



American Financial Group, Inc. Announces Plans for Debt Refinancing

January 28, 2004

CINCINNATI, Jan. 28 /PRNewswire-FirstCall/ -- American Financial Group, Inc. (NYSE: AFG) announced today that it plans to make a public offering of \$100 million principal amount of its Senior Debentures. The offering will be made under the Company's effective shelf registration statement filed with the Securities and Exchange Commission covering the issuance from time to time of up to approximately \$600 million of various securities of the Company. Merrill Lynch & Co. is the bookrunning lead manager of the offering.

The net proceeds from this offering will be used to redeem all of the \$95.5 million liquidation amount outstanding of 9-1/8% preferred securities issued by American Financial Capital Trust I, a wholly-owned subsidiary trust of the Company.

This press release does not constitute an offer to sell or the 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 such state.

A shelf registration statement relating to the securities that the Company intends to sell has previously been filed with, and declared effective by, the Securities and Exchange Commission. Any offer, if at all, will be made only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. Copies of a prospectus with respect to this offering may be obtained from Merrill Lynch & Co., 4 World Financial Center, New York, NY 10080.

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

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.

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, and other changes in market conditions that could affect AFG's insurance operations.

SOURCE American Financial Group, Inc.

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<http://www.GreatAmericanInsurance.com/>

(AFG)

CO: American Financial Group, Inc.

ST: Ohio

IN: INS FIN

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