



## **American Financial Group Announces Pricing of Infinity Common Stock Offering**

February 12, 2003

Cincinnati, Ohio – February 12, 2003 - American Financial Group, Inc. (NYSE: AFG) today announced that it has priced the common stock offering of 12,378,000 shares of Infinity Property and Casualty Corporation ("Infinity") at \$16.00 per share. In addition, AFG has granted the underwriters an over-allotment option to purchase an additional 1,854,825 shares at the offering price. Infinity's common stock has been approved for listing on the Nasdaq National Market under the symbol "IPCC". AFG will own approximately 30% of Infinity after the offering, assuming the underwriters' over-allotment option is exercised. The closing of the offering is expected to occur on February 18, 2003.

Assuming the underwriters' over-allotment option is exercised, AFG will receive proceeds of approximately \$215 million from this common stock offering and expects to report an after tax loss of approximately \$30 million in the 2003 first quarter in connection with the transaction. Infinity has also filed a registration statement relating to a debt offering with the Securities and Exchange Commission but it has not yet become effective. Upon completion of the debt offering, AFG expects to receive \$55 million from Infinity as repayment of a promissory note. The securities in the debt offering may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state.

Carl H. Lindner III, Co-President of AFG, stated, "The completion of this offering provides additional capital to support growth of our specialty insurance businesses and to reduce our outstanding debt. This will enable us to capitalize on the unique opportunities offered in the current hard market. In addition, it allows for additional capital to be raised by Infinity to support its growth in the personal automobile insurance business. Through AFG's continuing 30% interest in Infinity, we will enjoy a meaningful share of that growth."

Through the operations of the Great American Insurance Group, AFG is engaged in property and casualty insurance, focusing on specialized commercial products for businesses, and in the sale of retirement annuities, life and supplemental health insurance products.

This press release does not constitute an offer of any securities for sale. The shares may be offered only by means of a prospectus. Credit Suisse First Boston (sole book-running manager) and Merrill Lynch & Co. are acting as the lead managers of the offering. Co-managers for the offering are Banc of America Securities LLC and Bear, Stearns & Co. Inc. A copy of the prospectus relating to the offering may be obtained from the offices of Credit Suisse First Boston, Prospectus Department, One Madison Avenue, New York, NY 10010, telephone number: 212-325-2580.

### ***Forward Looking Statements***

This press release contains certain statements that may be deemed to be "forward- looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements in this press release not dealing with historical results are forward-looking and are based on estimates, assumptions and projections. Examples of such forward looking statements include statements relating to: the Company's expectations concerning market and other conditions, future premiums, revenues, earnings and investment activities; expected losses and the adequacy of reserves for asbestos, environmental pollution and mass tort claims; rate increases, improved loss experience and expected expense savings resulting from other recent initiatives.

Actual results could differ materially from those expected by AFG depending on certain factors including but not limited to: changes in economic conditions including interest rates, performance of securities markets, and the availability of capital, regulatory actions, changes in legal environment, judicial decisions and rulings, tax law changes, levels of catastrophes and other major losses, the actual amount of liabilities associated with certain asbestos and environmental related insurance claims, adequacy of loss reserves, availability of reinsurance and ability of reinsurers to pay their obligations, competitive pressures, including the ability to obtain rate increases, driving patterns and other changes in market conditions that could affect AFG's insurance operations.