



Harbinger Group Inc. Receives Approval For Inaugural Reinsurance Treaty Between Front Street Re and Fidelity and Guaranty Life

December 18, 2012

NEW YORK- December 17, 2012 - Harbinger Group Inc. (NYSE: HRG) today announced that its wholly-owned subsidiary, Fidelity & Guaranty Life Insurance Company, has received approval from the Maryland Insurance Administration to enter into a reinsurance treaty with Front Street Re (Cayman) Ltd., also a wholly-owned subsidiary of HGI. Under the terms of the reinsurance treaty, Fidelity & Guaranty Life will cede approximately 10%, or approximately \$1.5 billion of liabilities, of its annuity business to Front Street Re. Fidelity & Guaranty Life and Front Street Re expect to enter into this transaction prior to the end of 2012.

HGI Asset Management, LLC, a wholly-owned subsidiary of HGI, will manage the assets supporting reserves pursuant to an investment management agreement. The majority of such assets will be held in high-grade investments.

"This transaction marks a significant milestone for establishing our reinsurance platform, while also supporting continued growth of Fidelity and Guaranty Life," said Philip Falcone, Chief Executive Officer of HGI. "With Front Street Re's experienced management team, we see an opportunity to grow our reinsurance franchise by providing customized reinsurance solutions to life insurance and fixed annuity companies."

"Front Street Re is very pleased to have received this approval and we are excited to enter into a major reinsurance transaction that will benefit Fidelity & Guaranty Life policyholders and HGI shareholders," said John Tweedie, Chief Executive Officer of Front Street Re. "Our role is to add value and security, using our skills and resources and those of our parent company, HGI, and its asset management subsidiary."

"We are pleased to enter into this capital-efficient transaction," said Lee Launer, Chief Executive Office of Fidelity & Guaranty Life. "It will both support future growth and provide long-term benefits for existing policyholders."

About Front Street

Front Street focuses on life and fixed annuity reinsurance products, including reinsurance solutions that improve clients' leverage ratios and capital positions through the assumption of life and fixed annuity liabilities. The Front Street team also seeks to provide clients with exit strategies for discontinued life and fixed annuity lines of business, closed blocks of in-force life and fixed annuity business in run-off, and non-core life and fixed annuity lines of business.

Front Street is led by Chief Executive Officer, John Tweedie. Prior to joining Front Street, Mr. Tweedie had spent over 25 years in various staff and management roles with MetLife, ultimately reaching the position of Senior Executive Vice President of MetLife and serving as a member of its Executive Group. After his tenure at MetLife, Mr. Tweedie co-founded Northstar Re, where he served as President and Chief Executive Officer from 2002-2009.

Front Street currently holds licenses with the Cayman Islands Monetary Authority, and the Bermuda Monetary Authority. For more information regarding Front Street, please visit: www.frontstreetre.com.

About Fidelity & Guaranty Life

Fidelity & Guaranty Life focuses its efforts on serving middle market consumers seeking the safety, protection and income features of secure life insurance and annuity products. Products are distributed through Fidelity & Guaranty Life's established, independent network of master general agents. Fidelity & Guaranty Life has approximately \$17.8 billion of cash and investment assets under management as of September 30, 2012. For more information regarding Fidelity & Guaranty Life, please visit: <https://home.fglife.com>.

About Harbinger Group Inc.

Harbinger Group Inc. ("HGI"; NYSE: HRG) is a diversified holding company. HGI's principal operations are conducted through subsidiaries that offer life insurance and annuity products, and branded consumer products such as batteries, personal care products, small household appliances, pet supplies, and home and garden pest control products. HGI is principally focused on acquiring controlling and other equity stakes in businesses across a diversified range of industries and growing its existing businesses. In addition to HGI's intention to acquire controlling equity interests, HGI may also from time to time make investments in debt instruments and acquire minority equity interests in companies. Harbinger Group Inc. is headquartered in New York and traded on the New York Stock Exchange under the symbol HRG. For more information regarding HGI, please visit: www.harbingergroupinc.com.

Forward-Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: Some of the statements contained in the Press Release and certain oral statements made by our representatives from time to time regarding the matters discussed herein, including the expected closing of the reinsurance treaty between Fidelity & Guaranty Life and Front Street Re, are or may be forward-looking statements. Such forward-looking statements are 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 such forward-looking statements. These statements and other forward-looking statements made from time-to-time by HGI and its representatives are based upon certain assumptions and describe future plans, strategies and expectations of HGI, 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 closing of the acquisition of the residential hardware and home improvement business of Stanley Black & Decker, Inc. and certain of its

subsidiaries by Spectrum Brands, Inc. or HGI Energy Holdings, LLC's joint venture transaction with EXCO Resources, Inc. ("Energy Transaction") to create a private oil and gas limited partnership (the "Partnership") will not occur, will be delayed or will close on terms materially different than expected, including, in the case of the Energy Transaction, (i) as a result of title and environmental diligence of properties to be acquired, commodity price risks, drilling and production risks, (ii) financing plans for the Partnership and the Energy Transaction, (iii) reserve estimates and values, statements about the Partnership's properties and potential reserves and production levels. Other factors could cause actual results, events and developments to differ include, without limitation, the ability of HGI's subsidiaries (including, following the closing of the Energy Transaction, the Partnership) to generate sufficient net income and cash flows to make upstream cash distributions, capital market conditions, that HGI may not be successful in identifying any suitable future acquisition opportunities, the risks that may affect the performance of the operating subsidiaries of HGI and those factors listed under the caption "Risk Factors" in HGI's most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission. All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. HGI does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results.

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