successfully integrate current and future acquired businesses 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 shares of common stock;
- the impact on the holders of our common stock if we issue additional shares of our common stock or preferred 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 Holdings, Inc. (including its consolidated 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 its business strategies;
- any failure to comply with financial covenants and other provisions and restrictions of Spectrum Brands' debt instruments;
- the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities;
- Spectrum Brands' inability to successfully integrate and operate new acquisitions at the level of financial performance anticipated;
- the unanticipated loss of key members of Spectrum Brands' senior management;
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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; and
- the effects of political or economic conditions, terrorist attacks, acts of war or other unrest in international markets.

Fidelity & Guaranty Life (including its consolidated subsidiaries "FGL") and Front Street Re (Delaware) Ltd. (including its consolidated subsidiaries, "Front Street")

FGL's and Front Street'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:

- the ability to satisfy the closing conditions, including regulatory approvals, contained in the Agreement and Plan of Merger (the "FGL Merger Agreement" and such merger, the "FGL Merger"), by and among FGL, Anbang Insurance Group Co., Ltd., a joint-stock insurance company established in the People's Republic of China ("Anbang"), AB Infinity Holding, Inc., a Delaware corporation and a wholly-owned subsidiary of Anbang ("AB Infinity"), and AB Merger Sub, Inc., a Delaware corporation and a newly formed, wholly-owned subsidiary of AB Infinity ("Merger Sub");
- impact on the stock price, business, financial condition and results of operations if the FGL Merger is not consummated or not consummated timely;
- the impact of the operating restrictions in the FGL Merger Agreement and their impact on FGL;
- litigation arising from the FGL Merger;
- the impact of restrictions in FGL' debt instruments on its ability to operate its business, finance its capital needs or pursue or expand its business strategies;
- the accuracy of FGL's and Front Street's assumptions and estimates;
- the accuracy of FGL's and Front Street's assumptions regarding the fair value and future performance of their investments;
- FGL and its insurance subsidiaries' abilities to maintain or improve their financial strength ratings;
- FGL's and Front Street's and their insurance subsidiaries' potential need for additional capital to maintain their financial strength and credit ratings and meet other requirements and obligations;
- FGL's and Front Street's ability to defend themselves against or respond to, potential litigation, enforcement investigations or increased regulatory scrutiny;
- FGL's and Front Street's ability to manage their businesses in a highly-regulated industry, which is subject to numerous legal restrictions and regulations;
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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 and Front

Street's insurance subsidiaries to make cash distributions to FGL or Front Street, as applicable (including dividends or payments on surplus notes FGL's subsidiaries issue to FGL);

- the impact of potential litigation, including class action litigation;
- 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 and Front Street being forced to sell investments at a loss to cover policyholder withdrawals;
- the impact of interest rate fluctuations on FGL and Front Street and withdrawal demands in excess of FGL's and Front Street's assumptions;
- the impact of market and credit risks;
- equity market volatility;
- credit market volatility or disruption;
- changes in the federal income tax laws and regulations which may affect the relative income tax advantages of FGL's products;
- the performance of third parties, including independent distributors, underwriters, actuarial consultants and other service providers;
- 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 and Front Street's insurance subsidiaries to grow;
- the impact on FGL's or Front Street's business of new accounting rules or changes to existing accounting rules;
- the risk that FGL's or Front Street's exposure to unidentified or unanticipated risk is not adequately addressed by their risk management policies and procedures;
- general economic conditions and other factors, including prevailing interest and unemployment rate levels and stock and credit market performance;
- FGL's ability to protect its intellectual property;
- difficulties arising from FGL's and Front Street's outsourcing relationships;
- the impact on FGL's and Front Street's business of natural and of man-made catastrophes, pandemics, computer viruses, network security breaches, and malicious and terrorist acts;
- FGL's and Front Street's ability to compete in a highly competitive industry;
- FGL's and Front Street's ability to maintain competitive policy expense costs;
- adverse consequences if the independent contractor status of FGL's independent insurance marketing organizations is successfully challenged;
- FGL's ability to attract and retain national marketing organizations and independent agents;
- the potential adverse tax consequences to FGL if FGL generates passive income in excess of operating expenses;
- the significant operating and financial restrictions contained in FGL's debt agreements, which may prevent FGL from capitalizing on business opportunities;
- the inability of FGL's and Front Street's subsidiaries and affiliates to generate sufficient cash to service all of their obligations;
- conflicts of interest between HRG or its affiliates;
- the impact on FGL and Front Street of non-performance of loans originated by Salus (as defined below);
- the ability of FGL's and Front Street's subsidiaries to pay dividends; and
- the ability to maintain or obtain approval of the Iowa Insurance Division and other regulatory authorities as required for FGL's operations and those of its insurance subsidiaries.

The Asset Managers, comprised of CorAmerica Capital, LLC ("CorAmerica"), Energy & Infrastructure Capital, LLC ("EIC") and Salus Capital Partners, LLC ("Salus")

The Asset Managers' 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:

- their respective abilities, as applicable, to recover amounts that are contractually owed to them by their borrowers;

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- their respective abilities to continue to find attractive business opportunities, particularly if the FGL Merger is consummated;
- their respective abilities to address a number of issues to implement their respective business strategies;
- the impact on these businesses resulting from deterioration in economic conditions;
- their respective abilities to compete with traditional competitors and new market entrants; and
- their respective abilities to address a variety of other risks associated with their business, including reputational risk, legal, litigation and compliance risk, the risk of fraud or theft, operational errors and systems malfunctions.

Compass Production GP, LLC and Compass Production Partners, LP (including their subsidiaries, “Compass”)

Compass’ 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 Compass;
- the impact of Compass' substantial indebtedness on its business, financial condition and results of operations;
- the impact of the sharp decline in commodity prices and commodity pricing volatility on Compass’ business, operations and cash flows;
- Compass’ ability to manage counterparty credit risk in a depressed commodity pricing environment, which may lead to one or more of Compass’ counterparties failing to satisfy their contractual obligations;
- the impact of restrictions in Compass debt instruments on its ability to operate its business, finance its capital needs or pursue or expand its business strategies;
- 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 Compass' actual oil and natural gas sales;
- Compass’ ability to operate successfully as an independent business;
- Compass’ ability to replace natural gas marketing services upon the expiration of the current arrangements with EXCO Resources, Inc.;
- the impact on Compass if it is unable to successfully execute or consummate one or more disposition, acquisition or reserve development opportunities;
- Compass’ ability to market and sell its oil, natural gas liquids and natural gas and its exposure to the credit risk of its customers, working interest owners and other counterparties and the risks associated with drilling activities;
- the inherent uncertainty of estimates of oil and natural gas reserves;
- the risk that Compass will be unable to identify or complete, or complete on economically attractive terms, suitable disposition and/or acquisition opportunities of oil and gas properties;
- Compass' ability to successfully operate in a highly regulated and litigious environment, including exposure to operating hazards and uninsured risks;
- Compass' 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 Compass’ 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 Compass’ 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.

SUMMARY

The following summary highlights basic information about the Company. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business, 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 and the historical financial statements incorporated by reference herein. Certain statements in this summary are forward-looking statements. See "Special Note Regarding Forward-Looking Statements."

Unless otherwise indicated in this prospectus or the context requires otherwise, in this prospectus, references to the "Company," "HRG," "we," "us" or "our" refer to HRG Group, Inc. (formerly, Harbinger Group Inc.) and, where applicable, its consolidated subsidiaries; "Asset Managers" refers collectively to the business conducted by CorAmerica, EIC, and Salus (each referred to individually as an "Asset Manager"); "Compass" refers to our oil and gas business, which we conduct through Compass Production GP, LLC ("Compass GP") and Compass Production Partners, LP ("Compass Limited Partnership") and, where applicable, their subsidiaries; "CorAmerica" refers to CorAmerica Capital, LLC and, where applicable, its consolidated subsidiaries; "EIC" refers to Energy & Infrastructure Capital, 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; "FGL" refers to Fidelity & Guaranty Life (formerly, Harbinger F&G, LLC) and, where applicable, its consolidated subsidiaries; "Front Street" refers to Front Street Re (Delaware) Ltd. and, where applicable, its consolidated subsidiaries; "Front Street Cayman" refers to Front Street Re Cayman Ltd. and, where applicable, its consolidated subsidiaries; "HAMCO" refers to HGI Asset Management Holdings, LLC (which holds our interest in CorAmerica, EIC and Salus) and, where applicable, its consolidated subsidiaries; "HGI Energy" refers to HGI Energy Holdings, LLC (which holds our interests in Compass) and, where applicable, its consolidated subsidiaries; "HGI Funding" refers to HGI Funding, LLC and, where applicable, its consolidated subsidiaries; "Indenture" refers to the indenture dated as of January 21, 2014, between the Company and Well Fargo Bank, National Association, as trustee, under which the Notes were issued; "Notes" refers to our 7.750% Senior Notes due 2022; "Salus" refers to Salus Capital Partners, LLC and, where applicable, its consolidated subsidiaries; "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 owning businesses that we believe can generate sustainable free cash flow or attractive returns on investment. As of September 30, 2015, our principal operating subsidiaries include the following assets: (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) HAMCO, which, through its subsidiaries, provides financing and engages in asset management across a range of industries; and (v) Compass, our subsidiary that is engaged in the business of owning, operating, acquiring, exploiting and developing conventional oil and natural gas assets.

On November 8, 2015, FGL, Anbang, AB Infinity, and Merger Sub entered into the FGL Merger Agreement. Pursuant to the FGL Merger Agreement and subject to the terms and conditions set forth therein, Merger Sub will merge with and into FGL, with FGL continuing as the surviving entity, which will become a direct, wholly-owned subsidiary of AB Infinity and an indirect, wholly-owned subsidiary of Anbang. Pursuant to the FGL Merger Agreement, at the effective time of the FGL Merger, each issued and outstanding share of FGL common stock will be cancelled and converted automatically into the right to receive $26.80 in cash, without interest, other than any shares of common stock owned by FGL as treasury stock or otherwise or owned by Anbang, AB Infinity or Merger Sub (which will be cancelled and no payment will be made with respect thereto), shares of common stock granted pursuant to FGL's equity plans and those shares of common stock with respect to which appraisal rights under Delaware law are properly exercised and not withdrawn. See Part I, Item I. "Business—Our Operating Subsidiaries—FGL—the FGL Merger" of our Annual Report on Form 10-K for the Fiscal Year ended September 30, 2015 (the "2015 Annual Report").

On December 1, 2015, pursuant to the Purchase Agreement, dated as of October 8, 2015 (the "Purchase Agreement"), between Compass Energy Operating, LLC ("Compass Energy"), and Indigo Minerals LLC, Compass Energy completed the sale of certain of its oil and gas interests located in the Holly, Waskom and Danville Fields in East Texas and North Louisiana to Indigo Resources LLC (as successor to Indigo Minerals LLC, the "Buyer"). At closing, proceeds from the transaction, which were approximately $147.5 million, less estimated expenses of $1.9 million, were used primarily to reduce borrowings under Compass Energy's existing credit facility. Following the closing, pursuant to the terms of the Purchase Agreement, Compass received an additional $4.2 million in connection with resolving certain title and consent matters.

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 Delaware under the name "Harbinger Group Inc." Effective March 9, 2015, we changed our name from Harbinger Group Inc. to HRG Group, Inc. Our common stock trades on the New York Stock Exchange ("NYSE") under the symbol "HRG."

Corporate Structure

The following diagram represents a simplified HRG corporate structure, depicting only our principal subsidiaries:

(1) Certain non-operating subsidiaries, including Zap.Com Corporation, a 97.9% owned subsidiary of HRG, are not reflected in the structure chart above.
(2) Direct and indirect subsidiaries of this entity are not reflected.

Corporate Information

We are a Delaware corporation and the address of our principal executive office is 450 Park Avenue, 29th Floor, New York, New York 10022. Our telephone number is (212) 906-8555. Our website address is www.hrggroup.com. Information contained on our website is not part of this prospectus.

Summary Description of the Notes

The following summary is provided solely for your convenience. The summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the Notes, see "Description of Notes."

Issuer	HRG Group, Inc. (formerly known as "Harbinger Group Inc.")
Governing Document	The Notes are governed by the indenture, dated as of January 21, 2014, between HRG and Wells Fargo Bank, National Association, as trustee.
Maturity	January 15, 2022.
Interest	Interest will be payable in cash on January 15 and July 15 of each year.
Optional Redemption	On or after January 15, 2017, 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, 2017, 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, 2017, we may redeem up to 35% of the Notes, including further additional Notes, with the proceeds of equity sales at a price of 107.750% of principal plus accrued and unpaid 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 and unpaid 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—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.
Ranking	The Notes are our unsecured unsubordinated obligations and will: • rank equally in right of payment to all of our existing and future unsubordinated debt; • be effectively subordinated to all our secured debt to the extent of the value of the collateral securing that debt; • be effectively subordinated to all liabilities of our non-guarantor subsidiaries; and • rank senior in right of payment to all of our and our guarantors' future debt that expressly provides for its subordination to the Notes and the note guarantees. As of September 30, 2015, HRG had no debt other than the $890.0 million aggregate principal amount of the Notes and $864.4 million aggregate principal amount of our 7.875% Senior Secured Notes due 2019 (the "7.875% Notes"). All of the 7.875% Notes will be effectively senior to the Notes to the extent of the value of the collateral securing such indebtedness. As of September 30, 2015, the total liabilities of Spectrum Brands were approximately $5.7 billion, including trade payables. As of September 30, 2015, the total liabilities of FGL were

approximately $23.4 billion, including approximately $17.8 billion in annuity contractholder funds, approximately $3.5 billion in future policy benefits and approximately $300.0 million of indebtedness under FGH's 6.375% Senior Notes due 2021 (the "FGH Notes"). As of September 30, 2015, the total liabilities of HAMCO were approximately $1.4 million and were approximately $379.4 million when consolidated with the Asset Managers. As of September 30, 2015, the total liabilities of HGI Energy were approximately $502.0 million. As a result of HRG's holding company structure, claims of creditors of HRG's subsidiaries will generally have priority as to the assets of HRG's subsidiaries over claims of HRG and over claims of the holders of HRG's indebtedness, including the Notes.

As of September 30, 2015, our total liabilities on an unconsolidated and consolidated basis were $1.8 billion and $30.7 billion, respectively.

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; • pay dividends or make distributions in respect of capital stock; • make certain restricted payments; • sell assets; • engage in 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 a minimum liquidity covenant. You should read "Description of Notes—Certain Covenants" for a description of these covenants.
Form and Denominations	The Notes were issued in minimum denominations of $2,000 and higher integral multiples of $1,000. The Notes will be book-entry only and registered in the name of a nominee of the Depository Trust Company ("DTC").
Risk Factors	Investing in the Notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in or incorporated by reference in this prospectus for a discussion of factors you should carefully consider before deciding to purchase any Notes.

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 offering circular. See "Where You Can Find More Information." 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 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, 2015, excluding cash, cash equivalents and investments held by our subsidiaries, we had approximately $331.3 million in cash, cash equivalents and investments, which includes $33.2 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 continue to 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 boards of directors of our subsidiaries may consider a range of factors and consider their stockholders' constituencies (including public stockholders) as a whole when making decisions about dividends or other payments. 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 liquidity and 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 SBI's indebtedness may limit its ability to pay dividends to Spectrum Brands and to us. See Part I, Item IA. "Risk Factors—Risks Related to Spectrum Brands' Business—Spectrum Brands' substantial indebtedness may limit its financial and operating flexibility, and Spectrum Brands 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' Business—Restrictive covenants in the SBI Senior Secured Facilities and the SBI Indentures may restrict SBI's ability to pursue its business strategies." contained in our 2015 Annual Report.

Our subsidiary, 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's and Front Street's Businesses—The agreements and instruments governing FGL's debt contain significant operating and financial restrictions, which may prevent FGL from capitalizing on business opportunities." in our 2015 Annual Report. As discussed in our 2015 Annual Report, while the agreements governing the FGL Merger permit FGL to pay a regular quarterly cash dividend on its common stock in an amount not in excess of $0.065 per share, per quarter, FGL may not pay any other dividends without the consent of Anbang. In addition, if the FGL Merger is consummated, while we will receive the proceeds from the sale of our shares of FGL common stock, we will no longer receive dividends from FGL.

Additionally, the terms of Compass’ indebtedness and recent declines in oil and gas prices may continue to adversely affect Compass' cash flow, may further limit Compass' business operations, may prevent Compass from remaining in compliance with the covenants in its credit facility agreement, and/or further limit Compass' ability to pay distributions to us. Compass may also require additional equity infusions or other support in the near or long term future. In November 2015, HGI Funding provided a limited guaranty with respect to a portion of Compass’ indebtedness. HGI Funding's limited guaranty may not be sufficient credit support for the operations of Compass, to maintain Compass' compliance with the covenants in its credit facility agreement and/or HGI Funding may decide to withdraw (to the extent it may do so under the guaranty documents) or not to provide any other forms of credit support to Compass in the future. See Part I, Item 1A. "Risk Factors—Risks Related to Compass' Business—Compass 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. HGI Funding has provided credit support for such indebtedness in the past but may choose not to do so in the future." contained in our 2015 Annual Report.

In addition, our liquidity and ability to pursue business opportunities may be impacted by the capital needs of our subsidiaries. Such entities may require additional capital to operate, maintain or grow their businesses, make payments on their indebtedness or other commitments, and/or make upstream cash distributions. For example, given the recent declines in oil and gas prices, Compass may require capital contributions if current period earnings and cash on hand at Compass are not sufficient to reduce debt levels and remain compliant with applicable covenants in Compass' financing agreement. As another example, Front Street will require additional capital in order to engage in reinsurance transactions, and may require additional capital to operate or maintain its business or meet regulatory capital requirements.

Furthermore, these restrictions on our subsidiaries ability to pay dividends or distributions 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 in order for us to generate cash flow.

The Notes are structurally subordinated to all liabilities of our subsidiaries and are effectively subordinated to HRG's existing and future secured debt to the extent of the value of the collateral securing such debt.

The Notes are our senior unsecured obligations. 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, 2015, the total liabilities of Spectrum Brands were approximately $5.7 billion, including trade payables. As of September 30, 2015, the total liabilities of FGL were approximately $23.4 billion, including approximately $17.8 billion in annuity contractholder funds, approximately $3.5 billion in future policy benefits and approximately $300.0 million of indebtedness under the FGH Notes. As of September 30, 2015, the total liabilities of HAMCO were approximately $1.4 million and were approximately $379.4 million when consolidated with the Asset Managers. As of September 30, 2015, the total liabilities of HGI Energy were approximately $502.0 million. Also, as described herein, HGI Funding has provided a limited guaranty with respect to a portion of Compass' indebtedness.

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 consolidated liabilities 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 HRG. The Indenture does not restrict the ability of our subsidiaries to incur additional indebtedness or grant liens secured by assets of our subsidiaries.

The Notes are not secured by any of our assets. The Notes are therefore effectively subordinated to HRG's secured indebtedness, including the 7.875% Notes, to the extent of the value of the collateral securing such indebtedness. As of September 30, 2015, HRG had $864.4 million of secured indebtedness outstanding.

Further, we may incur future indebtedness, some of which may be secured by liens on our assets, to the extent permitted by the Indenture and the terms of our other agreements, including the indenture governing the 7.875% Notes. 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 Notes will participate ratably with all holders of our senior unsecured indebtedness and potentially with all of our general creditors.

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 and terms of our other agreements, including the indenture governing the 7.875% Notes, we and our subsidiaries may incur additional indebtedness (including secured 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 be effectively senior to the holders of the Notes to the extent of the value of the collateral securing such indebtedness. This may have the effect of reducing the amount of proceeds paid to holders of the Notes. Additionally, if our subsidiaries incur additional debt, the Notes will be structurally subordinated to such debt. 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.

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 a significant portion of 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.

An active public market may not develop for the Notes, which may hinder your ability to liquidate your investment.

There is no established trading market for the Notes, and we do not intend to list them on any securities exchange or to seek approval for quotations through any automated quotation system. Certain financial institutions, including Jefferies, may make a market in the Notes, however no such financial institution, including Jefferies, has any obligation to do so and may discontinue any market making in the Notes at any time, in their sole discretion. We therefore cannot assure you that:

- a liquid market for the Notes will develop;
- you will be able to sell your Notes; or
- you will receive any specific price upon any sale of the Notes.

We also cannot assure you as to the level of liquidity of the trading market for the Notes, if one does develop. If a public market for the Notes develops, the Notes could trade at prices that may be higher or lower than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar notes and our financial performance. If no active trading market develops, you may not be able to resell your Notes at their fair market value or at all.

Fraudulent transfer statutes may limit your rights as a holder of the Notes.

Federal and state fraudulent transfer laws as previously interpreted by various courts permit a court, if it makes certain findings, to:

- avoid all or a portion of our obligations to holders of the Notes;
- subordinate our obligations to holders of the Notes to our other existing and future creditors, entitling such creditors to be paid in full before any payment is made on the Notes; and
- take other action detrimental to holders of the Notes, including invalidating the Notes.

In that event, we cannot assure you that you would ever be repaid. There is also no assurance that amounts previously paid to you pursuant to the Notes or guarantees (if any) would not be subject to return.

Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that we or the guarantors (if any) received less than fair consideration or reasonably equivalent value for incurring the indebtedness represented by the notes, and at the time the notes were issued:

- were insolvent or were rendered insolvent by reason of the issuance of the notes;
- were engaged, or were about to engage, in a business or transaction for which our capital was unreasonably small;
- intended to incur, or believed or should have believed we would incur, indebtedness beyond our ability to pay as such indebtedness matures; or
- were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment was unsatisfied.

A court may also void an issuance of Notes, a guarantee or grant of security, without regard to the above factors, if the court found that we issued the Notes or the guarantors (if any) entered into their respective guaranty with actual intent to hinder, delay or defraud current or future creditors.

Many of the foregoing terms are defined in or interpreted under those fraudulent transfer statutes and as judicially interpreted. A court could find that we did not receive fair consideration or reasonably equivalent value for the incurrence of the indebtedness represented by the Notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending on the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the indebtedness:

- the sum of its indebtedness (including contingent liabilities) is greater than its assets, at fair valuation;
- the present fair salable value of its assets is less than the amount required to pay the probable liability on its total existing indebtedness and liabilities (including contingent liabilities) as they become absolute and matured; or
- it could not pay its debts as they became due.

8

We cannot assure you of the standard a court would apply in determining our solvency and whether it would conclude that we were solvent when we incurred our obligations under the Notes.

In addition, although we do not expect there to be any guarantee of the Notes, it should be noted that any such guarantee (if any) may be subject to review under various laws for the protection of creditors. A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the Notes or the guarantees, respectively, if we or a guarantor did not substantially benefit directly from the issuance of the Notes. If a court were to void an issuance of the Notes or the guarantees, you would no longer have a claim against us or the guarantors. Sufficient funds to repay the Notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors. In addition, any payment by us pursuant to the Notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

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.

USE OF PROCEEDS

We will not receive any of the proceeds from the market-making activities effected from time to time in our Notes by Jefferies pursuant to this prospectus.

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.

	Year Ended September 30,				
	2011	2012	2013	2014	2015
Ratio of earnings to combined fixed charges	1.2	1.1	1.2	1.6	(a)
Deficiency of (loss) earnings to fixed charges (a)					$(440.8)

(a) Due to losses the year ended September 30, 2015, the coverage ratio was less than 1:1. We would have needed to generate additional earnings of $440.8 million in this period in order to achieve ratio of 1:1.

HRG GROUP, INC.
Unaudited Pro Forma Condensed Combined Financial Information
(in millions, except per share and share amounts)

On December 1, 2015, Compass Energy consummated the transactions contemplated by the Purchase Agreement. Pursuant to the Purchase Agreement, Buyer acquired certain of Compass Energy's oil and gas interests located in the Holly, Waskom and Danville Fields in East Texas and North Louisiana. At the time of closing, proceeds from the transaction, which were approximately $147.5, less estimated expenses of $1.9, were used to primarily reduce borrowings under Compass' existing credit facility. Following the closing, pursuant to the terms of the Purchase Agreement, Compass received an additional $4.2 in connection with resolving certain title and consent matters.

On November 8, 2015, AB Infinity and Merger Sub entered into the FGL Merger Agreement to acquire FGL for $26.80 per share. Pursuant to this agreement, at closing Anbang will acquire all of the outstanding shares of FGL. Stockholders of FGL will receive $26.80 per share in cash at closing. At the date of the transaction, HRG owned 47 million shares, or 80.5% of FGL.

On May 21, 2015, Spectrum Brands completed the acquisition (the "AAG Acquisition") of AAG pursuant to the Agreement and Plan of Merger by and among AAG, Spectrum Brands, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015 for $1,400.0 in cash. Spectrum Brands funded the AAG Acquisition with the proceeds of its offering of an aggregate principal amount of $1,000.0 of SBI's 5.750% Senior Notes due 2025 (the "SBI 5.75% Notes") and its registered offering of $575.0 of shares of Spectrum Brands' common stock (the "SBH Equity Offering"). In the SBH Equity Offering, HRG acquired 49.0% of the common stock offered thereby, including the shares subject to the underwriters' option to purchase additional shares, for $281.7 through one of its wholly-owned subsidiaries.

On May 19, 2015, HRG issued an additional $140.0 aggregate principal amount of its 7.75% Senior Notes due 2022 (the "May HRG Unsecured Notes") at 98.51% of par plus accrued interest from January 15, 2015 and an additional $160.0 aggregate principal amount of its 7.875% Senior Secured Notes due 2019 (the "May HRG Secured Notes") at 104.5% of par plus accrued interest from January 15, 2015.

On April 14, 2015, HRG issued an additional $100.0 aggregate principal amount of its 7.875% Senior Secured Notes due 2019 (the "April HRG Secured Notes" and together with the May HRG Secured Notes and the May HRG Unsecured Notes, the "New HRG Notes") at 104.5% of par plus accrued interest from January 15, 2015.

The following unaudited pro forma condensed combined financial information is derived from HRG's historical consolidated financial statements.

The unaudited pro forma condensed combined balance sheet as of September 30, 2015 gives effect to the FGL Merger Agreement; and the disposition of the Holly, Waskom, and Danville assets and the repayment of the portion of Compass' existing facilities (collectively, the "Compass Transactions") as if they had occurred on September 30, 2015.

The unaudited pro forma condensed combined statement of operations for the year ended September 30, 2015 reflects the AAG Acquisition, the issuance of the SBI 5.75% Notes, the SBH Equity Offering and the New HRG Notes offerings (collectively, the "AAG Acquisition Transactions") and the Compass Transactions as if they had occurred on October 1, 2014. In addition, the FGL Merger Agreement would have resulted in classifying HRG's ownership interest in FGL as held for sale on the condensed combined balance sheet and FGL's operating results as discontinued operations on the statements of operations. As a result, the unaudited pro forma condensed combined statement of operations for the years ended September 30, 2015, 2014 and 2013 have been presented to reflect FGL being treated as discontinued operations as a result of the FGL Merger Agreement.

On October 31, 2014, HRG, through its wholly-owned subsidiary HGI Energy, acquired approximately 25.5% interests in Compass that it did not previously own from EXCO Resources, Inc., upon which HGI Energy became the owner of 99.8% of the economic interest in Compass. Prior to this acquisition, HRG's ownership of Compass was 74.4%. As a result, prior to October 31, 2014, the presentation of the pro forma operating results of Compass represent HRG's 74.4% proportionate interest while operating results after October 31, 2014 represent 100.0% of Compass' consolidated results.

This unaudited pro forma condensed combined financial information should be read in conjunction with our 2015 Annual Report.

This unaudited pro forma condensed combined financial information is provided for illustrative purposes only and is not necessarily indicative of the results of operations that would have occurred had the disposition been effected on the assumed dates, nor is it necessarily indicative of our future operating results.

HRG GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of September 30, 2015, in millions, except per share and share amounts

	Historical	Pro Forma Adjustments				Pro Forma
	Condensed	FGL Merger		Compass		Condensed
	Consolidated	Agreement		Transactions		Combined
ASSETS						
Investments:						
Fixed maturities	$17,514.8	$(17,500.6)	3(a)	$—		$14.2
Equity securities	649.4	(616.6)	3(a)	—		32.8
Derivatives	81.9	(81.9)	3(a)	—		—
Asset-based loans	335.8	(109.2)	3(a)	—		226.6
Commercial mortgage loans	489.2	(489.2)	3(a)	—		—
Other invested assets	39.6	(34.2)	3(a)	—		5.4
Total investments	19,110.7	(18,831.7)	3(a)	—		279.0
Cash and cash equivalents	1,197.0	(501.8)	3(a)	2.8	4(a)	698.0
Receivables, net	632.9	—		—		632.9
Inventories, net	780.8	—		—		780.8
Accrued investment income	192.0	(190.7)	3(a)	—		1.3
Reinsurance recoverable	2,351.9	(2,351.9)	3(a)	—		—
Deferred tax assets	285.0	134.1	3(a)	—		419.1
Properties, including oil and natural gas properties, net	812.8	(14.4)	3(a)	(72.0)	4(b)	726.4
Goodwill	2,487.4	—		—		2,487.4
Intangibles, including DAC and VOBA, net	3,528.9	(1,048.6)	3(a)	—		2,480.3
Other assets	954.7	991.4	3(a)	—		1,946.1
Assets held for sale	—	24,986.1	3(a)	—		24,986.1
Total assets	$32,334.1	$3,172.5	3(a)	$(69.2)		$35,437.4
LIABILITIES AND EQUITY						
Insurance reserves:						
Contractholder funds	$17,769.8	$(17,769.8)	3(a)	$—		$—
Future policy benefits	4,096.8	(2,240.7)	3(a)	—		1,856.1
Liability for policy and contract claims	55.3	(55.3)	3(a)	—		—
Funds withheld from reinsurers	9.8	(9.8)	3(a)	—		—
Total insurance reserves	21,931.7	(20,075.6)	3(a)	—		1,856.1
Debt	6,382.7	30.7	3(a)	(147.0)	4(c)	6,266.4
Accounts payable and other current liabilities	1,137.7	(42.1)	3(a)	(5.4)	4(d)	1,090.2
Employee benefit obligations	92.9	—		—		92.9
Deferred tax liabilities	613.6	328.8	3(a)	—		942.4
Other liabilities	587.4	(491.9)	3(a)	(18.0)	4(e)	77.5
Liabilities held for sale	—	23,422.6	3(a)	—		23,422.6
Total liabilities	30,746.0	3,172.5	3(a)	(170.4)		33,748.1
Commitments and contingencies						
HRG Group, Inc. shareholders' equity:						
Common stock, $0.01 par; 500,000.0 thousand shares authorized; 201,383.8	2.0	—		—		2.0

thousand shares issued and outstanding at September 30, 2015.					
Additional paid-in capital	1,458.5	—	—		1,458.5
Accumulated deficit	(833.1)	—	100.7	4(j)	(732.4)
Accumulated other comprehensive loss	(40.7)	—	—		(40.7)
Total HRG Group, Inc. shareholders' equity	586.7	—	100.7		687.4
Noncontrolling interest	1,001.4	—	0.5	4(l)	1,001.9
Total shareholders' equity	1,588.1	—	101.2		1,689.3
Total liabilities and equity	$32,334.1	$3,172.5	$(69.2)		$35,437.4

See accompanying notes to unaudited pro forma condensed combined financial statements.

13

HRG GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended September 30, 2015, in millions, except per share data

	Historical Condensed Consolidated	Pro Forma Adjustments AAG Acquisition		FGL Merger Agreement		Compass Transactions		Pro Forma Condensed Combined
Revenues:								
Net consumer and other product sales	$ 4,733.1	$275.8	2(a)	$—		$—		$ 5,008.9
Oil and natural gas	107.4	—		—		(40.5)	4(f)	66.9
Insurance premiums	59.8	—		(58.4)	3(b)	—		1.4
Net investment income	927.2	—		(845.4)	3(b)	—		81.8
Net investment losses	(104.7)	—		(30.2)	3(b)	—		(134.9)
Insurance and investment product fees and other	93.1	—		(88.2)	3(b)	—		4.9
Total revenues	5,815.9	275.8		(1,022.2)		(40.5)		5,029.0
Operating costs and expenses:								
Cost of consumer products and other goods sold	3,050.9	154.4	2(a,b)	—		—		3,205.3
Oil and natural gas direct operating costs	85.9	—		—		(41.0)	4(f)	44.9
Benefits and other changes in policy reserves	625.5	—		(578.4)	3(b)	—		47.1
Selling, acquisition, operating and general expenses	1,476.5	27.5	(2a,c,e,f,g)	(113.2)	3(b)	(14.1)	4(f)	1,376.7
Impairments and bad debt expense	675.3	7.0	2(a)	(36.9)	3(b)	(129.5)	4(g)	515.9
Amortization of intangibles	129.6	6.5	2(d)	(41.8)	3(b)	—		94.3
Total operating costs and expenses	6,043.7	195.4		(770.3)		(184.6)		5,284.2
Operating (loss) income	(227.8)	80.4		(251.9)		144.1		(255.2)
Interest expense	(429.7)	(61.1)	2(a,h)	18.1	3(b)	4.1	4(h)	(468.6)
Gain on deconsolidation of subsidiary	38.5	—		—		—		38.5
Gain upon gaining control of equity method investment	141.2	—		—		—		141.2
Other income (expense), net	37.0	(1.1)	2(a)	(6.1)	3(b)	(8.5)	4(i)	21.3
Loss (income) from continuing operations before income taxes	(440.8)	18.2		(239.9)		139.7		(522.8)
Income tax expense (benefit)	71.6	(11.6)	2(a,j)	(84.1)	3(b)	—	4(k)	(24.1)
Net (loss) income from continuing operations	(512.4)	29.8		(155.8)		139.7		(498.7)
Income from discontinued operations, net of tax	—	—		155.8	3(b)	—		155.8
Net (loss) income	(512.4)	29.8		—		139.7		(342.9)
Less: Net income attributable to noncontrolling interest	44.4	12.7	2(a,i)	—		0.4	4(l)	57.5
Net (loss) income attributable to controlling interest	$ (556.8)	$17.1		$—		$139.3		$ (400.4)
Amounts attributable to controlling interest:								
	$ (556.8)	$17.1		$(125.4)	3(c)	$139.3		$ (525.8)

Net (loss) income from continuing operations, net of tax								
Net income from discontinued operations, net of tax	—	—		125.4	3(c)	—		125.4
Net (loss) income attributable to controlling interest	$ (556.8)	$ 17.1		$—		$ 139.3		$ (400.4)
Net loss per common share attributable to controlling interest:								
Basic (loss) income from continuing operations	$ (2.81)	$ 0.09	2(k)	$ (0.63)	3(d)	$ 0.70	4(m)	$ (2.65)
Basic income from discontinued operations	—	—		0.63	3(d)	—		0.63
Basic	$ (2.81)	$ 0.09		$—		$ 0.70		$ (2.02)
Diluted (loss) income from continuing operations	$ (2.81)	$ 0.09	2(k)	$ (0.63)	3(d)	$ 0.70	4(m)	$ (2.65)
Diluted income from discontinued operations	—	—		0.63	3(d)	—		0.63
Diluted	$ (2.81)	$ 0.09		$—		$ 0.70		$ (2.02)

See accompanying notes to unaudited pro forma condensed combined financial statements.

HRG GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended September 30, 2014, in millions, except per share data

	Historical Condensed Consolidated		FGL Merger Agreement		Pro Forma Condensed Combined	
Revenues:						
Net consumer and other product sales	$4,449.2		$—		$4,449.2	
Oil and natural gas	147.0		—		147.0	
Insurance premiums	56.6		(55.6	) 3(b)	1.0	
Net investment income	842.2		(753.2	) 3(b)	89.0	
Net investment gains (losses)	395.3		(306.7	) 3(b)	88.6	
Insurance and investment product fees and other	72.7		(67.5	) 3(b)	5.2	
Total revenues	5,963.0		(1,183.0	)	4,780.0	
Operating costs and expenses:						
Cost of consumer products and other goods sold	2,875.6		—		2,875.6	
Oil and natural gas direct operating costs	69.6		—		69.6	
Benefits and other changes in policy reserves	852.7		(787.5	) 3(b)	65.2	
Selling, acquisition, operating and general expenses	1,332.5		(101.7	) 3(b)	1,230.8	
Impairments and bad debt expense	83.9		(0.6	) 3(b)	83.3	
Amortization of intangibles	179.2		(97.5	) 3(b)	81.7	
Total operating costs and expenses	5,393.5		(987.3	)	4,406.2	
Operating income (loss)	569.5		(195.7	)	373.8	
Interest expense	(321.9	)	15.5	3(b)	(306.4	)
Loss from the change in the fair value of the equity conversion feature of preferred stock	(12.7	)	—		(12.7	)
Other expense, net	(21.7	)	(0.8	) 3(b)	(22.5	)
Income (loss) from continuing operations before income taxes	213.2		(181.0	)	32.2	
Income tax expense (benefit)	111.5		(23.4	) 3(b)	88.1	
Net income (loss) from continuing operations	101.7		(157.6	)	(55.9	)
Income from discontinued operations, net of tax	—		157.6	3(b)	157.6	
Net income	101.7		—		101.7	
Less: Net income attributable to noncontrolling interest	112.0		—		112.0	
Net loss income attributable to controlling interest	(10.3	)	—		(10.3	)
Less: Preferred stock dividends, accretion and loss on conversion	73.6		—		73.6	
Net loss attributable to common and participating preferred stockholders	$(83.9	)	$—		$(83.9	)
Amounts attributable to common and participating preferred stockholders:						
Net loss from continuing operations, net of tax	$(83.9	)	$(131.4	) 3(c)	$(215.3	)
Net income from discontinued operations, net of tax	—		131.4	3(c)	131.4	
Net (loss) income attributable to common and participating preferred stockholders	$(83.9	)	$—		$(83.9	)
Net loss per common share attributable to controlling interest:						
Basic loss from continuing operations	$(0.51	)	$(0.81	) 3(d)	$(1.32	)
Basic income from discontinued operations	—		0.81	3(d)	0.81	

Basic	$(0.51)	$—		$(0.51)
Diluted loss from continuing operations	$(0.51)	$(0.81)	3(d)	$(1.32)
Diluted income from discontinued operations	—	0.81	3(d)	0.81
Diluted	$(0.51)	$—		$(0.51)

See accompanying notes to unaudited pro forma condensed combined financial statements.

HRG GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended September 30, 2013, in millions, except per share data

	Historical Condensed Consolidated		FGL Merger Agreement		Pro Forma Condensed Combined	
Revenues:						
Net consumer and other product sales	$4,085.6		$—		$4,085.6	
Oil and natural gas	90.2		—		90.2	
Insurance premiums	58.8		(58.3	) 3(b)	0.5	
Net investment income	734.7		(666.1	) 3(b)	68.6	
Net investment gains (losses)	511.6		(547.7	) 3(b)	(36.1	)
Insurance and investment product fees and other	62.5		(57.5	) 3(b)	5.0	
Total revenues	5,543.4		(1,329.6	)	4,213.8	
Operating costs and expenses:						
Cost of consumer products and other goods sold	2,695.3		—		2,695.3	
Oil and natural gas direct operating costs	44.0		—		44.0	
Benefits and other changes in policy reserves	531.8		(496.7	) 3(b)	35.1	
Selling, acquisition, operating and general expenses	1,216.6		(106.7	) 3(b)	1,109.9	
Impairments and bad debt expense	58.2		(1.2	) 3(b)	57.0	
Amortization of intangibles	260.1		(229.0	) 3(b)	31.1	
Total operating costs and expenses	4,806.0		(833.6	)	3,972.4	
Operating income (loss)	737.4		(496.0	)	241.4	
Interest expense	(511.9	)	2.5	3(b)	(509.4	)
Loss from the change in the fair value of the equity conversion feature of preferred stock	(101.6	)	—		(101.6	)
Other expense, net	(5.6	)	0.1	3(b)	(5.5	)
Income (loss) from continuing operations before income taxes	118.3		(493.4	)	(375.1	)
Income tax expense (benefit)	187.3		(157.9	) 3(b)	29.4	
Net loss from continuing operations	(69.0	)	(335.5	)	(404.5	)
Income from discontinued operations, net of tax	—		335.5	3(b)	335.5	
Net loss	(69.0	)	—		(69.0	)
Less: Net loss attributable to noncontrolling interest	(23.2	)	—		(23.2	)
Net loss attributable to controlling interest	(45.8	)	—		(45.8	)
Less: Preferred stock dividends, accretion and loss on conversion	48.4		—		48.4	
Net loss attributable to common and participating preferred stockholders	$(94.2	)	$—		$(94.2	)
Amounts attributable to controlling interest:						
Net loss from continuing operations, net of tax	$(94.2	)	$(335.5	) 3(c)	$(429.7	)
Net income from discontinued operations, net of tax	—		335.5	3(c)	335.5	
Net loss attributable to controlling interest	$(94.2	)	$—		$(94.2	)
Net loss per common share attributable to controlling interest:						
Basic loss from continuing operations	$(0.67	)	$(2.40	) 3(d)	$(3.07	)
Basic income from discontinued operations	—		2.40	3(d)	2.40	
Basic	$(0.67	)	$—		$(0.67	)

Diluted loss from continuing operations	$(0.67)	$(2.40)	3(d)	$(3.07)
Diluted income from discontinued operations	—	2.40	3(d)	2.40
Diluted	$(0.67)	$—		$(0.67)

See accompanying notes to unaudited pro forma condensed combined financial statements.

HRG GROUP, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(in millions, except per share and share amounts)
1. Significant Accounting Policies

The Company reports a business as held for sale when management has approved or received approval to sell the business and is committed to a formal plan, the business is available for immediate sale, the business is being actively marketed, the sale is anticipated to occur during the next twelve months and certain other specified criteria are met, in accordance with ASC Topic 360, Property, Plant and Equipment ("ASC 360"). A business classified as held for sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value, a loss is recognized. Assets and liabilities related to a business classified as held for sale are segregated in the consolidated balance sheets in the period in which the business is classified as held for sale. If a business is classified as held for sale after the balance sheet date but before the financial statements are issued or are available to be issued, the business continues to be classified as held for sale and used in those financial statements when issued or when available to be issued. Intercompany transactions between businesses held for sale and businesses held for use that are expected to continue to exist after the sale are presented gross on the balance sheet.

The Company reports the results of operations of a business as discontinued operations if a disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the business is classified as held for sale, in accordance with ASC 360 and ASU 2014-08, Presentation of Financial Statements (Topic 2015) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity ("ASU 2014-08"). The results of discontinued operations are reported in discontinued operations in the consolidated statements of operations for current and prior periods commencing in the period in which the business meets the criteria of a discontinued operation, and include any gain or loss recognized on closing or adjustment of the carrying amount to fair value less cost to sell. Intercompany transactions between the businesses held for sale and businesses held for use that are expected to continue to exist after the disposal are presented gross on the statement of operations.

The guidance above does not apply to oil and gas properties that are accounted for using the full-cost method of accounting as prescribed by the U.S. Securities and Exchange Commission (Regulation S-X, Rule 4-10, Financial Accounting and Reporting for Oil and Gas Producing Activities Pursuant to the Federal Securities Laws and the Energy Policy and Conservation Act of 1975) unless the disposal represents all or substantially all of a full cost pool as a discontinued operation.

As a result of the FGL Merger Agreement, the Company's ownership interest in FGL has been classified as held for sale on the balance sheet, FGL's operations have been classified as discontinued operations and FGL's results of operations are reported separately for all periods presented as if the FGL Merger Agreement had occurred on September 30, 2015.

2. Pro Forma Adjustments - AAG Acquisition Transactions

(a) The Company's fiscal year end is September 30 while the AAG fiscal year end is December 31. The AAG historical financial information for the statement of operations covering the period from October 1, 2014 through May 20, 2015, the date the AAG Acquisition was completed, has been derived by adding the unaudited results for the three month period ended March 31, 2015 and the period from April 1, 2015 through May 20, 2015 to the audited results for the fiscal year ended December 31, 2014 and deducting the unaudited results for the nine months ended September 30, 2014, as follows:

	(a) Twelve months ended December 31, 2014	(b) Nine months ended September 30, 2014	(c) = (a) - (b) Three months ended December 31, 2014	(d) Three months ended March 31, 2015	(e) Period from April 1, 2015 - May 20, 2015	(c) + (d) + (e) Period from October 1, 2014 - May 20, 2015
Revenues:						
Net consumer and other product sales	$410.0	$341.6	$68.4	$119.4	$88.0	$275.8
Operating costs and expenses:						
Cost of consumer products and other goods sold	226.0	185.2	40.8	68.1	45.5	154.4
Selling, acquisition, operating and general expenses	92.6	74.4	18.2	18.7	46.6	83.5
Impairments and bad debt expense	7.0	—	7.0	—	—	7.0
Amortization of intangibles	47.1	34.6	12.5	12.3	6.8	31.6
Total operating costs and expenses	372.7	294.2	78.5	99.1	98.9	276.5
Operating income (loss)	37.3	47.4	(10.1)	20.3	(10.9)	(0.7)
Interest expense	(71.5)	(52.1)	(19.4)	(19.3)	(46.5)	(85.2)
Other expense, net	(1.3)	(1.0)	(0.3)	(0.4)	(0.4)	(1.1)
(Loss) income from continuing operations before income taxes	(35.5)	(5.7)	(29.8)	0.6	(57.8)	(87.0)
Income tax (benefit) expense	(11.0)	(0.5)	(10.5)	0.2	(1.3)	(11.6)
Net (loss) income	(24.5)	(5.2)	(19.3)	0.4	(56.5)	(75.4)
Less: Net (loss) income attributable to noncontrolling interest	(10.4)	(2.2)	(8.2)	0.2	(24.0)	(32.0)
Net (loss) income attributable to controlling interest	$(14.1)	$(3.0)	$(11.1)	$0.2	$(32.5)	$(43.4)

(b) The Company estimates cost of sales will increase by approximately $18.8 during the first inventory turn subsequent to the acquisition date as a result of the sale of inventory that was written-up to fair value in purchase accounting. This cost has been excluded from the pro forma adjustments as this amount is considered non-recurring.

(c) Adjustment reflects decreased depreciation expense of $0.3 associated with the adjustment to record the AAG property, plant and equipment at fair value for the period from October 1, 2014 through May 20, 2015.

(d) Adjustment reflects decreased amortization expense of $25.1 associated with the adjustment to record the AAG intangible assets at fair value for the period from October 1, 2014 through May 20, 2015.

(e) Adjustment reflects the reversal of $25.5 of pre-acquisition costs incurred by AAG.

(f) Adjustment reflects the reversal of $8.4 of pre-acquisition accelerated stock based compensation incurred by AAG in conjunction with the AAG Acquisition.

(g) Adjustment reflects the reversal of $21.8 of acquisition and integration-related charges incurred of acquisition and integration-related charges incurred by Spectrum Brands in conjunction with the AAG Acquisition.

(h) The transactions resulted in changes to the Company's debt structure. A substantial portion of the historical AAG debt was repaid in connection with the AAG Acquisition. These changes in the combined debt structure gave rise to interest expense adjustments that resulted in a net decrease to pro forma interest expense $24.1 for the period from October 1, 2014 through May 20, 2015. The adjustments consist of the following:

	Assumed interest rate	Period from October 1, 2014 - May 20, 2015
New SBI 5.75% Notes ($1,000.0)	5.750%	$36.9
May HRG Unsecured Notes - USD ($140.0)	7.750%	7.0
May HRG Secured Notes - USD ($160.0)	7.875%	8.1
April HRG Secured Notes - USD ($100.0)	7.875%	5.1
Amortization of discount on the May HRG Unsecured Notes	—	(0.2)
Amortization of premium on the May HRG Secured Notes and the April HRG Secured Notes	—	2.0
Amortization of debt issuance costs	—	1.7
Total pro forma interest expense		60.6
Less: elimination of interest expense related to prior AAG debt facilities that were repaid		(84.7)
Pro forma adjustment		$(24.1)

(i) Adjustment reflects HRG's non-controlling interest in Spectrum Brands' pro forma decrease in income from continuing operations resulting from the transactions using a non-controlling interest factor of 42.5%.

(j) The increase in pro forma interest expense for the May HRG Unsecured Notes, the May HRG Secured Notes and the April HRG Secured Notes will not result in a net impact to HRG's current and deferred tax expense due to HRG's existing net operating loss carry forwards in the U.S., for which valuation allowances have been provided. As a result of Spectrum Brands' valuation allowance, the pro forma adjustments is solely a change in deferred income taxes offset by the change in the valuation and do not have income tax consequences.

(k) Basic and diluted earnings per share were recalculated based on 198,142,363 weighted-average common shares outstanding - basic and diluted for the year ended September 30, 2015.

3. Pro Forma Adjustments - FGL Merger

(a) As a result of the FGL Merger Agreement, the Company's ownership interest in FGL has been classified as held for sale on the condensed combined balance sheet. These adjustments represent the components of FGL's assets and liabilities included in the September 30, 2015 combined balance sheet. Such balances reflect intercompany transactions between FGL and other entities consolidated by HRG as they will remain and continue to exist following the closing of the FGL Merger. Below is a summary of the adjustments:

As of September 30, 2015	FGL Held for Sale Classification	Impact of intercompany transactions that will remain and continue to exist following the closing of the FGL Merger	Deferred tax adjustment (1)	Total adjustment due to FGL Merger Agreement
Assets:				
Investments	$(18,831.7)	$—	$—	$(18,831.7)
Cash and cash equivalents	(501.8)	—	—	(501.8)
Receivables, net	—	—	—	—
Inventories, net	—	—	—	—
Accrued investment income	(190.7)	—	—	(190.7)
Reinsurance recoverable	(2,351.9)	—	—	(2,351.9)
Deferred tax assets	(194.7)	—	328.8	134.1
Properties, including oil and gas properties, net	(14.4)	—	—	(14.4)
Goodwill	—	—	—	—
Intangibles, including DAC and VOBA, net	(1,048.6)	—	—	(1,048.6)
Other assets (including funds withheld assets)	(82.5)	1,073.9	—	991.4
Assets held for sale	23,216.3	1,769.8	—	24,986.1
Total assets	$—	$2,843.7	$328.8	