

Zapata Corporation Announces Third Quarter Results and Reincorporation Merger

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ROCHESTER, N.Y.--(BUSINESS WIRE)--Nov. 4, 2009-- Zapata Corporation (NYSE: ZAP) today announced its consolidated financial results for the three and nine months ended September 30, 2009 and its entry into an Agreement and Plan of Merger with its newly formed, wholly-owned subsidiary, Harbinger Group Inc.

Third Quarter Results:

For the quarter ended September 30, 2009, Zapata reported a consolidated net loss of \$345,000 or \$0.02 per share as compared to a consolidated net loss of \$188,000 or \$0.01 per share for the quarter ended September 30, 2008. For the nine months ended September 30, 2009, Zapata had a consolidated net loss of \$1.5 million or \$0.08 per share as compared to consolidated net income of \$444,000 or \$0.02 per share for the comparable period of the prior year. On a consolidated basis, the three and nine months ended September 30, 2009 reflect decreases in interest income and increases in professional fees partially offset by the recognition of other income related to old businesses of Zapata.

Reincorporation Merger:

On November 3, 2009, Zapata's board of directors adopted an Agreement and Plan of Merger between Zapata and its newly formed, wholly-owned subsidiary, Harbinger Group Inc., a Delaware corporation. Also on November 3, 2009, the holders of a majority of Zapata's issued and outstanding shares of common stock consented in writing to the Agreement and Plan of Merger. The agreement provides for the merger of Zapata with and into Harbinger Group and will result in the following:

- the domicile of Zapata will change from the State of Nevada to the State of Delaware;
- Zapata will be governed by the laws of the State of Delaware and by a new Certificate of Incorporation and new Bylaws prepared in accordance with Delaware law;
- Zapata's stockholders will receive one share of common stock of Harbinger Group for each share of Zapata common stock owned by them at the time the merger is effected;
- the persons presently serving as Zapata's executive officers and directors will serve in their same respective positions with Harbinger Group;
- Zapata's name will change to Harbinger Group Inc. and its trading symbol will change to "HRG"; and
- Harbinger Group will be the successor corporation and continue the business of Zapata.

Zapata plans to file a preliminary Information Statement on Schedule 14C with the Commission on or about November 4, 2009. Zapata expects that the merger will become effective 20 calendar days after the date Zapata mails the definitive Information Statement to its stockholders.

About Zapata:

Zapata is a holding company with approximately \$153.2 million in consolidated cash, cash equivalents and investments as of September 30, 2009 and owns approximately 98% of Zap.Com Corporation (OTCBB: ZPCM), which is a public shell company. The Company is currently searching for candidates for acquisition or business combination.

The Company makes certain reports available free of charge on its website at <http://www.zapatacorp.com> as soon as reasonably practicable after this information is electronically filed, or furnished to, the United States Securities and Exchange Commission.

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: The statements contained in this press release which are not historical fact are forward-looking statements based upon management's current expectations 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 forward-looking statements. Forward-looking statements, which are based upon certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may" or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation, the risk that we may not be successful in identifying any suitable future acquisition opportunities and those factors listed

under the caption "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2009. All forward-looking statements made 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. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results.

ZAPATA CORPORATION

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share and Per Share Amounts)

| | September 30, 2009 | December 31, 2008 |
|--|-----------------------------------|----------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 129,184 | \$ 142,694 |
| Short-term investments | 15,990 | 11,965 |
| Other receivables | 67 | 130 |
| Prepaid expenses and other current assets | 442 | 256 |
| Total current assets | 145,683 | 155,045 |
| Long-term investments | 8,027 | -- |
| Property and equipment, net | 38 | -- |
| Other assets, net | 9,571 | 8,987 |
| Total assets | \$ 163,319 | \$ 164,032 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 63 | \$ 92 |
| Accrued and other current liabilities | 1,503 | 1,045 |
| Total current liabilities | 1,566 | 1,137 |
| Pension liabilities | 2,926 | 2,904 |
| Other liabilities | 1,087 | 1,144 |
| Total liabilities | 5,579 | 5,185 |
| Commitments and contingencies | | |
| Zapata Corporation stockholders' equity: | | |
| Preferred stock, \$.01 par; 1,600,000 shares authorized; none issued or outstanding | -- | -- |
| Preference stock, \$.01 par; 14,400,000 shares authorized; none issued or outstanding | -- | -- |
| Common stock, \$0.01 par, 132,000,000 shares authorized; 24,716,930 and 24,708,414 shares issued; and 19,284,850 and 19,276,334 shares outstanding, respectively | 247 | 247 |
| Capital in excess of par value | 164,250 | 164,250 |
| Retained earnings | 35,659 | 37,192 |
| Treasury stock, at cost, 5,432,080 shares | (31,668) | (31,668) |
| Accumulated other comprehensive loss | (10,778) | (11,207) |
| Total Zapata Corporation stockholders' equity | 157,710 | 158,814 |
| Noncontrolling interest | 30 | 33 |
| Total equity | 157,740 | 158,847 |
| Total liabilities and equity | \$ 163,319 | \$ 164,032 |

ZAPATA CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)

| | For the Three Months Ended September 30, 2009 | | For the Nine Months Ended September 30, 2009 | |
|--|--|-------------|---|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| Revenues | \$ -- | \$ -- | \$ -- | \$ -- |
| Cost of revenues | -- | -- | -- | -- |
| Gross profit | -- | -- | -- | -- |
| Operating expense: | | | | |
| General and administrative | 1,401 | 856 | 3,775 | 2,409 |
| Total operating expenses | 1,401 | 856 | 3,775 | 2,409 |
| Operating loss | (1,401) | (856) | (3,775) | (2,409) |
| Other income: | | | | |
| Interest income | 55 | 490 | 197 | 2,836 |
| Other, net | 831 | 3 | 1,246 | 75 |
| | 886 | 493 | 1,443 | 2,911 |
| (Loss) income before income taxes | (515) | (363) | (2,332) | 502 |
| Benefit (provision) for income taxes | 169 | 175 | 797 | (59) |
| Net (loss) income | (346) | (188) | (1,535) | 443 |
| Net income attributable to noncontrolling interest | 1 | -- | 2 | 1 |
| Net (loss) income attributable to Zapata Corporation | \$ (345) | \$ (188) | \$ (1,533) | \$ 444 |
| Net (loss) income per common share – basic and diluted | \$ (0.02) | \$ (0.01) | \$ (0.08) | \$ 0.02 |
| Weighted average common shares outstanding: | | | | |
| Basic | 19,281 | 19,276 | 19,278 | 19,276 |
| Diluted | 19,281 | 19,276 | 19,278 | 19,398 |

Source: Zapata Corporation

Rubenstein Associates
Charles V. Zehren, 212-843-8590

czehren@rubenstein.com

Ming Lee Hatch, 212-843-8019

mhatch@rubenstein.com

or

Zapata Corporation

Leonard DiSalvo, CFO, 585-242-8703

<http://www.zapatacorp.com>