



## **American Financial Group, Inc. Announces Pricing Of \$175 Million Senior Convertible Notes Private Offering**

May 28, 2003

Cincinnati, Ohio - May 28, 2003 - American Financial Group, Inc. (NYSE: AFG) announced today that it has priced its previously announced offering of 30-year senior convertible notes with gross proceeds of approximately \$175 million to AFG. AFG anticipates that the transaction will close on June 2, 2003. The notes will be senior unsecured notes with a 4% yield to maturity and will be convertible, under certain conditions, into shares of AFG common stock, at a conversion price of \$32.30. The Company has also granted the initial purchasers a 13-day option to purchase an additional \$25 million of notes.

The Company intends to use approximately \$100 million of the proceeds of the offering to repay outstanding indebtedness under its existing bank line of credit, to provide capital to support its insurance operations and for other corporate purposes.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the notes, nor shall there be any sale of the notes in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of such state. The offering is being made only to qualified institutional buyers. The notes and the shares of AFG common stock issuable upon conversion of the notes have not been registered under the Securities Act of 1933 or any other jurisdiction and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933 and applicable state securities laws.

American Financial Group 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.

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: the unpredictability of possible future litigation, 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, competitive pressures, and other changes in market conditions.