



American Financial Group Announces Completion of Sale of Chatham Bars Inn

June 2, 2006

CINCINNATI, June 2 /PRNewswire-FirstCall/ -- American Financial Group, Inc. (NYSE: AFG; Nasdaq) today announced that its 81%-owned subsidiary, Great American Financial Resources, Inc. ("GAFRI"), has completed the sale of Chatham Bars Inn, its resort-hotel property located on Cape Cod, Massachusetts, for approximately \$166 million. AFG expects to recognize an after-tax gain of approximately \$23 - \$26 million (\$0.29 - \$.33 per share), after transaction costs and contingencies, the write-off of certain deferred annuity acquisition costs associated with the gain recognition and minority interest. The gain will be included in the Company's results for the second quarter of 2006. GAFRI has owned and operated the hotel since 1993.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20041208/CLW086LOGO>)

Craig Lindner, AFG's Co-Chief Executive Officer and GAFRI's CEO, commented, "We are pleased to have completed the sale of Chatham Bars Inn. We intend to continue our efforts to grow GAFRI's core businesses organically and through acquisitions and will look for opportunities to utilize the proceeds of this sale as part of those growth efforts."

Through the operations of the 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 retirement annuities and supplemental 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. Examples of such forward-looking statements include statements relating to: the Company's expectations concerning the amount of gain to be realized, transaction costs to be incurred and the amount of deferred acquisition costs associated with the gain recognition. Actual results could differ materially from those expected by AFG.

SOURCE American Financial Group, Inc.

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(AFG) □

CO: American Financial Group, Inc.; Chatham Bars Inn

ST: Ohio, Massachusetts

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