

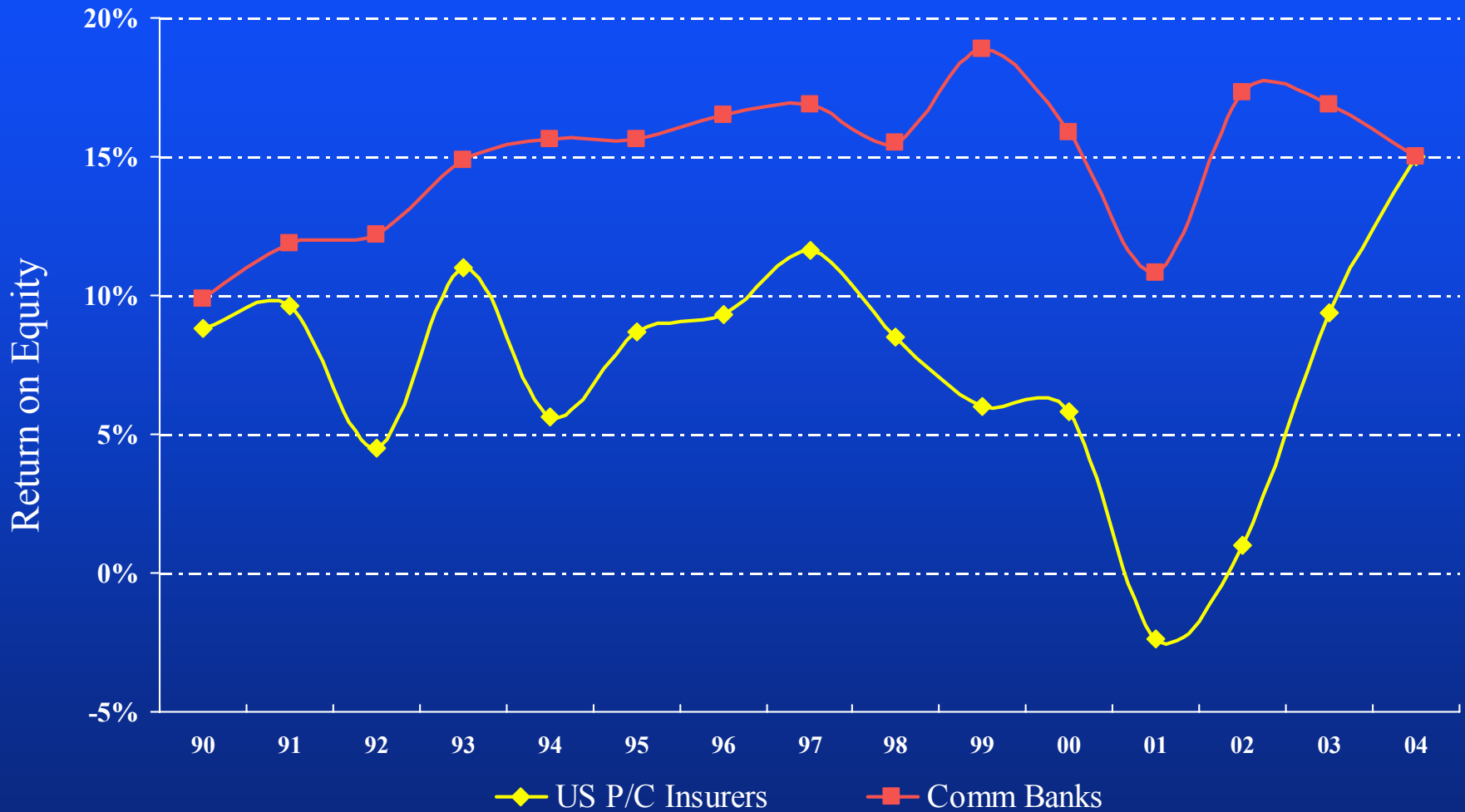


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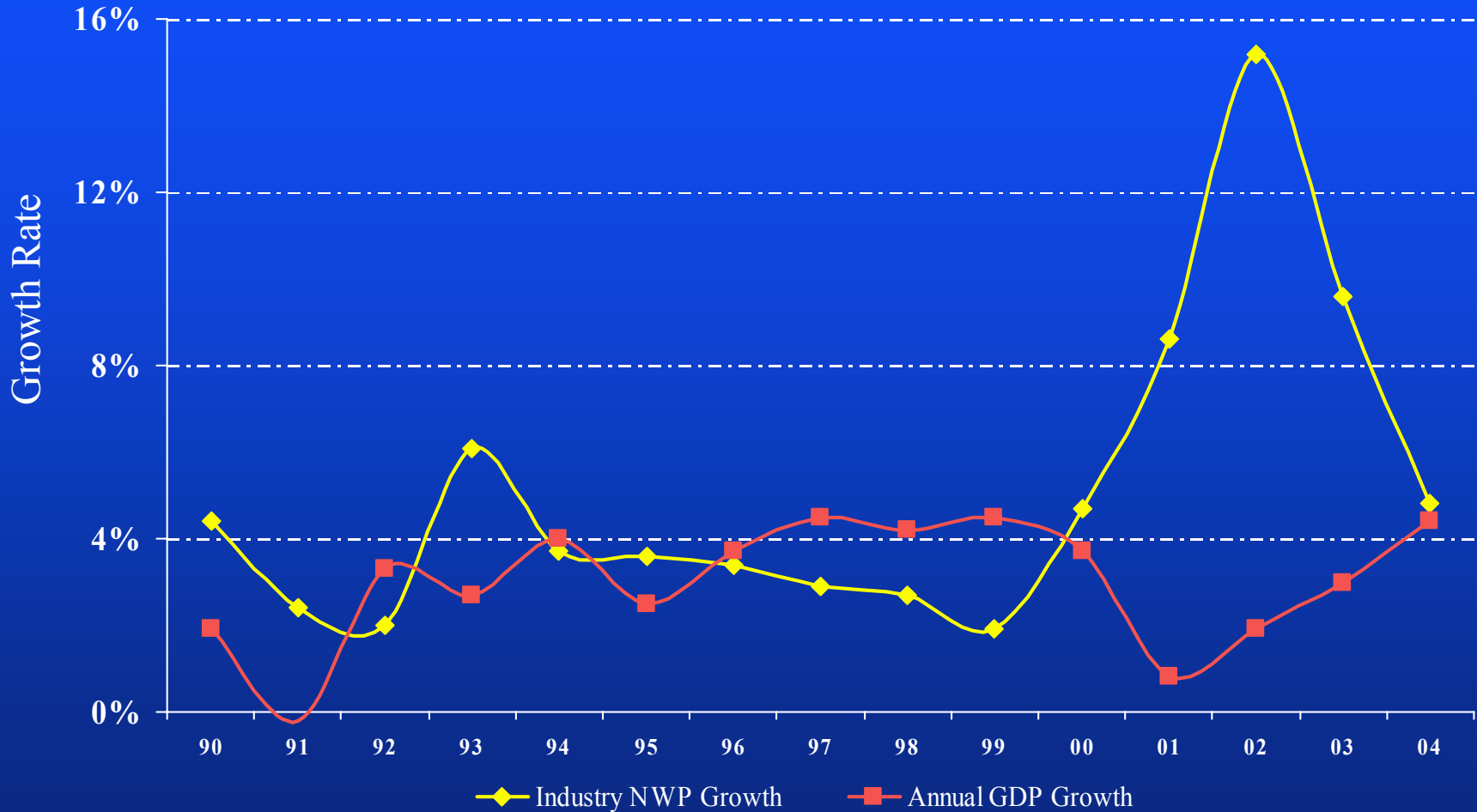
Forward-Looking Statements & Basis of Presentation

This presentation may include “forward-looking statements” that are intended to enhance the reader’s ability to assess Liberty Mutual Group’s (“LMG” or the “Company”) future financial and business performance. Forward-looking statements include, but are not limited to, statements that represent LMG’s beliefs concerning future operations, strategies, financial results or other developments, and contain words and phrases such as “may,” “expects,” “should,” “believes,” “anticipates,” “estimates,” “intends” or similar expressions. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond LMG’s control or are subject to change, actual results could be materially different. Some of the factors that could cause actual results to differ include, but are not limited to, the following: the willingness of parties, including the Company, to settle disputes; the interpretation of aggregate policy coverage limits; LMG’s inability to obtain price increases due to competition or otherwise; the performance of LMG’s investment portfolios, which could be adversely impacted by adverse developments in U.S. and global financial markets, interest rates and rates of inflation; weakening U.S. and global economic conditions; insufficiency of, or changes in, loss reserves; the occurrence of catastrophic events (including terrorist acts and adverse weather conditions) with a severity or frequency exceeding the Company’s expectations; adverse changes in loss cost trends, including inflationary pressures in medical costs and automobile and home repair costs; developments relating to coverage and liability for mold claims; the effects of corporate bankruptcies on surety bond claims; adverse developments in the cost, availability and/or ability to collect reinsurance; adverse outcomes or other consequences from legal proceedings; the impact of regulatory investigations or reforms; judicial expansion of policy coverage and the impact of new theories of liability; the impact of legislative actions; larger than expected assessments for guaranty funds and assigned risk/involuntary pools; and amendments and changes to the risk-based capital requirements. LMG’s forward-looking statements speak only as of the date of this report or as of the date they are made and should be regarded solely as the Company’s current plans, estimates and beliefs. LMG does not intend, and does not undertake, any obligation to update any forward-looking statements to reflect future events or circumstances after the date hereof. For a more complete discussion of the risks faced by LMG, visit our website at www.libertymutual.com/investors.

Return on Equity (Comm. Banks vs US P&C Insurers)



GDP Growth vs Industry NWP Growth



Sources: A.M. Best Aggregates and Averages

Bureau of Economic Analysis (GDP Chain Dollar Figures)

2004 Net Written Premium is an estimate from the Insurance Information Institute's 2005 Early Bird Forecast



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