



## Press Release

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Contact: Richard J. Harris  
Telephone: (441) 292-3645

### **Enstar Group Limited to Acquire Torus Insurance Holdings Limited**

### **Affiliates of Stone Point Capital to Partner in Torus, Atrium and Arden Acquisitions**

### **Enstar Announces Amended Revolving Credit Facility**

Hamilton, Bermuda – July 9, 2013 – Enstar Group Limited (“Enstar”) (Nasdaq:ESGR) announced today that it has entered into a definitive agreement to acquire global specialty insurer Torus Insurance Holdings Limited (“Torus”). Torus is the holding company of six wholly owned insurance vehicles, including one Lloyd’s syndicate. The total consideration for the transaction is \$692 million.

Enstar will issue approximately 1,901,000 ordinary voting shares and approximately 711,000 newly created non-voting preferred shares having an aggregate value of approximately \$346 million to partially fund the purchase price. Enstar will also contribute approximately \$69 million in cash towards the purchase price, with affiliates of Stone Point Capital LLC (“Stone Point”) funding the remaining approximately \$277 million through an equity co-investment. Following the closing of the transaction, Enstar will own 60% of Torus and Stone Point will own 40%.

Private equity firms First Reserve and Corsair Capital, Torus’ largest shareholders, will receive both Enstar shares and cash consideration in the transaction, with the remaining Torus shareholders receiving all cash. Following the closing of the transaction, affiliates of First Reserve, who will receive a mix of voting shares and all of the non-voting preferred shares being issued by Enstar in the transaction, will own an approximately 11.5% economic interest in Enstar, and Enstar will nominate one designee of First Reserve to Enstar’s Board of Directors. Completion of the transaction is conditioned on, among other things, governmental and regulatory approvals and satisfaction of various customary closing conditions. The transaction is expected to close by the end of the year.

Enstar also announced today that affiliates of Stone Point have committed to provide up to \$106 million of equity capital towards Enstar’s previously announced acquisitions of Atrium Underwriting Group and Arden Reinsurance Company. Assuming both of those transactions are consummated, Enstar would own 60% of those companies and Stone Point would own 40%.

Dominic Silvester, Enstar’s Chief Executive Officer, said, “Following the recent announcement of our agreement to acquire Atrium, we are pleased to continue our expansion into ‘live’ underwriting through the acquisition of Torus. Torus provides us with an opportunity to acquire a large, international A- rated group of companies that both diversifies Enstar into the active market and enhances the opportunities available to our core legacy business. In addition, we are excited to be partnering with Stone Point. We have worked with them successfully in the past and we believe their expertise in the insurance industry will add tremendous value to these acquisitions.”

Dermot O’Donohoe, who Torus announced earlier today was named its Group Chief Executive Officer, said, “We are very pleased with this transaction and the opportunity to join Enstar during this exciting time, as it expands

into the live insurance market. We have a high regard for both Enstar and Stone Point and are confident in our collective abilities to achieve great results as a result of this deal.”

Charles A. Davis, Stone Point’s Chief Executive Officer, said, “Stone Point is delighted to be partnering with Enstar on the Torus and Atrium transactions. Our successful relationship with Dominic Silvester and the Enstar team dates back to 2000. We have been one of the largest shareholders of Enstar for many years and have worked with Enstar’s senior management on a number of acquisitions. We look forward to joining with Enstar in these investments and working with the Torus and Atrium management teams.”

In addition, Enstar announced today that it has entered into an amended and restated revolving credit facility with National Australia Bank, Barclays Bank, and Royal Bank of Canada. The restated five-year revolving credit facility is effective until July 2018 and permits Enstar to borrow up to an aggregate of \$375.0 million. The interest rate is LIBOR plus 2.75% for amounts drawn, with a 1.1% commitment fee on undrawn funds. Enstar’s previously existing \$250.0 million facility was set to terminate in June 2014.

As previously announced, Enstar will be presenting at a meeting of investors in New York City on Wednesday, July 10, 2013, at 12:30 p.m. Eastern time to provide a detailed update on the company and information regarding the transactions announced today. The meeting will last approximately 90 minutes and will feature remarks from Enstar’s four executive officers and the Chairman of the Board. The meeting will be webcast over the Events & Presentations section of Enstar’s Investor Relations webpage at <http://www.enstargroup.com/events.cfm> and a replay will remain available until September 9, 2013. The presentation slides will be available shortly before the meeting on the same webpage. If you would like to listen to the live meeting, please use the webcast or call (855) 219-9569 (from outside the U.S. dial: +1 (267) 753-2130). Use participant code: 16242570.

## **About Enstar**

Enstar, a Bermuda company, acquires and manages insurance and reinsurance companies in run-off and portfolios of insurance and reinsurance business in run-off, and provides management, consultancy and other services to the insurance and reinsurance industry. Enstar recently announced its expansion into live underwriting with its June 2013 definitive agreement to acquire Atrium Underwriting Group, an acquisition expected to close by the end of the year.

## **About Torus**

Torus is a global specialty insurer and the holding company of six wholly owned insurance vehicles, including one Lloyd’s syndicate, Syndicate 1301. The company offers a diversified range of property, casualty and specialty insurance, as well as reinsurance products, to a global client base.

## **About Stone Point**

Stone Point is a financial services-focused private equity firm based in Greenwich, CT. The firm has raised and managed five private equity funds – the Trident Funds – with aggregate committed capital of more than \$9 billion. In addition to the capital invested by the Trident Funds, Stone Point has secured approximately \$6 billion of equity co-investments since 2001. Stone Point targets investments in the global financial services industry, including investments in insurance and reinsurance companies, banks and depository institutions, companies that provide outsourced services to financial institutions, asset management firms, insurance distribution and other insurance-related businesses, specialty lending and other credit opportunities, mortgage services companies and employee benefits and healthcare companies. For further information about Stone Point, see [www.stonepoint.com](http://www.stonepoint.com).

### **Cautionary Statement Regarding Forward-Looking Statements**

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements regarding intent, belief or current expectations are included in these forward-looking statements. Investors are cautioned that any such forward-looking statements speak only as of the date they are made, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. In particular, Enstar may not be able to complete the proposed transactions on the terms summarized above or other acceptable terms, or at all, due to a number of factors, including but not limited to the failure to obtain governmental and regulatory approvals or to satisfy other closing conditions. Additional important risk factors regarding Enstar may be found under the heading "Risk Factors" in Enstar's Form 10-K for the year ended December 31, 2012, and are incorporated herein by reference. Furthermore, Enstar undertakes no obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein, to reflect any change in its expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.