



Harbinger Group Inc. Announces Third Quarter Results

November 10, 2010

NEW YORK, Nov 09, 2010 (BUSINESS WIRE) -- Harbinger Group Inc. (NYSE: HRG) today announced its consolidated financial results for the three and nine months ended September 30, 2010.

For the three and nine months ended September 30, 2010, Harbinger Group Inc. reported a consolidated net loss of \$7.7 million or \$(0.40) per share and \$13.6 million or \$(0.70) per share, respectively. For the three and nine months ended September 30, 2009, we had a net loss of \$8.5 million or \$(0.44) per share and \$9.7 million or \$(0.50) per share, respectively, which both reflect a write off of \$8.2 million of deferred tax assets in connection with our change in controlling shareholders in the third quarter of 2009. Our pre-tax loss in the three and nine month periods increased \$7.2 million and \$12.0 million, respectively, principally due to increases in professional fees associated with advisors retained to assist us in evaluating business acquisition opportunities and preparing the related public company filings and, to a lesser extent, increases in employee and other costs related to relocating our corporate headquarters to New York City. For the three and nine months ended September 30, 2010, we incurred \$6.3 million and \$9.3 million, respectively, in professional fees related to potential acquisitions, including \$4.3 million in both periods related to our pending acquisition of a controlling interest in Spectrum Brands Holdings, Inc., compared to insignificant amounts in the prior year.

About Harbinger Group Inc.:

Harbinger Group Inc. is a holding company with approximately \$139.9 million in consolidated cash, cash equivalents and short-term investments as of September 30, 2010. The Company's principal focus is to identify and evaluate business combinations or acquisitions of businesses. The Company continues to review acquisitions and business combination proposals with the assistance of its advisors. The Company currently owns 98% of Zap.Com Corporation, a public shell company.

As previously announced, on September 10, 2010, Harbinger Group Inc. entered into a Contribution and Exchange Agreement with Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., and Global Opportunities Breakaway Ltd. (collectively, the "Harbinger Parties"). Pursuant to that agreement, the Company will issue an aggregate of 119,909,830 newly issued shares of its common stock to the Harbinger Parties in exchange for an aggregate of 27,756,905 shares of common stock of Spectrum Brands Holdings, Inc., or approximately 54.4% of the outstanding Spectrum Brands Holdings common stock. The Company expects the acquisition to close in the fourth quarter of 2010.

The Company 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.

"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 Annual Report on Form 10-K for the year ended December 31, 2009, as well as in the Company's most recently filed Quarterly Report on Form 10-Q. 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 operating results.

HARBINGER GROUP INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
Revenues	\$ -	\$ -	\$ -	\$ -
Cost of revenues	-	-	-	-
Gross profit	-	-	-	-

Operating expenses:				
General and administrative	7,803	1,401	14,876	3,775
Total operating expenses	7,803	1,401	14,876	3,775
Operating loss	(7,803)	(1,401)	(14,876)	(3,775)
Other income:				
Interest income	60	55	156	197
Other, net	4	831	351	1,246
	64	886	507	1,443
Loss before income taxes	(7,739)	(515)	(14,369)	(2,332)
(Provision for) benefit from income taxes	(6)	(7,984)	761	(7,356)
Net loss	(7,745)	(8,499)	(13,608)	(9,688)
Less: Net loss attributable to the noncontrolling interest	1	1	3	2
Net loss attributable to Harbinger Group Inc.	\$ (7,744)	\$ (8,498)	\$ (13,605)	\$ (9,686)
Net loss per common share - basic and diluted	\$ (0.40)	\$ (0.44)	\$ (0.70)	\$ (0.50)
Weighted average common shares outstanding				
Basic	19,286	19,281	19,286	19,278
Diluted	19,286	19,281	19,286	19,278

SOURCE: Harbinger Group Inc.

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