

**For Immediate Release
Liberty Mutual Group Inc.**

May 5, 2020



LIBERTY MUTUAL ANNOUNCES PRICING TERMS OF ITS PREVIOUSLY ANNOUNCED PRIVATE EXCHANGE OFFERS FOR FIVE SERIES OF NOTES AND RELATED TENDER OFFERS OPEN TO CERTAIN INVESTORS

BOSTON, Mass — Liberty Mutual Group Inc. (“Liberty Mutual”) today announced the pricing of its previously announced offers to certain eligible holders to exchange its 3.950% Senior Notes due 2060 (the “new notes”) for five series of its outstanding notes (the “exchange offers”): its 6.500% Senior Notes due 2042, its 7.000% Senior Notes due 2034, its 6.500% Senior Notes due 2035, its 4.850% Senior Notes due 2044, and its 4.500% Senior Notes due 2049 (the “existing notes”), and related offers to purchase such series of existing notes for cash (the “cash offers”). The new notes value will equal the discounted value on the exchange offer settlement date (as defined below) of the remaining payments of principal and interest per \$1,000 principal amount of new notes through May 15, 2060, the maturity date of the new notes, using a yield equal to, as calculated by the lead dealer managers, (i) the sum of (a) the reference yield with respect to the 2.375% U.S. Treasury Security due November 15, 2049 and (b) the fixed spread of 275 basis points, minus (ii) accrued and unpaid interest to but not including the settlement date. The reference U.S. Treasury security yield is 1.319%, the new notes yield to maturity is 4.069% and the new notes value is \$976.58 per principal amount of new notes.

Exchange Offers

The table below indicates, among other things, the amount of new notes and cash that holders of the existing notes are eligible to receive for each \$1,000 principal amount of existing notes validly tendered at or prior to 5:00 p.m., New York City time, today, May 5, 2020, unless extended or earlier terminated by Liberty Mutual (the “exchange offer expiration date”) and not validly withdrawn at any time at or prior to 5:00 p.m., New York City time, today, May 5, 2020 (the “exchange offer withdrawal deadline”), or in connection with the guaranteed delivery procedures set forth in the offering memorandum and in the exchange offer notice of guaranteed delivery, and accepted by Liberty Mutual (as determined in accordance with the terms of the offering memorandum), as calculated at 2:00 p.m., New York City time, today, May 5, 2020:

CUSIP No. /ISIN	Title of Security	Principal Amount Outstanding	Acceptance Priority Level	Reference U.S. Treasury Security	Bloomberg Reference Page	Fixed Spread (bps)	Total Exchange Consideration	Composition of Total Exchange Consideration ⁽¹⁾⁽²⁾⁽³⁾	
								New Notes Amount	Adjusted Cash Amount
53079EAZ7/US53079EAZ79 U52932AS6/USU52932AS62	6.500% Senior Notes due 2042	\$269,852,000	1	2.375% U.S.T. due 11/15/2049	PX1	+240 bps	\$1,415.13	\$1,000	\$438.55
53079EAE4/US53079EAE41 U52932AD9/USU52932AD93	7.000% Senior Notes due 2034	\$152,647,000	2	2.375% U.S.T. due 11/15/2049	PX1	+220 bps	\$1,379.08	\$1,000	\$402.50
53079EAG9/US53079EAG98 U52932AE7/USU52932AE76	6.500% Senior Notes due 2035	\$301,113,000	3	2.375% U.S.T. due 11/15/2049	PX1	+220 bps	\$1,342.53	\$1,000	\$365.95
53079EBF0/US53079EBF07 U52932AX5/USU52932AX57 U52932AY3/USU52932AY31	4.850% Senior Notes due 2044	\$613,922,000	4	2.375% U.S.T. due 11/15/2049	PX1	+240 bps	\$1,179.54	\$1,000	\$202.96
53079EBH6/US53079EBH62 U52932BE6/USU52932BE67 U52932BF3/USU52932BF33	4.500% Senior Notes due 2049	\$350,000,000	5	2.375% U.S.T. due 11/15/2049	PX1	+245 bps	\$1,127.26	\$1,000	\$150.68

- (1) To be paid in new notes and cash per \$1,000 principal amount of existing notes validly tendered at or prior to the exchange offer expiration date and not validly withdrawn at or prior to the exchange offer withdrawal deadline, or in connection with the guaranteed delivery procedures set forth in the offering memorandum and in the exchange offer notice of guaranteed delivery, and whose existing notes are accepted for exchange. The cash payment excludes accrued and unpaid interest. Accrued and unpaid interest, if any, will be paid on the existing notes up to, but not including, the initial exchange offer settlement date of May 7, 2020, which will be reduced by the interest accrued from May 7, 2020, the initial issuance date of the original notes, up to, but not including, the exchange offer settlement date, if any. The first interest payment for the new notes will include accrued interest from May 7, 2020, if any.
- (2) The Total Exchange Consideration in respect of the 4.500% Senior Notes due 2049 is calculated based on December 15, 2048, the par call date for such series of existing notes.

- (3) The Adjusted Cash Amount per \$1,000 principal amount of existing notes validly tendered for exchange and accepted by Liberty Mutual is equal to (i) the applicable Total Exchange Consideration minus (ii) the product of (a) the principal amount of new notes applicable to such tendered existing notes and (b) the new notes value, divided by \$1,000, such amount of cash rounded to the nearest cent, in accordance with Annex A to the offering memorandum.

The exchange offers are being made in accordance with the offering memorandum, dated April 28, 2020, the related eligibility letter and notice of guaranteed delivery (the “exchange offer documents”). To participate in the exchange offers, eligible holders must validly tender existing notes at or prior to (i) the exchange offer expiration date or (ii) 5:00 p.m., New York City time, on the second business day after the exchange offer expiration date pursuant to the guaranteed delivery procedures described in the offering memorandum (the “exchange offer guaranteed delivery procedures”). Tenders of the existing notes may be withdrawn at any time at or prior to the exchange offer withdrawal deadline, subject to extension, but will thereafter be irrevocable except in certain limited circumstances where additional withdrawal rights are required by law. The “exchange offer settlement date” is expected to be May 7, 2020, which is the second business day following the exchange offer expiration date, for existing notes validly tendered in the exchange offers; provided that the exchange offer settlement date for any existing notes validly tendered in connection with the exchange offer guaranteed delivery procedures pursuant to a notice of guaranteed delivery and accepted for exchange is expected to be May 8, 2020, which is the third business day following the exchange offer expiration date. Accrued and unpaid interest, if any, on the existing notes tendered for purchase will only accrue up to, but not including, the initial exchange offer settlement date of May 7, 2020.

The aggregate principal amount of the new notes issuable in the exchange offers is limited to \$500,000,000 (the “new notes issuance limit”). If, at the exchange offer expiration date, the aggregate total exchange consideration payable for all validly tendered existing notes of a particular series (together with the aggregate total exchange consideration payable after exchanging all validly tendered existing notes of each series with a higher acceptance priority level (with acceptance priority level 1 being the highest)) is greater than the new notes issuance limit, then Liberty Mutual will not be obligated to accept for exchange, or issue any new notes in exchange for, such series of existing notes and may terminate the exchange offer with respect to such series of existing notes and each series of existing notes with a lower acceptance priority level. Either all validly tendered existing notes in an exchange offer will be accepted or no existing notes in a particular exchange offer will be accepted. There will be no proration of any series of existing notes.

Liberty Mutual’s obligation to complete any exchange with respect to a given series of existing notes is also conditioned on the completion of the corresponding cash offer (as defined below) for such series of existing notes (with respect to each exchange offer, the “cash offer completion condition”). Liberty Mutual will terminate the exchange offer for a given series of existing notes if it terminates the cash offer for such series of existing notes, and it will terminate the cash offer for a given series of existing notes if it terminates the exchange offer for such series of existing notes. The termination of a cash offer for a series of existing notes will not impact the exchange offer for any other series of existing notes. If Liberty Mutual extends the cash offer for a series of existing notes for any reason, Liberty Mutual will extend the corresponding exchange offer for such series of existing notes. The cash offer completion condition cannot be waived by Liberty Mutual.

Consummation of the exchange offers is subject to the satisfaction or waiver of a number of other conditions including the absence of certain adverse legal, accounting and market developments, as described in the exchange offer documents.

When issued, the new notes will not have been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. Therefore, the new notes may be offered and resold only in transactions that are exempt from registration under the Securities Act and the securities laws of any other jurisdiction. Liberty Mutual will not enter into a registration rights agreement with respect to the new notes.

Global Bondholder Services Corporation will act as the information agent and the exchange agent for the exchange offers. Questions or requests for assistance related to the exchange offers or for additional copies of the exchange offer documents may be directed to Global Bondholder Services Corporation at (866) 470-4300 (toll free) or (212) 430-3774 (collect). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the exchange offers. The exchange offer documents can be accessed at the following link: <http://www.gbhc-usa.com/eligibility/liberty>.

Cash Offers

The following table indicates, among other things, the applicable total consideration that holders of the existing notes are eligible to receive for each \$1,000 principal amount of existing notes validly tendered at or prior to 5:00 p.m., New York City time, today, May 5, 2020, unless extended or earlier terminated by Liberty Mutual (the “cash offer expiration date”) and not validly withdrawn at any time at or prior to 5:00 p.m., New York City time, today, May 5, 2020 (the “cash offer withdrawal deadline”), or in connection with the guaranteed delivery procedures set forth in the offer to purchase and in the cash offer notice of guaranteed delivery, and accepted by Liberty Mutual (as determined in accordance with the terms of the offer to purchase), as calculated at 2:00 p.m., New York City time, today, May 5, 2020:

CUSIP No. /ISIN	Title of Security	Principal Amount Outstanding	Acceptance Priority Level	Reference U.S. Treasury Security	Bloomberg Reference Page	Fixed Spread (bps)	Total Consideration (1)(2)
53079EAEZ7/US53079EAEZ79 U52932AS6/USU52932AS62	6.500% Senior Notes due 2042	\$269,852,000	1	2.375% U.S.T. due 11/15/2049	PX1	+240	\$1,415.13
53079EAE4/US53079EAE41 U52932AD9/USU52932AD93	7.000% Senior Notes due 2034	\$152,647,000	2	2.375% U.S.T. due 11/15/2049	PX1	+220	\$1,379.08
53079EAG9/US53079EAG98 U52932AE7/USU52932AE76 53079EBF0/US53079EBF07	6.500% Senior Notes due 2035	\$301,113,000	3	2.375% U.S.T. due 11/15/2049	PX1	+220	\$1,342.53
U52932AX5/USU52932AX57 U52932AY3/USU52932AY31	4.850% Senior Notes due 2044	\$613,922,000	4	2.375% U.S.T. due 11/15/2049	PX1	+240	\$1,179.54
53079EBH6/US53079EBH62 U52932BE6/USU52932BE67 U52932BF3/USU52932BF33	4.500% Senior Notes due 2049	\$350,000,000	5	2.375% U.S.T. due 11/15/2049	PX1	+245	\$1,127.26

(1) To be paid in cash per \$1,000 principal amount of existing notes validly tendered at or prior to the cash offer expiration date or the cash offer guaranteed delivery date of May 7, 2020 pursuant to the guaranteed delivery procedures, and not validly withdrawn at or prior to the cash offer withdrawal deadline. The total cash offer consideration excludes accrued and unpaid interest. We will pay accrued and unpaid interest on the existing notes up to, but not including, the initial cash offer settlement date of May 7, 2020. Interest will cease to accrue on the cash offer settlement date for all existing notes accepted in the cash offers, including those tendered pursuant to guaranteed delivery procedures.

(2) The Total Consideration in respect of the 4.500% Senior Notes due 2049 will be calculated based on December 15, 2048, the par call date for such series of existing notes.

The cash offers are being made in accordance with the offer to purchase, dated April 28, 2020, the certification instructions letter and notice of guaranteed delivery (the “tender offer documents”). Only holders of existing notes who are not eligible to participate in the exchange offers are eligible to participate in the cash offers. To participate in the cash offers, eligible holders must validly tender existing notes at or prior to (i) the cash offer expiration date or (ii) 5:00 p.m., New York City time, on the second business day after the cash offer expiration date (such date and time with respect to a cash offer, as the same may be extended with respect to such cash offer, the “cash offer guaranteed delivery date”) pursuant to the guaranteed delivery procedures described in the offer to purchase (the “cash offer guaranteed delivery procedures”). Tenders of the existing notes may be withdrawn at any time at or prior to the cash offer withdrawal deadline, subject to extension, but will thereafter be irrevocable except in certain limited circumstances where additional withdrawal rights are required by law. The “cash offer settlement date” will be promptly following the cash offer expiration date and is expected to be May 7, 2020, which is the second business day following the cash offer expiration date; provided that the cash offer settlement date for any existing notes validly tendered in connection with the guaranteed delivery procedures pursuant to a notice of guaranteed delivery and accepted for exchange is expected to be May 8, 2020, which is the third business day following the cash offer expiration date. Accrued and unpaid interest, if any, on the existing notes tendered for purchase will only accrue up to, but not including, the initial cash offer settlement date of May 7, 2020.

Upon the terms and subject to the conditions set forth in the tender offer documents, cash offer eligible holders who validly tender existing notes at or prior to (i) the cash offer expiration date or (ii) the cash offer guaranteed delivery date pursuant to the cash offer guaranteed delivery procedures, and who do not validly withdraw tendered existing notes, and whose existing notes are accepted for purchase by Liberty Mutual, will receive the applicable total cash offer consideration for each \$1,000 principal amount of existing notes, which will be payable in cash.

In addition to the applicable total cash offer consideration, cash offer eligible holders whose existing notes are accepted for purchase will be paid accrued and unpaid interest on such existing notes from and including the immediately preceding interest payment date for such existing notes to, but excluding, the cash offer settlement date. Interest will cease to accrue on the cash offer settlement date for all existing notes accepted in the cash offers, including those existing notes tendered through the guaranteed delivery procedures.

Liberty Mutual's obligation to accept any series of existing notes tendered in the cash offers is subject to the satisfaction or waiver of certain conditions applicable to the cash offer for such series as described in the offer to purchase, including, among other things, (i) maximum total consideration condition (as defined below) and (ii) the exchange offer completion condition (as defined below). Liberty Mutual expressly reserves the right, subject to applicable law, to waive any and all conditions to any cash offer, other than conditions described by Liberty Mutual as non-waivable.

The maximum aggregate amount of cash that Liberty Mutual will use to purchase all validly tendered existing notes in the cash offers is \$25,000,000 (the "maximum total consideration amount"), unless waived by Liberty Mutual as provided in the offer to purchase. If, at the cash offer expiration date for a particular cash offer, the aggregate total cash offer consideration payable for a particular series of validly tendered existing notes is greater than the maximum total consideration amount (after accepting for tender and paying the aggregate total cash offer consideration for all validly tendered existing notes of each series with a higher acceptance priority level (with acceptance priority level 1 being the highest)), then Liberty Mutual will not be obligated to accept for purchase such series of existing notes and may terminate the cash offer with respect to such series of existing notes and each series of existing notes with a lower acceptance priority level (the "maximum total consideration condition"). Either all existing notes in a cash offer will be accepted or no existing notes in a particular cash offer will be accepted as a result of the maximum total consideration condition. There will be no proration of any series of existing notes.

Liberty Mutual's obligation to complete any cash offer with respect to a given series of existing notes is conditioned on the completion of the corresponding exchange offer for such series of existing notes (with respect to each cash offer, the "exchange offer completion condition"). Liberty Mutual will terminate the cash offer for a given series of existing notes if it terminates the exchange offer for such series existing notes, and it will terminate the exchange offer for a given series of existing notes if it terminates the cash offer for such series of existing notes. The termination of an exchange offer for a series of existing notes will not impact the cash offer for any other series of existing notes. If Liberty Mutual extends the exchange offer for a series of existing notes for any reason, Liberty Mutual will extend the corresponding cash offer for such series of existing notes. The exchange offer completion condition cannot be waived by Liberty Mutual.

Global Bondholder Services Corporation will act as the information agent and the tender agent for the cash offers. Questions or requests for assistance related to the cash offers or for additional copies of the tender offer documents may be directed to Global Bondholder Services Corporation at (866) 470-4300 (toll free) or (212) 430-3774 (collect). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the cash offers. The tender offer documents can be accessed at the following link <https://www.gbsc-usa.com/liberty>.

This press release does not constitute an offer to purchase any securities or a solicitation of an offer to sell any securities. The exchange offers and the cash offers are being made only pursuant to the confidential exchange offer documents or tender offer documents, as applicable, and only to such persons and in such jurisdictions as is permitted under applicable law.

For additional information contact:

Edward Peña
Senior Vice President and Treasurer
Liberty Mutual Group
857-224-6655
Investor_Relations@LibertyMutual.com

Richard Angevine
Public Relations
Liberty Mutual Group
617-574-6638
Richard.Angevine@LibertyMutual.com