

## **Court of Appeals Rules in Favor of American Financial Group, Inc. on Tax Case**

May 4, 2012 5:17 PM ET

CINCINNATI--(BUSINESS WIRE)--May. 4, 2012-- American Financial Group, Inc. (NYSE: AFG) (NASDAQ: AFG) has been involved in litigation with the IRS regarding the calculation of tax reserves for certain annuity reserves pursuant to Actuarial Guideline 33. In a unanimous decision issued today, the Sixth Circuit Court of Appeals in Cincinnati affirmed the Summary Judgment of the District Court in favor of AFG. As a result, unless the IRS determines to seek a discretionary appeal of this decision within 90 days, the decision will become final, and AFG will record non-core after tax earnings of approximately \$27 million (\$.28 per share). As previously disclosed by AFG, the Company continues to hold discussions with the IRS involving subsequent tax years.

### **About American Financial Group, Inc.**

American Financial Group is an insurance holding company based in Cincinnati, Ohio with assets in excess of \$35 billion. 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 traditional fixed and indexed annuities and a variety of supplemental insurance products such as Medicare supplement. Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company.

Source: American Financial Group, Inc.

American Financial Group, Inc.

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