



American Financial Group, Inc. Announces the Sale of \$115 Million of Senior Debentures

February 3, 2004

CINCINNATI, Feb. 3 /PRNewswire-FirstCall/ -- American Financial Group, Inc. (NYSE: AFG) announced today the sale of \$115 million of 7-1/8% Senior Debentures due February 3, 2034, which include \$15 million in Debentures sold pursuant to the exercise in full of the underwriters' over-allotment option. The Debentures were priced at 100% of their principal amount and are redeemable on or after February 3, 2009, at 100% of their principal amount plus accrued and unpaid interest to the redemption date. The Debentures have been approved for listing, subject to official notice of issuance, on The New York Stock Exchange.

Most of the net proceeds from the offering will be used to redeem all of the \$95.5 million liquidation amount outstanding of American Financial Capital Trust I 9-1/8% preferred securities, with the remainder being used for general corporate purposes.

This press release does not constitute an offer for sale of any securities. The Debentures may be offered only by means of a Prospectus Supplement and accompanying base Prospectus. Merrill Lynch & Co. acted as the book running lead manager of the offering. A copy of the Prospectus Supplement and accompanying base Prospectus relating to the 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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/Web site: <http://www.amfnl.com>

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(AFG)

CO: American Financial Group, Inc.

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