

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

September 11, 2019



**LIBERTY MUTUAL ANNOUNCES OFFERS TO EXCHANGE EXISTING NOTES
OF THE SERIES LISTED BELOW FOR NEW SENIOR NOTES DUE 2050**

BOSTON, Mass — Liberty Mutual Group Inc. today announced that it has commenced offers to exchange new senior notes due 2050 for six series of its outstanding notes: its Series A Junior Subordinated Notes; its Series C Junior Subordinated Notes; its 6.500% Senior Notes due 2042; its 7.000% Senior Notes due 2034; its 6.500% Senior Notes due 2035; and its 4.850% Senior Notes due 2044. The exchange offers are being made to eligible holders only (as described below).

Each of the exchange offers will expire at 11:59 pm, New York City time, on October 8, 2019, unless extended or terminated. Eligible holders that tender their existing notes at or prior to the early participation date (5:00 p.m., New York City time, on September 24, 2019, subject to extension) will be eligible to receive an early participation premium as part of their exchange consideration.

The following table sets forth information regarding each of the exchange offers:

CUSIP No.	Title of Security	Principal Amount Outstanding	Acceptance Priority Level	Reference U.S. Treasury Security	Bloomberg Reference Page	Fixed Spread (bps)	Hypothetical Total Exchange Consideration ⁽¹⁾⁽²⁾
53079EAN4 U52932AJ6	Series A Junior Subordinated Notes	\$503,705,000	1	2.875% U.S.T. due 5/15/2049	PX1	+290	\$1,321.65
53079EAR5 U52932AL1	Series C Junior Subordinated Notes	\$51,749,000	2	2.875% U.S.T. due 5/15/2049	PX1	+310	\$1,656.42 ⁽³⁾
53079EAZ7 U52932AS6	6.500% Senior Notes due 2042	\$750,000,000	3	2.875% U.S.T. due 5/15/2049	PX1	+165	\$1,413.83
53079EAE4 U52932AD9	7.000% Senior Notes due 2034	\$231,222,000	4	2.875% U.S.T. due 5/15/2049	PX1	+160	\$1,365.20
53079EAG9 U52932AE7	6.500% Senior Notes due 2035	\$470,515,000	5	2.875% U.S.T. due 5/15/2049	PX1	+145	\$1,346.76
53079EBF0 U52932AX5 U52932AY3	4.850% Senior Notes due 2044	\$1,050,000,000	6	2.875% U.S.T. due 5/15/2049	PX1	+170	\$1,165.33

- (1) Payable in principal amount of the new notes per each \$1,000 principal amount of the specified series of existing notes validly tendered and not validly withdrawn at or prior to the early participation date and accepted for exchange; provided that if the total exchange consideration exceeds \$1,000, the amount of such excess will be paid in cash. The total exchange consideration includes the early participation premium of \$30.
- (2) The hypothetical total exchange consideration is based on the fixed spread for the applicable series of existing notes plus the bid-side yield of the applicable Reference U.S. Treasury Security for that series of existing notes appearing on the applicable Bloomberg Reference Page listed in the table above as of September 10, 2019 at 10:00 a.m., New York City time. The information provided in the above tables is for illustrative purposes only. Liberty Mutual makes no representation with respect to the actual consideration that may be paid, and such amounts may be greater or less than those shown in the above table depending on the yield of the applicable Reference U.S. Treasury Security as of the price determination date.
- (3) The Total Exchange Consideration for the Series C Junior Subordinated Notes will be calculated as if such notes are due on the par call date of June 15, 2038.

In each of the exchange offers, Liberty Mutual is offering to exchange, for each \$1,000 principal amount of the existing notes validly tendered and not validly withdrawn at or prior to the early participation date and accepted for exchange, a principal amount of new notes equal to the applicable “total exchange consideration” for the relevant series of the existing notes, plus accrued and unpaid interest to, but not including, the applicable settlement date, provided that if the Total Exchange Consideration exceeds \$1,000 (per \$1,000 principal amount of existing notes), the amount of such excess will be paid in cash. The total exchange consideration for each series of the existing notes includes an early participation premium of \$30 principal amount of the new notes for each \$1,000 principal amount

of the existing notes validly tendered and not validly withdrawn at or prior to the early participation date and accepted for exchange. For each \$1,000 principal amount of the existing notes tendered after 5:00 p.m., New York City time, on September 24, 2019 (subject to extension), but on or prior to the expiration of the exchange offers, Liberty Mutual is offering to pay the total exchange consideration less the early participation premium of \$30.

The aggregate principal amount of the new notes issuable in the exchange offers is initially limited to \$750,000,000. However, Liberty Mutual, in its sole discretion, intends to increase this limit to the extent necessary to allow the acceptance of existing notes validly tendered and not validly withdrawn at or prior to the early participation date up to a maximum increased new notes issuance limit of \$1,250,000,000. The principal amount of each series of existing notes to be accepted pursuant to the exchange offers will be subject to the “acceptance priority level” (in numerical priority order) of such series set forth in the table above. All existing notes that are tendered for exchange at or prior to the early participation date will have priority over existing notes that are tendered for exchange after the early participation date. Within those categories, existing notes of a series having a higher acceptance priority level (with acceptance priority level 1 being the highest) will be accepted for exchange before any validly tendered existing notes of a series having a lower acceptance priority level.

Liberty Mutual may, but is not obligated to, elect to have an early settlement in respect of any or all the exchange offers. If Liberty Mutual elects to have an early settlement, settlement for the existing notes tendered and accepted after the early participation date is expected to be on September 27, 2019, subject to extension. Settlement for the existing notes tendered and accepted after the early participation date, if any, is expected to be October 10, 2019, subject to extension. Liberty Mutual does not intend to exercise the early settlement election unless existing notes exchangeable for at least \$750,000,000 principal amount of new notes have been validly tendered as of the early participation date.

The total exchange consideration for the existing notes of each series will be calculated at 10:00 a.m., New York City time, on September 25, 2019 (subject to extension if the early participation date is extended), and will equal (rounded to the nearest cent) the discounted value on the expected early settlement date or, if there is no early settlement date, the expected final settlement date, of the remaining payments of principal and interest (excluding accrued interest) on \$1,000 principal amount of the existing notes through the applicable maturity date or par call date of the applicable series of the existing notes, using a yield equal to the sum of (x) the bid-side yield on the applicable Reference U.S. Treasury Security with respect to each series of existing notes *plus* (y) the applicable fixed spread with respect to each series of existing notes.

The new notes will bear interest at an annual rate equal to the sum of (a) the bid-side yield on the 2.875% U.S. Treasury Security due May 15, 2049, as of the price determination date, plus (b) 1.85% (185 basis points).

Tenders of the existing notes may be withdrawn at any time at or prior to 5:00 p.m., New York City time, on September 24, 2019, subject to extension, but will thereafter be irrevocable except in certain limited circumstances where additional withdrawal rights are required by law.

Consummation of the exchange offers is subject to a number of conditions including the condition that at least \$300,000,000 of new notes be issued and the absence of certain adverse legal, accounting and market developments. The complete terms and conditions of the exchange offers are set forth in a confidential Offering Memorandum and related Letter of Transmittal, both dated today, which will be made available only to eligible holders.

The exchange offers are only being made, and copies of the offering documents will only be made available to, holders of the existing notes that have certified certain matters to Liberty Mutual, including that they (i) are “qualified institutional buyers” as that term is defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), or, if outside the United States, are Non-U.S. Qualified Offerees (as defined in the certifications) or (ii) (A) are not “U.S. persons” as that term is defined in Rule 902 of Regulation S under the Securities Act, are outside the United States, and are not acquiring the new notes for the account or benefit of a U.S. person, (B) are acquiring the new notes in offshore transactions under Regulation S of the Securities Act and (C) are Non-U.S. Qualified Offerees (as defined in the certifications) and who have properly completed and returned the eligibility certification (available at <http://www.gbsc-usa.com/eligibility/liberty>). Copies of the certification and the offering documents can be obtained from the information agent, Global Bondholder Services Corporation, at 866-470-4300 or 212-430-3774.

The new notes have not been and will not be registered under 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.

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 are being made only pursuant to the confidential Offering Memorandum and related Letter of Transmittal and only to such persons and in such jurisdictions as is permitted under applicable law.

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