



Harbinger Group Inc. Completes Acquisition of Old Mutual U.S. Life Holdings, Inc.

04/06/11

\$350 million purchase price represents approximately 39% of Statutory Capital and 22% of IFRS Net Book Value

NEW YORK, Apr 06, 2011 (BUSINESS WIRE) -- Harbinger Group Inc. ("HGI"; NYSE: HRG) is pleased to announce that it has completed its acquisition of Old Mutual U.S. Life Holdings, Inc. ("U.S. Life") for \$350 million pursuant to an agreement with OM Group (UK) Limited. The purchase price was funded from cash on hand.

The \$350 million purchase price represents approximately 39% of U.S. Life's subsidiaries' statutory capital as of December 31, 2010, which was approximately \$902 million. The purchase price also represents approximately 22% of U.S. Life's subsidiaries' IFRS net book value as of December 31, 2010, which was approximately \$1.6 billion. U.S. Life had approximately \$17 billion of investment assets under management as of December 31, 2010.

This acquisition represents HGI's second major transaction in line with its strategy to acquire operating businesses across a diversified range of industries. In January 2011, HGI acquired a majority stake in Spectrum Brand Holdings, Inc (NYSE: SPB). U.S. Life will be a wholly-owned operating company of HGI and its results will be consolidated in HGI's financial statements beginning in the third fiscal quarter (ending July 3, 2011).

It is anticipated that U.S. Life's principal operating subsidiaries, OM Financial Life Insurance Company and OM Financial Life Insurance Company of New York, will begin using their former names used prior to 2007: Fidelity & Guaranty Life Insurance Company and Fidelity & Guaranty Life Insurance Company of New York.

Harbinger was represented by Debevoise and Plimpton LLP as Legal Counsel and Bank of America Merrill Lynch as Financial Advisor.

About Harbinger Group Inc.

HGI is a holding company that seeks to acquire significant interests in businesses across a diverse range of industries and bring an owner's perspective to building long-term value for stockholders. As of December 31, 2010, HGI had approximately \$471 million in consolidated cash, cash equivalents and short-term investments, which included \$360 million in restricted cash that has subsequently become unrestricted and was used to fund the acquisition of U.S. Life. A majority of HGI's outstanding common stock is owned by investment funds affiliated with Harbinger Capital Partners LLC. HGI makes certain reports available free of charge on its website at www.harbingergroupinc.com as soon as reasonably practicable after this information is electronically filed, or furnished to, the United States Securities and Exchange Commission.

About Harbinger Capital Partners

Harbinger Capital Partners is a multi-billion dollar private investment fund based in New York. The firm was founded in 2001 and employs a fundamental approach to deep value and distressed credit investing. Harbinger Capital Partners is led by Philip A. Falcone, its Chief Executive Officer, who has more than 20 years of investment experience across an array of market cycles.

About Old Mutual U.S. Life Holdings, Inc. and the U.S. Life Acquisition

U.S. Life, through its insurance subsidiaries, is a leading provider of fixed annuity and life insurance products, with approximately 800,000 policyholders in the U.S. and a distribution network of approximately 300 independent marketing organizations representing approximately 24,000 agents nationwide.

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: Some of the statements contained in this press release may be 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 such forward-looking statements. These statements and other forward-looking statements made from time-to-time by Harbinger Group Inc. (the "Company") and its representatives 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, capital market conditions, the risk that the Company may not be successful in identifying any suitable future acquisition opportunities and those factors listed under the caption "Risk Factors" in the Company's most recently filed Annual Report on Form 10-K, as well as in the Company's most recently filed Quarterly Report on Form 10-Q. 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. The Company 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.

SOURCE: Harbinger Group Inc.

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