

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

**January 24, 2019**



**LIBERTY MUTUAL ANNOUNCES PRICING OF ITS PREVIOUSLY ANNOUNCED EXCHANGE OFFERS, NEW NOTES COUPON, ACCEPTANCE OF TENDERED NOTES AND EARLY SETTLEMENT DATE**

BOSTON, Mass — Liberty Mutual Group Inc. today announced the pricing of its previously announced offers to certain eligible holders to exchange new senior notes due 2029 for three series of its outstanding notes: its 5.000% Senior Notes due 2021; its 4.950% Senior Notes due 2022; and its 4.250% Senior Notes due 2023. In addition, Liberty Mutual announced that it will pay interest on the new notes at a rate per annum equal to 4.569%, as calculated in accordance with the terms of the confidential Offering Memorandum dated January 9, 2019.

The table below indicates, among other things, the total exchange consideration for each \$1,000 principal amount of existing notes validly tendered at or prior to the “early participation date” (5:00 p.m., New York City time, on January 23, 2019) and accepted by Liberty Mutual (as determined in accordance with the terms of the Offering Memorandum):

CUSIP No.	Title of Security	Reference U.S. Treasury Security	Fixed Spread (bps)	Yield Used to Price Existing Notes <sup>(2)</sup>	Total Exchange Consideration <sup>(1)(3)(4)</sup>	Composition of Total Exchange Consideration <sup>(1)(3)</sup>	
						Principal Amount of New Notes <sup>(4)</sup>	Cash <sup>(4)</sup>
		2.500%					
53079EAV6 U52932AQ0	5.000% Senior Notes, due 2021	U.S.T due 12/31/2020	+95	3.520%	\$1,032.94	\$1,000	\$32.94
		2.625%					
53079EAW4 U52932AR8 U52932AT4	4.950% Senior Notes, due 2022	U.S.T due 12/15/2021	+100	3.534%	\$1,043.17	\$1,000	\$43.17
		2.625%					
53079EBE3 U52932AV9 U52932AW7	4.250% Senior Notes, due 2023	U.S.T due 12/15/2021	+110	3.634%	\$1,024.70	\$1,000	\$24.70

- (1) Per \$1,000 principal amount of existing notes accepted.
- (2) The total exchange consideration has been calculated based on the fixed spread for the applicable series of existing notes *plus* the bid-side yield of the applicable reference treasury security as of 11:00 a.m., New York City time, today. The yield of the 2.500% U.S. Treasury due December 31, 2020 was 2.570% and the yield of the 2.625% U.S. Treasury due December 15, 2021 was 2.534%.
- (3) The total exchange consideration includes the early participation premium, which is equal to \$30 principal amount of the new notes for each \$1,000 principal amount of existing notes accepted.
- (4) Does not include any accrued and unpaid interest. Liberty Mutual will pay, in cash, accrued and unpaid interest on the existing notes up to, but not including, the early settlement date (expected to be January 28, 2019).

The table below indicates, among other things, the principal amount of each series of existing notes validly tendered as of the early participation date, the principal amount of existing notes accepted for exchange and the percentage of the principal amount of validly tendered existing notes that have been accepted for exchange by Liberty Mutual:

<u>CUSIP No.</u>	<u>Title of Security</u>	<u>Principal Amount Tendered by Early Participation Date</u>	<u>Principal Amount Accepted for Exchange</u>	<u>% of Tendered Principal Amount Accepted for Exchange</u>
53079EAV6 U52932AQ0	5.000% Senior Notes, due 2021	\$270,510,000	\$270,510,000	100%
53079EAW4 U52932AR8 U52932AT4	4.950% Senior Notes, due 2022	\$276,691,000	\$276,691,000	100%
53079EBE3 U52932AV9 U52932AW7	4.250% Senior Notes, due 2023	\$581,155,000	\$452,799,000	77.95% <sup>(1)</sup>

- (1) Represents the proration factor, rounded to the nearest hundredth, since the principal amount of new notes issuable in all of the exchange offers would exceed \$1,000,000,000 (the new notes issuance limit).

In accordance with the acceptance priority levels and proration procedures described in the confidential Offering Memorandum and related Letter of Transmittal, Liberty Mutual has accepted \$1,000,000,000 in aggregate principal amount of the existing notes that were validly tendered for exchange at or prior to the early participation date. Liberty Mutual expects to deliver an aggregate principal amount of \$1,000,000,000 of New Notes, equal to the new notes issuance limit, and will pay an aggregate of \$39,789,522.95 cash consideration, including accrued and unpaid interest, for the existing notes accepted for exchange on the early settlement date. Accordingly, the requirement that Liberty Mutual issue at least \$300,000,000 aggregate principal amount of the new notes will be satisfied on the early settlement date. All other conditions to the exchange offers were deemed satisfied or waived by Liberty Mutual by the early participation date.

Liberty Mutual has elected to have an early settlement date. Accordingly, existing notes that were validly tendered and not validly withdrawn at or prior to the early participation date and accepted by Liberty Mutual are expected to settle on January 28, 2019, unless extended by Liberty Mutual. Since the principal amount of new notes issuable in all of the exchange offers would exceed the \$1,000,000,000 new notes issuance limit, no additional existing notes will be accepted for exchange after the early participation date and there will be no final settlement date. The exchange offers are scheduled to expire at 11:59 p.m., New York City time, on February 6, 2019, unless extended or earlier terminated by Liberty Mutual.

When issued, the new notes will not have been registered under the Securities Act of 1933, as amended, 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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