



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13E-3

RULE 13e-3 TRANSACTION STATEMENT  
(Pursuant to Section 13(e) of the Securities Exchange Act of 1934)  
Amendment No. 2

**GREAT AMERICAN FINANCIAL RESOURCES, INC.**

(Name of the Issuer)

GREAT AMERICAN FINANCIAL RESOURCES, INC.  
AMERICAN FINANCIAL GROUP, INC.  
GAFRI ACQUISITION CORP.  
KENNETH C. AMBRECHT  
CARL H. LINDNER  
CARL H. LINDNER III  
S. CRAIG LINDNER  
WILLIAM R. MARTIN

(Name of Person(s) Filing Statement)

Common Stock, \$1.00 par value ("GAFRI Common Stock")  
(Title of Class of Securities)

389915019  
(CUSIP Number of Class of Securities)

GREAT AMERICAN FINANCIAL RESOURCES, INC.  
250 East Fifth Street, 10th Floor  
Cincinnati, Ohio 45202  
Attention: Mark F. Muething, Esq.  
(513) 333-5300

AMERICAN FINANCIAL GROUP, INC.  
GAFRI ACQUISITION CORP.  
One East Fourth Street  
Suite 900  
Cincinnati, Ohio 45202  
Attention: James C. Kennedy, Esq.  
(513) 579-2538

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Person(s) Filing Statement)

with copies to:

Keating Muething & Klekamp PLL  
One East Fourth Street  
Suite 1400  
Cincinnati, Ohio 45202  
Attention: Edward E. Steiner, Esq.  
Mark A. Weiss, Esq.  
513-579-6400

Squire, Sanders & Dempsey L.L.P.  
312 Walnut Street  
Suite 3500  
Cincinnati, Ohio 45202  
Attention: Stephen C. Mahon, Esq.  
513-361-1200

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Person(s) Filing Statement)

This statement is filed in connection with (check appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A [17 CFR 240.14a-1 to 240.14b-2], Regulation 14C [17 CFR 240.14c-1 to 240.14c-101] or Rule 13e-3(c) [§240.13e-3(c)] under the Securities Exchange Act of 1934.
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

Calculation of Filing Fee

Transaction	Amount of filing fee
valuation* \$235,617,707	\$7,233.46**

\*Set forth the amount on which the filing fee is calculated and state how it was determined.

\* Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11: the filing fee of \$7,233.46 was determined based upon the sum of (A) product of 9,208,886 outstanding shares of Common Stock and the merger consideration of \$24.50 per share, plus (B) up to \$10,000,000 payable in connection with the extinguishing of outstanding options to purchase GAFRI Common Stock (equal to \$235,617,707). In accordance with Exchange Act Rule 0-11(c), the filing fee was determined by multiplying 0.00003070 by the sum of (A) and (B) in the preceding sentence.

\*\*Previously paid

- Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by

registration statement number, or the Form or Schedule and the date of its filing.

Amount previously Paid: \_\_\_\_\_

Form or Registration No.: \_\_\_\_\_

Filing Party: \_\_\_\_\_

Date Filed: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Introductory Statement

This Amendment No. 2 to Rule 13e-3 Transaction Statement (“Amendment No. 2”) is being filed with the Securities and Exchange Commission (the “SEC”) pursuant to Section 13(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) by Great American Financial Resources, Inc., a Delaware corporation (“GAFRI” or the “Company”), American Financial Group, Inc., an Ohio corporation (“AFG”), GAFRI Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of AFG (“GAC”), Kenneth C. Ambrecht, Carl H. Lindner, Carl H. Lindner III, S. Craig Lindner and William R. Martin (collectively, the “Filing Persons”). This Amendment No. 2 is a second amendment to the Rule 13e-3 Transaction Statement filed by GAFRI, AFG and GAC on June 14, 2007 (the “Transaction Statement”). Capitalized terms used but not defined in this Amendment No. 2 have the meanings assigned such terms in the Transaction Statement.

Concurrently with the filing of this Amendment No. 2, GAFRI is filing with the SEC a preliminary proxy statement (the “Proxy Statement”) under Regulation 14A of the Exchange Act, pursuant to which GAFRI’s board of directors (the “Board of Directors”) is soliciting proxies from stockholders of GAFRI in connection with the merger. The Proxy Statement is attached hereto as Exhibit (a)(1). A copy of the Merger Agreement is attached to the Proxy Statement as Appendix A and is incorporated in this Amendment No. 2 by reference. The attached Proxy Statement is in preliminary form and is subject to completion by amendment.

Pursuant to General Instruction F to Schedule 13E-3, the information in the Proxy Statement, including all exhibits and appendices thereto, is expressly incorporated by reference in this Amendment No. 2 in its entirety, and responses to each item herein are qualified in their entirety by the information contained in the Proxy Statement. The cross references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the Proxy Statement of the information required to be included in response to the items of Schedule 13E-3. Capitalized terms used but not defined herein have the meanings assigned to them in the Proxy Statement.

The items to Schedule 13E-3 set forth in this Amendment No. 2 amend and restate the items presented in the Transaction Statement as previously amended. Items to Schedule 13E-3 not presented in this Amendment No. 2 are incorporated in this Amendment No. 2 in their entirety from the Transaction Statement as previously amended.

All information contained in, or incorporated by reference into, this Amendment No. 2 concerning each Filing Person was supplied by such Filing Person, and no other Filing Person, including GAFRI, takes responsibility for the accuracy of such information as it relates to any other Filing Person.

#### Item 2. Subject Company Information.

- (a) *Name and address.* Great American Financial Resources, Inc., 250 East Fifth Street, 10th Floor, Cincinnati, Ohio 45202, telephone number (513) 333-5300.
- (b) *Securities.* The information set forth under “The Special Meeting – General; Required Vote” and “Important Information Regarding GAFRI—Markets and Market Price” in the Proxy Statement is incorporated by reference.
- (c) *Trading Market and Price.* The information set forth under “Important Information Regarding GAFRI—Markets and Market Price” in the Proxy Statement is incorporated by reference.
- (d) *Dividends.* The information set forth under “Important Information Regarding GAFRI—Markets and Market Price” in the Proxy Statement is incorporated by reference.
- (e) *Prior public offerings.* Not Applicable.
- (f) *Prior stock purchases.* On February 13, 2007, William R. Martin exercised options to purchase 10,114 shares of GAFRI Common Stock at an exercise price of \$14.37 per share and options to purchase 1,000 shares of GAFRI Common Stock at an exercise price of \$14.76 per share.

**GAFRI**

The following table shows repurchases of GAFRI Common Stock made by GAFRI from January 1, 2005 through the date of this Amendment No. 2:

Period	No. of Shares	Range of Prices	Average Price
2005 First Quarter	31,700	\$16.72-\$17.00	\$16.82
2005 Second Quarter	119,400	\$15.22-\$17.00	\$16.16
2006 First Quarter	28,600	\$19.20-\$19.50	\$19.15
2006 Second Quarter	28,600	\$19.20-\$19.50	\$19.48
2006 Third Quarter	7,400	\$19.69-\$20.00	\$19.76

**Item 3. Identity and Background of Filing Persons.**

(a) Name and address.

GREAT AMERICAN FINANCIAL RESOURCES, INC.  
250 East Fifth Street, 10th Floor  
Cincinnati, Ohio 45202  
(513) 333-5300

AMERICAN FINANCIAL GROUP, INC.  
GAFRI ACQUISITION CORP.  
One East Fourth Street  
Suite 900  
Cincinnati, Ohio 45202  
(513) 579-2538

KENNETH C. AMBRECHT  
CARL H. LINDNER  
CARL H. LINDNER III  
S. CRAIG LINDNER  
WILLIAM R. MARTIN  
One East Fourth Street  
Cincinnati, Ohio 45202  
(513) 579-2121

AFG beneficially owns approximately 81% of the outstanding GAFRI Common Stock. AFG owns 100% of the outstanding common stock of GAC.

Carl H. Lindner is Chairman of the Board of both GAFRI and AFG. Carl H. Lindner III is Co-Chief Executive Officer, Co-President and a Director of AFG. S. Craig Lindner is Co-Chief Executive Officer, Co-President and a Director of AFG and Chief Executive Officer and a Director of GAFRI.

Information regarding Kenneth C. Ambrecht, Carl H. Lindner, S. Craig Lindner, William R. Martin and GAFRI required by Instruction C to Schedule 13E-3 is set forth under "Important Information Regarding GAFRI—Executive Officers and Directors of GAFRI" in the Proxy

Statement and incorporated by reference. Information regarding Carl H. Lindner, AFG and GAC required by Instruction C to Schedule 13E-3 was provided in Annex A to the Transaction Statement.

The information set forth under “Parties Involved in the Proposed Transaction” in the Proxy Statement is incorporated by reference.

(b) *Business and background of entities.* See paragraph (a) above.

(c) *Business and background of natural person.* The information regarding Kenneth C. Ambrecht, Carl H. Lindner, Carl H. Lindner III, S. Craig Lindner and William R. Martin is provided as set forth in paragraph (a) above.

**Item 11. Interest in Securities of the Subject Company.**

(a) *Securities ownership.* The information set forth under the following sections of the Proxy Statement is incorporated by reference: “Summary Term Sheet”; “Questions and Answers About the Special Meeting and the Merger”; “Parties Involved in the Proposed Transaction”; “Important Information Regarding GAFRI—Securities Ownership of Certain Beneficial Owners and Management.” AFG beneficially owns an aggregate of 38,566,978 shares (or approximately 81%) of the outstanding shares of GAFRI Common Stock, with 9,641,500 shares held directly and 28,924,495 and 983 shares held through its wholly-owned indirect subsidiaries, Great American Insurance Company and American Premier Underwriters, Inc., respectively.

(b) *Securities transactions.*

James E. Moffett, Senior Vice President of GAFRI, on June 29, 2007, exercised options to purchase 10,000, 10,000 and 20,000 shares of GAFRI Common Stock at \$17.00 per share, \$17.50 per share and \$18.00 per share, respectively. The exercise was effected through a cash payment by GAFRI to Mr. Moffett of the closing market price per share of \$24.19 on June 29, 2007 minus the applicable exercise price per share.

Michael J. Prager, Executive Vice President, Chief Actuary and Chief Risk Officer of GAFRI, on June 28, 2007, exercised options to purchase 7,500 and 20,000 shares of GAFRI Common Stock at \$18.00 per share and \$17.00 per share, respectively. The exercise was effected through a cash payment by GAFRI to Mr. Prager of the closing market price per share of \$24.34 on June 28, 2007 minus the applicable exercise price per share.

**Item 15. Additional Information.**

(b) *Other material information.* All information set forth in the Proxy Statement, including all appendices to the Proxy Statement, is incorporated by reference.

**Item 16. Exhibits.**

(a)(1) Proxy Statement of GAFRI, including the form of proxy card, letter to stockholders and notice of special meeting of stockholders (incorporated by reference to the Proxy Statement).

(a)(2) Form of Letter of Transmittal

(b) Not applicable.

(c)(1) Opinion of Cochran Caronia Waller LLC (“CCW”) dated May 17, 2007 (incorporated by referenced to Appendix B to the Proxy Statement).

(c)(2) Presentation of CCW to the Special Committee of Independent Directors of the Board of Directors of GAFRI dated May 17, 2007 (previously filed).

(c)(3) Preliminary Presentation of CCW to the Special Committee of Independent Directors of the Board of Directors of GAFRI dated April 17, 2007.

(c)(4) Presentation of CCW to the Special Committee of Independent Directors of the Board of Directors of GAFRI dated May 15, 2007.

(d)(1) Agreement and Plan of Merger, dated as of May 17, 2007, by and among Great American Financial Resources, Inc., American Financial Group, Inc. and GAFRI Acquisition Corp. (incorporated by reference to Appendix A to the Proxy Statement).

(d)(2) Power of Attorney for Carl H. Lindner, Carl H. Lindner III and S. Craig Lindner (previously filed).

(d)(3) Power of Attorney for Kenneth C. Ambrecht.

(d)(4) Power of Attorney for William R. Martin.

(f) The information set forth under the following sections of the Proxy Statement is incorporated by reference: “Special Factors—Appraisal Rights” and Appendix C—Section 262 of the Delaware General Corporation Law.





August 16, 2007  
Date


August 16, 2007  
Date

August 16, 2007  
Date

\_\_\_\_\_  
S. Craig Lindner

\_\_\_\_\_  
William R. Martin

\*By: /s/ Karl J. Grafe  
Karl J. Grafe  
Attorney in Fact

 <p><b>LETTER OF TRANSMITTAL</b> 877-248-6417 (toll free) or 718-921-8317 www.amstock.com info@amstock.com</p>	<p><u>If delivering by mail:</u> American Stock Transfer &amp; Trust Company Operations Center Attn: Reorganization Department P.O. Box 2042 New York, New York 10272-2042</p>	<p><u>If delivering by hand or courier:</u> American Stock Transfer &amp; Trust Company Operations Center Attn: Reorganization Department 6201 15<sup>th</sup> Avenue Brooklyn, New York 11219</p>
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<b>COMPANY NAME</b>	<b>CUSIP</b>	<b>COMPANY #</b>	<b>ACCOUNT NUMBER</b>

**ACCOUNT REGISTRATION:**

Please list all certificates being submitted:

CERTIFICATE NUMBER	NUMBER OF SHARE/UNITS

Certificated shares:	
Book-Entry Shares:	
Plan Shares:	
<b>Total Shares:</b>	

**You must submit your original certificates with this Letter of Transmittal.** Shares held in Book-entry and Plan form are uncertificated and need not be resubmitted (although this Letter of Transmittal still must be completed.

Additional certificate numbers can be listed on separate paper. If your certificates are registered in different names, a separate Letter of Transmittal must be submitted for each registration. Additional Letters of Transmittal can be obtained by accessing [http://www.amstock.com/shareholder/sh\\_downloads.asp](http://www.amstock.com/shareholder/sh_downloads.asp) or by contacting American Stock Transfer & Trust Company ("AST") at the number listed above. If your certificates have been lost or destroyed, you must write to AST at the address above or report the loss by accessing your account at <http://www.amstock.com>. You will be required to submit the necessary forms and a check for the posting of a surety bond, the details of which will be provided by AST. Please note that this form must be completed and remitted along with your replacement forms

**SPECIAL ISSUANCE INSTRUCTIONS**

To be completed ONLY if issuance is to be made in a name other than that shown above.

If you have completed this section, your signature on the reverse side of this Letter of Transmittal must be guaranteed by a bank, broker or other financial institution that is a member of a Securities Transfer Association-approved medallion program such as STAMP, SEMP or MSP.

**ISSUE TO:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER OF RECIPIENT:

□ □ □ □ □ □ □ □ □ □

**SPECIAL DELIVERY INSTRUCTIONS**

To be completed ONLY if delivery is to be made to someone other than the registered holder(s), or to such registered holder(s) at an address other than that shown above.

If you have completed this section, your signature on the reverse side of this Letter of Transmittal must be guaranteed by a bank, broker or other financial institution that is a member of a Securities Transfer Association-approved medallion program such as STAMP, SEMP or MSP.

**MAIL TO:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PLEASE CHECK THIS BOX IF THIS IS A PERMANENT CHANGE OF ADDRESS

**SUBSTITUTE FORM W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION**  
(THIS SUBSTITUTE FORM W-9 MUST BE COMPLETED - PLEASE REFER TO ACCOMPANYING GUIDELINES)

PLEASE ENTER YOUR SOCIAL SECURITY OR EIN NUMBER:

**Under penalties of perjury, I certify that:** (1) The number shown on this form is my correct Taxpayer Identification Number; (2) I am not subject to backup withholding either because I am exempt from backup withholding, I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am not subject to backup withholding; and (3) I am a U.S. Person (or a U.S. resident alien).  
Certification Instructions - You must cross out Item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**NOTE: Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Exchange Agent that a foreign individual qualifies as an exempt recipient, such stockholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status, on the appropriate and properly completed Form W-8, or successor form. Such statements can be obtained from the Exchange Agent.**

**IF YOU ARE AWAITING TAXPAYER IDENTIFICATION NUMBER, WRITE "APPLIED FOR" IN THE SUBSTITUTE FORM W-9 ABOVE, AND COMPLETE AND SIGN BOTH THIS CERTIFICATION AND THE SUBSTITUTE FORM W-9. FOR FURTHER INFORMATION, PLEASE SEE THE ENCLOSED GUIDELINES.**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, a percentage (currently 28 percent) of all reportable cash payments made to me will be withheld until I provide a number and such retained amounts will be remitted to the Internal Revenue Service as backup withholding.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The method of delivery of certificate(s) and all other required documents is at the election and risk of the owner. If you elect to send them by mail, it is recommended that you send them by certified or registered mail with return receipt requested. Delivery will be deemed effective only when received by AST.

If payment for securities is to be made to any person other than the registered holder, or if surrendered certificates are registered in the name of any person other than the person(s) signing the letter of transmittal, any stock transfer taxes payable as a result of the transfer to such person (whether imposed on the registered holder or such person) shall be paid prior to the submission of this letter of transmittal. AST reserves the right to deduct the amount of such taxes from the payment, if satisfactory evidence of the payment of such taxes, or exemption therefrom, is not submitted.

All questions as to the validity, form and eligibility of any surrender of certificates will be determined by AST and the issuer and such determination shall be final and binding. AST and the issuer reserve the right to waive any irregularities or defects in the surrender of any certificates. A surrender will not be deemed to have been made until all irregularities have been cured or waived.

**SIGNATURES - THIS LETTER OF TRANSMITTAL MUST BE SIGNED BY ALL REGISTERED OWNERS**

Each registered owner listed on reverse side hereof must sign here exactly as the name(s) appear(s) in the account registration. If all registered owners have signed this Letter of Transmittal, no endorsements of certificates or separate stock powers are required.

If the Letter of Transmittal is signed by a person other than the registered owner (e.g., where the shares have been assigned), the Letter of Transmittal must be accompanied by a stock power guaranteed by a bank, broker or other financial institution that is a member of a Securities Transfer Association-approved medallion program such as STAMP, SEMP or MSP.

If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other acting in a fiduciary or representative capacity, it must be so indicated and proper evidence of authority, satisfactory to AST, must be submitted.

Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

Telephone Number (Required) \_\_\_\_\_

E-Mail Address \_\_\_\_\_

A Medallion Guarantee is **ONLY** required on this Letter of Transmittal in the event that:

- The Special Issuance Instructions box has been completed; or
- The Special Delivery Instructions box has been completed

↓ **MEDALLION GUARANTEE STAMP** ↓  
See Instructions at Left

**FOR AST USE ONLY:**

*Confidential*

***Draft***

***Presentation to the Special Committee of Independent  
Directors of the Board of Directors of***



**April 17, 2007**

*Draft*

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## Disclaimer

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THE ACCOMPANYING PRESENTATION WAS COMPILED OR PREPARED BY AND ARE PROPRIETARY TO COCHRAN CARONIA WALLER LLC ("CCW"). SUCH PRESENTATION HAS BEEN PROVIDED BY CCW FOR THE BENEFIT AND INTERNAL USE OF THE SPECIAL COMMITTEE OF INDEPENDENT DIRECTORS (THE "COMMITTEE") OF THE BOARD OF DIRECTORS OF GREAT AMERICAN FINANCIAL RESOURCES, INC. ("GAFRI" OR THE "COMPANY") IN CONNECTION WITH A POTENTIAL TRANSACTION INVOLVING AMERICAN FINANCIAL GROUP ("AFG") AND NOT WITH A VIEW TOWARD PUBLIC DISCLOSURE UNDER STATE, FEDERAL AND INTERNATIONAL SECURITIES LAWS OR OTHERWISE. NEITHER THE ACCOMPANYING PRESENTATION NOR ANY OF ITS CONTENTS MAY BE REPRODUCED, DISTRIBUTED OR USED, NOR MAY REFERENCE TO CCW BE MADE, WITHOUT THE PRIOR WRITTEN CONSENT OF CCW. THE ACCOMPANYING PRESENTATION MUST BE CONSIDERED TOGETHER WITH THE ORAL PRESENTATION THAT SUPPLEMENTS IT.

THE INFORMATION CONTAINED HEREIN WAS OBTAINED FROM THE COMPANY AND FROM PUBLIC SOURCES. ANY ESTIMATES AND PROJECTIONS CONTAINED HEREIN HAVE BEEN SUPPLIED BY THE MANAGEMENT OF THE COMPANY OR ARE PUBLICLY AVAILABLE AND INVOLVE NUMEROUS AND SIGNIFICANT SUBJECTIVE DETERMINATIONS. THERE IS NO ASSURANCE THAT SUCH ESTIMATES AND PROJECTIONS WILL BE REALIZED. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO THE ACCURACY, COMPLETENESS OR REASONABLENESS OF SUCH INFORMATION AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION OR WARRANTY, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE. THE ACCOMPANYING PRESENTATION WAS NOT PREPARED FOR USE BY READERS NOT AS FAMILIAR WITH THE BUSINESS AND AFFAIRS OF THE COMPANY AS THE COMMITTEE OF THE BOARD OF DIRECTORS OF GAFRI AND, ACCORDINGLY, NONE OF GAFRI OR CCW NOR THEIR RESPECTIVE LEGAL OR FINANCIAL ADVISORS OR ACCOUNTANTS TAKES ANY RESPONSIBILITY FOR THE ACCOMPANYING PRESENTATION IF USED BY PERSONS OTHER THAN THE COMMITTEE OF THE BOARD OF DIRECTORS OF GAFRI.

IN PREPARING THE ACCOMPANYING PRESENTATION, CCW RELIED ON AND ASSUMED, WITHOUT INDEPENDENT VERIFICATION OR INVESTIGATION, THE ACCURACY, COMPLETENESS AND REASONABLENESS OF ALL OF THE FINANCIAL AND OTHER INFORMATION PROVIDED TO, DISCUSSED WITH OR OTHERWISE REVIEWED BY CCW WITH RESPECT TO FINANCIAL FORECASTS AND ESTIMATES UTILIZED BY CCW IN ITS ANALYSES. CCW WAS ADVISED BY THE MANAGEMENT OF THE COMPANY AND ASSUMED, WITHOUT INDEPENDENT VERIFICATION OR INVESTIGATION, THAT SUCH FINANCIAL FORECASTS AND ESTIMATES WERE REASONABLY PREPARED ON BASES REFLECTING THE BEST CURRENTLY AVAILABLE INFORMATION, ESTIMATES AND JUDGMENTS OF THE MANAGEMENT OF THE COMPANY AS TO THE COMPANY'S FUTURE FINANCIAL CONDITION AND OPERATING RESULTS. CCW HAS NEITHER MADE NOR OBTAINED ANY INDEPENDENT EVALUATIONS OR APPRAISALS OF THE ASSETS OR LIABILITIES, CONTINGENT OR OTHERWISE, OF THE COMPANY.

THE ACCOMPANYING PRESENTATION WAS NECESSARILY BASED ON THE INFORMATION AVAILABLE TO CCW AND GENERAL ECONOMIC, FINANCIAL AND STOCK MARKET CONDITIONS AND CIRCUMSTANCES AS THEY EXISTED AND COULD BE EVALUATED BY CCW AS OF THE DATE OF PREPARATION OF THE ACCOMPANYING PRESENTATION. ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT THE ACCOMPANYING PRESENTATION, CCW DOES NOT HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM THE ACCOMPANYING PRESENTATION.

FINANCIAL ANALYSES, SUCH AS THOSE CONTAINED IN THE ACCOMPANYING PRESENTATION, INVOLVE COMPLEX CONSIDERATIONS AND JUDGMENTS CONCERNING FINANCIAL AND OPERATING CHARACTERISTICS AND OTHER FACTORS THAT COULD AFFECT THE ACQUISITION, PUBLIC TRADING OR OTHER VALUES OF THE COMPANIES, BUSINESS SEGMENTS OR TRANSACTIONS ANALYZED. THE ESTIMATES USED IN, AND THE VALUATION RANGES RESULTING FROM, SUCH ANALYSES ARE INHERENTLY SUBJECT TO SUBSTANTIAL UNCERTAINTY AND, THUS, SUCH ANALYSES DO NOT PURPORT TO BE, AND SHOULD NOT BE CONSTRUED IN ANY RESPECT AS, A GUARANTEE OF VALUE OR TO REPRESENT AN OPINION AS TO THE PRICE AT WHICH THE COMPANY, THE COMMON STOCK THEREOF OR ANY OTHER INTERESTS THEREIN ACTUALLY WOULD BE ACQUIRED OR SOLD. THE ACCOMPANYING PRESENTATION IS NOT INTENDED TO, AND DOES NOT, CONSTITUTE AN OPINION AS TO THE FAIRNESS, FROM A FINANCIAL POINT OF VIEW, OF THE TERMS OF ANY ACTUAL OR PROPOSED TRANSACTION INVOLVING THE COMPANY OR OTHER MATTERS. THE ACCOMPANYING PRESENTATION IS NOT INTENDED TO PROVIDE THE SOLE BASIS FOR EVALUATING THE POTENTIAL TRANSACTION, DOES NOT PURPORT TO CONTAIN ALL RELEVANT INFORMATION AND SHOULD NOT BE DEEMED A RECOMMENDATION WITH RESPECT TO ANY TRANSACTION.

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## **I. Executive Summary**

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## Executive Summary

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- ◆ **Cochran Caronia Waller (“CCW”) has been requested by the Special Committee of the Board of Directors of Great American Financial Resources, Inc. (“GAFRI” or the “Company”) to prepare a financial analysis (the “Financial Analysis”) of the Company in connection with a potential buyout proposal by American Financial Group (“AFG”) or one of its affiliates or subsidiaries, for the publicly held shares not owned by AFG or its subsidiaries (the “AFG Proposal”).**
- ◆ **In preparing the Financial Analysis, CCW reviewed, among other things, the following information:**
  - Publicly available information concerning the business, financial condition and operations of GAFRI
  - Internal information prepared by Company management concerning the business, financial condition and operations of GAFRI
  - Financial projections for GAFRI prepared by Company management
  - Audited financial statements of GAFRI for the fiscal years ended December 31, 2004, 2005 and 2006
  - Discussions with GAFRI management concerning the Company, its operating environment, financial condition, prospects and strategic objectives
  - Historical stock price performance and other valuation metrics for GAFRI
  - Certain relevant market and financial data of GAFRI, companies comparable to GAFRI and transactions comparable to the AFG Proposal



## Overview of Selected Methodologies

- ◆ The table below summarizes the types of financial analyses performed and other factors considered by CCW:

	Description
Historical Stock Price Performance	◆ Historical stock trading performance of GAFRI common shares compared with the stock trading performances of certain comparable company indices as well as broader market indices
Historical Trading Multiples	◆ Historical price / book value trading multiples over time and average trading multiples over various periods
Price / Book Value vs. ROE Analysis	◆ Correlation between return on equity (ROE) and price / book value for comparable companies and resulting implied price / book value multiple for GAFRI
Public Market Trading Analysis	◆ Comparison of selected financial, operating and trading information and ratios (e.g., price / earnings and price / book value) using publicly available information of a peer group of companies
Dividend Discount Analysis	◆ Calculation of the sum of the Company's projected cash flows to common shareholders and a terminal value discounted at GAFRI's cost of equity
Premiums Paid Analysis	◆ Premiums paid in comparable minority stake buy-out transactions

## **II. Corporate Overview**

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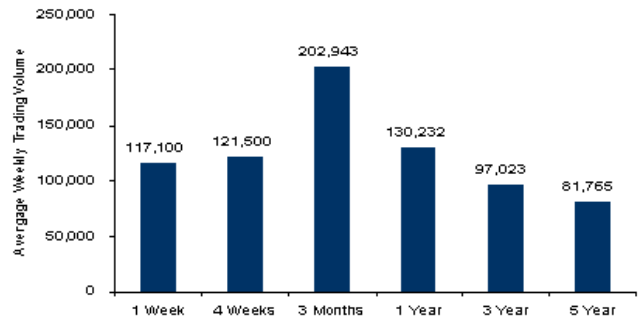
GAFRI Public Market Data

Public Market Summary

Share Price (as of 4/13/07)	\$25.03
52 Week:	
High (3/1/07)	\$25.34
Low (7/14/06)	\$18.52
% of 52 Week High	98.8%
Market Capitalization (\$MM)	\$1,190.9
Price / 12/31/06 BVPS (Incl. FAS 115)	1.11x
Price / 12/31/06 BVPS (Excl. FAS 115)	1.12x
Price / LTM Diluted Earnings	12.2x
Price / LTM Operating Earnings	15.7x
Price / 2007E Earnings	16.1x
Price / 2008E Earnings	13.4x

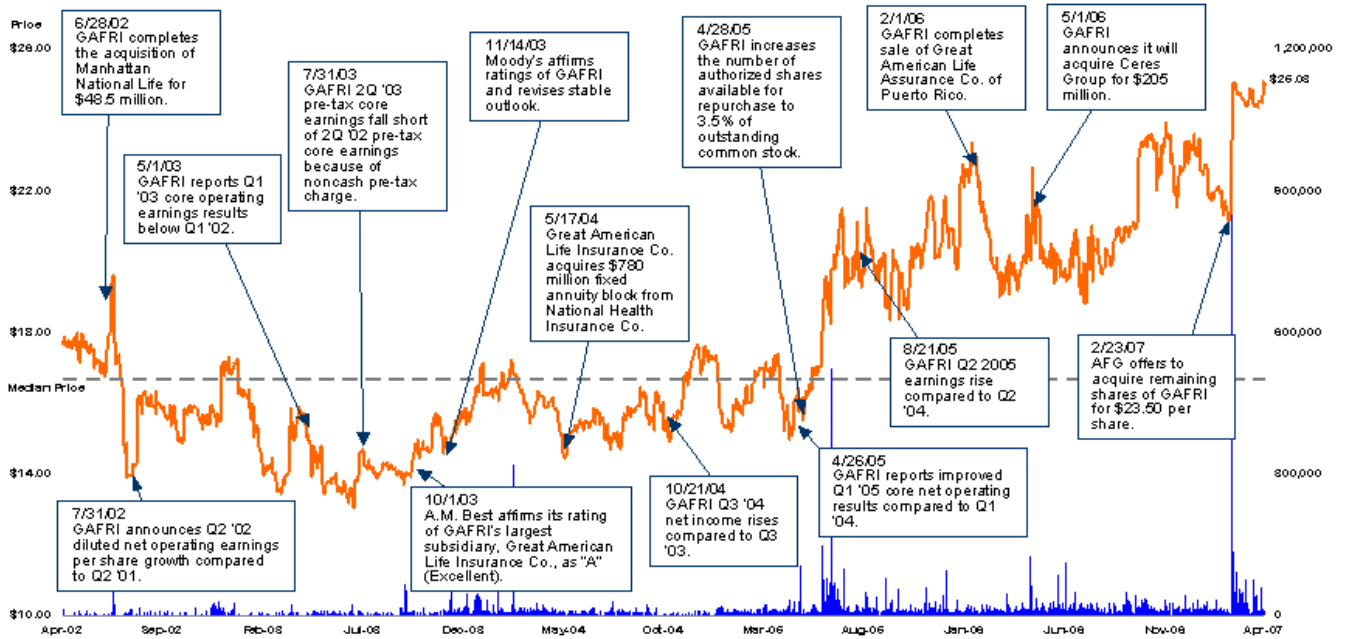
Source: SNL Financial and GAFRI management.

Average Weekly Trading Volume



Note: Calculated for full business weeks, Monday through Friday. Data is through Friday, April 13, 2007.  
Source: Bloomberg.

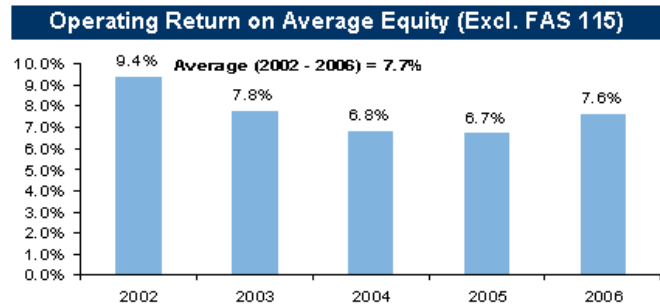
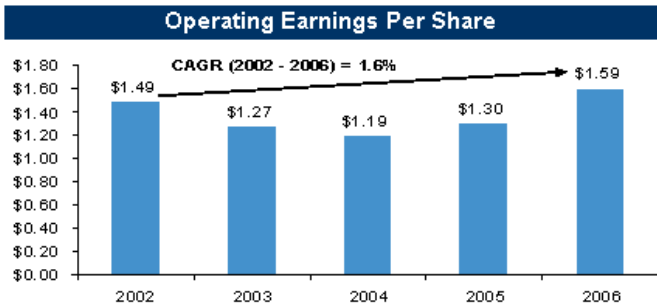
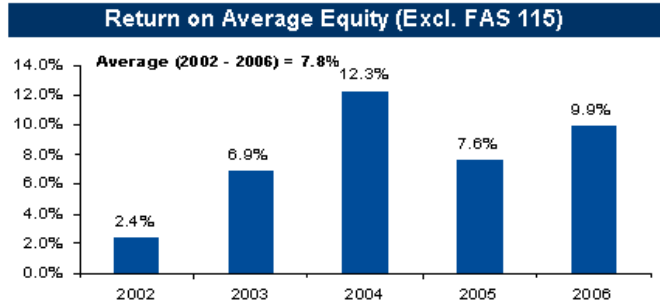
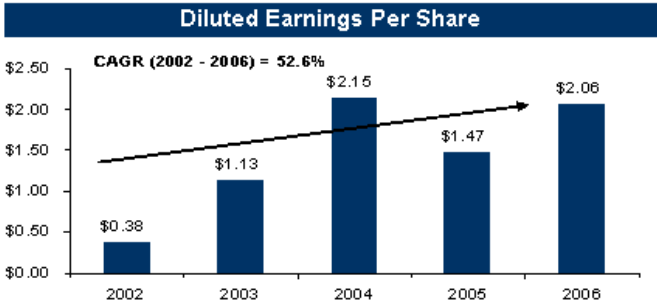
## Historical Price / Volume Chart and Major Events



Source: Bloomberg.



GAFRI Historical Earnings

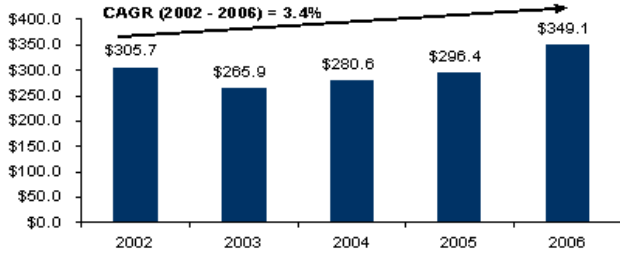


Source: SNL DataSource and public SEC filings. Operating income equals net income after income taxes, before extraordinary items, realized gains and certain non-recurring items as reported by the Company. The amortization of deferred acquisition costs related to realized gains is also excluded.

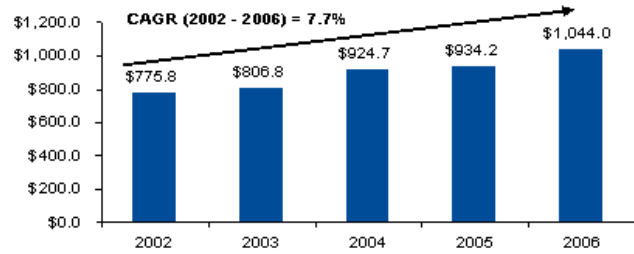
## GAFRI Selected Historical Financial Results

(Dollars in millions, except for per share data)

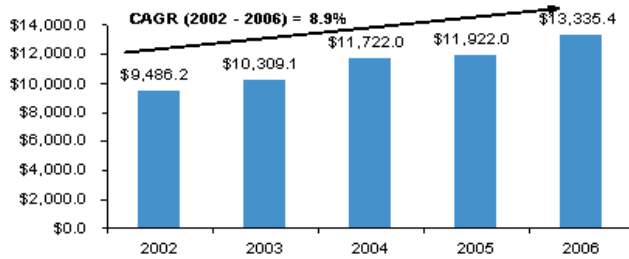
### Net Policy Revenue



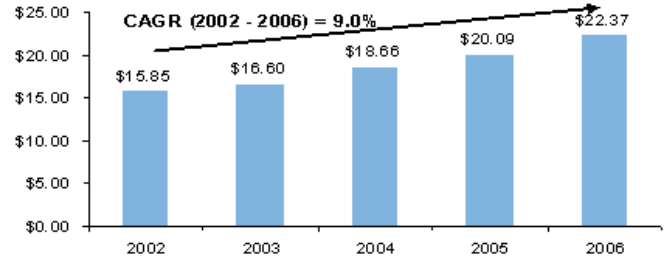
### Total Revenue



### Total Assets



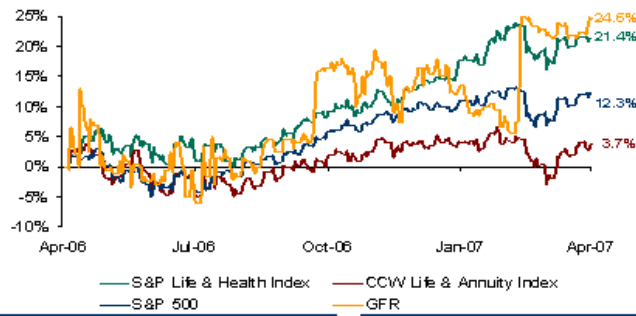
### Book Value Per Share (Excl. FAS 115)



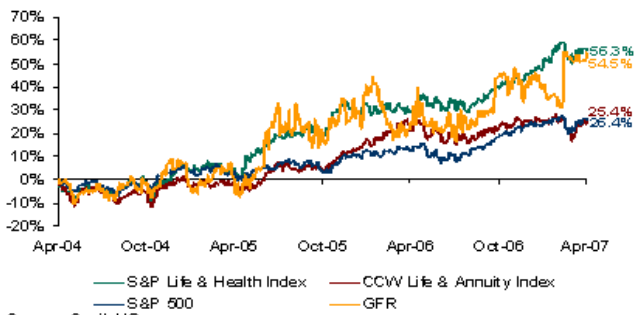
Source: SNL DataSource, public SEC filings and GAFRI internal financial documents.

## Historical Sector Stock Performance vs. General Market

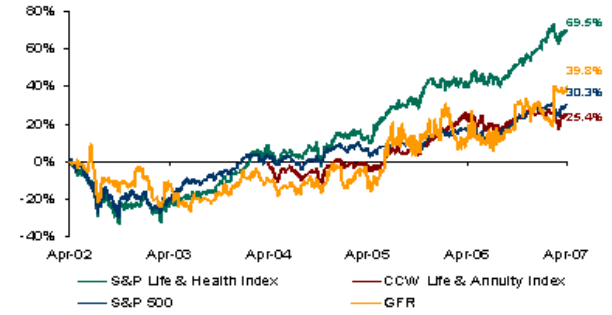
One Year Stock Performance



Three Year Stock Performance



Five Year Stock Performance

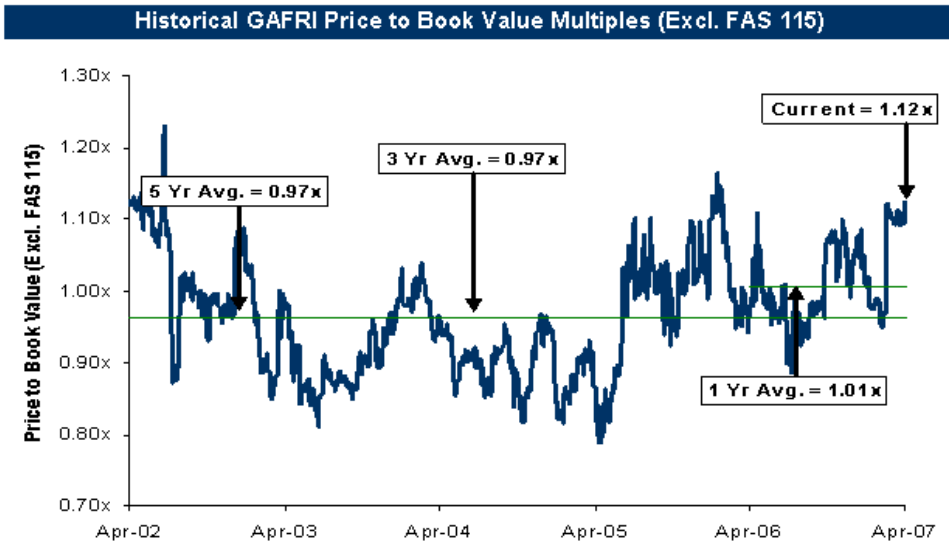


Source: Capital IQ.

Note: CCW Life & Annuity Index includes AEL, CNO, FFG, NWLIA, NFS, PLFE, PL and TMK.



Historical GAFRI Price to Book Value Multiples (Excl. FAS 115)



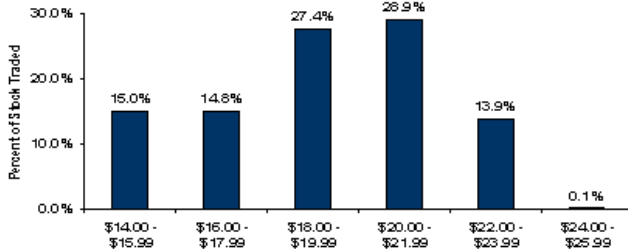
Source: SNL Financial, GFR 10-Ks and 10-Qs.



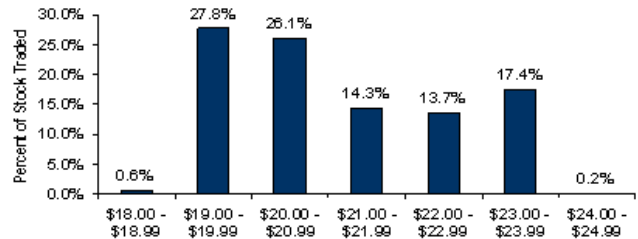
## Historical GAFRI Price / Volume Trading Summary

- GAFRI announced on February 23, 2007 that AFG proposed to acquire the shares of GAFRI that AFG and its subsidiaries do not already own for \$23.50 per share in cash.

**GAFRI Trading Volume by Price Range  
Last 3 Years (2/22/04 to 2/22/07)**



**GAFRI Trading Volume by Price Range  
1 Year (2/22/06 to 2/22/07)**



**GAFRI Trading Range  
Last 3 Years (2/22/04 to 2/22/07)**

Price Range	Days Closing Price Within Range	% of Total	Volume of Shares Traded Within Range <sup>(1)</sup>	% of Total
\$14.00 - \$15.99	178	22.7%	2,094,303	15.0%
\$16.00 - \$17.99	162	20.7%	2,074,142	14.8%
\$18.00 - \$19.99	129	16.5%	3,839,490	27.4%
\$20.00 - \$21.99	208	26.5%	4,039,903	28.9%
\$22.00 - \$23.99	107	13.6%	1,943,291	13.9%
\$24.00 - \$25.99	0	0.0%	9,822	0.1%
	784	100.0%	14,000,950	100.0%

(1) Based on closing stock prices.

Source: Bloomberg.



**GAFRI Trading Range  
1 Year (2/22/06 to 2/22/07)**

Price Range	Days Closing Price Within Range	% of Total	Volume of Shares Traded Within Range <sup>(1)</sup>	% of Total
\$18.00 - \$18.99	2	0.8%	33,052	0.6%
\$19.00 - \$19.99	59	22.5%	1,464,428	27.8%
\$20.00 - \$20.99	77	29.4%	1,374,974	26.1%
\$21.00 - \$21.99	38	14.5%	753,472	14.3%
\$22.00 - \$22.99	39	14.9%	722,238	13.7%
\$23.00 - \$23.99	47	17.9%	917,915	17.4%
\$24.00 - \$24.99	0	0.0%	9,822	0.2%
	262	100.0%	5,275,900	100.0%

(1) Based on closing stock prices.



## 2007 – 2009 Management Plan

*(Dollars in millions, except per share data)*

	Actual 2005	Actual 2006	Plan 2007	Plan 2008	Plan 2009
Net Premiums	\$1,147	\$1,727	\$2,160	\$2,965	\$3,775
Assets <sup>(1)</sup>	11,800	13,300	14,300	15,800	18,000
GAAP Equity <sup>(1)</sup>	949	1,064	1,150	1,250	1,375
Net Operating Earnings <sup>(2)</sup>	\$62.0	\$76.7	\$74.8 <sup>(5)</sup>	\$91.4	\$111.0
Operating Earnings Per Share <sup>(2)</sup>	1.30	1.59	1.55 <sup>(5)</sup>	1.87	2.26
Net Earnings Per Share	1.47	2.06	1.60	1.87	2.26
Book Value Per Share <sup>(1)</sup>	\$20.09	\$22.37	\$24.19	\$26.33	\$28.93
ROE - Operating <sup>(3)</sup>	6.7%	7.6%	6.8% <sup>(5)</sup>	7.8%	8.7%
ROE - Net Income <sup>(4)</sup>	6.3%	11.1%	8.1%	8.8%	9.8%

Source: GAFRI Management.

Note: Assumes earnings on excess capital earns portfolio rate.

(1) Excludes unrealized gains (losses) on fixed maturities.

(2) From continuing operations (excludes GA Life of Puerto Rico, hotel gains and 2005 unlockings).

(3) Includes GA Life of Puerto Rico, excludes realized gains, hotel gains and 2005 unlockings.

(4) Includes operating, non-operating, discontinued lines and change in unrealized gains in stocks.

(5) Excludes non-recurring earnings items of \$3.5 million in the first quarter of 2007.

### **III. Financial Analysis**

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Draft

Financial Analysis

Illustrative Stock Price Matrix

(Dollars in millions, except per share data)

	GAFRI Matrix Stock Price Range											
	\$21.00	\$21.50	\$22.00	\$22.50	\$23.00	\$23.50	\$24.00	\$24.50	\$25.00	\$25.50	\$26.00	\$26.50
Market Capitalization	\$999.0	\$1,022.7	\$1,046.5	\$1,070.3	\$1,094.1	\$1,117.9	\$1,141.7	\$1,165.4	\$1,189.2	\$1,213.0	\$1,236.8	\$1,260.6
Aggregate Transaction Value	\$188.8	\$193.3	\$197.8	\$202.3	\$206.8	\$211.3	\$215.8	\$220.3	\$224.8	\$229.3	\$233.8	\$238.3
<b>Implied Premium / (Discount) to:</b>												
Close (4/13/07)	-16.1%	-14.1%	-12.1%	-10.1%	-8.1%	-6.1%	-4.1%	-2.1%	-0.1%	1.9%	3.9%	5.9%
Close (2/22/07)	-3.2%	-0.9%	1.4%	3.7%	6.0%	8.3%	10.7%	13.0%	15.3%	17.6%	19.9%	22.2%
5 Day Average (Prior to 2/22/07)	-2.2%	0.1%	2.5%	4.8%	7.1%	9.5%	11.8%	14.1%	16.4%	18.8%	21.1%	23.4%
20 Day Average (Prior to 2/22/07)	-3.6%	-1.3%	1.0%	3.3%	5.6%	7.9%	10.2%	12.5%	14.8%	17.1%	19.4%	21.7%
60 Day Average (Prior to 2/22/07)	-6.4%	-4.2%	-1.9%	0.3%	2.5%	4.8%	7.0%	9.2%	11.4%	13.7%	15.9%	18.1%
One Year Average (Prior to 2/22/07)	-0.9%	1.4%	3.6%	6.1%	8.5%	10.9%	13.2%	15.6%	17.9%	20.3%	22.7%	25.0%
<b>Financial</b>												
<b>Implied Price to:</b>												
2006A Operating EPS	\$1.59	13.2x	13.5x	13.8x	14.2x	14.5x	14.8x	15.1x	15.4x	15.7x	16.0x	16.4x
2007E Operating EPS	\$1.55	13.5x	13.9x	14.2x	14.5x	14.8x	15.2x	15.5x	15.8x	16.1x	16.5x	16.9x
2008E Operating EPS	\$1.87	11.2x	11.8x	11.8x	12.0x	12.3x	12.6x	12.8x	13.1x	13.4x	13.8x	14.2x
12/31/08 BVPS (Incl. FAS 115)	\$22.57	0.93x	0.95x	0.97x	1.00x	1.02x	1.04x	1.06x	1.09x	1.11x	1.13x	1.15x
12/31/08 BVPS (Excl. FAS 115)	\$22.37	0.94x	0.96x	0.96x	1.01x	1.03x	1.05x	1.07x	1.10x	1.12x	1.14x	1.18x
9/30/06 Capital & Surplus	\$643.82	1.55x	1.59x	1.63x	1.66x	1.70x	1.74x	1.77x	1.81x	1.85x	1.89x	1.93x
<b>Premium / (Discount) to:</b>												
Median Peer Group Trading Multiple <sup>(2)</sup>	12.1x	12.0%	14.6%	17.3%	20.0%	22.6%	25.3%	28.0%	30.6%	33.3%	36.0%	38.6%
Price / 2007E Earnings	11.1x	1.2%	3.6%	6.0%	8.4%	10.8%	13.2%	15.6%	18.0%	20.4%	22.9%	25.3%
Price / Book Value (Incl. FAS 115)	1.28x	-27.3%	-25.6%	-23.8%	-22.1%	-20.4%	-18.7%	-16.9%	-15.2%	-13.5%	-11.7%	-10.0%
Price / Book Value (Excl. FAS 115)	1.28x	-25.5%	-23.7%	-21.9%	-20.2%	-18.4%	-16.6%	-14.9%	-13.1%	-11.3%	-9.5%	-7.8%

Note: Selected per share reference range reflected on prior page is shaded.

(1) GAFRI historical data per GAFRI public filings, except as otherwise noted. GAFRI projected data per GAFRI management.

(2) Peer group includes AEL, ONO, FFG, NWLA, NFS, PLFE, PL and TMK.



Draft

Financial Analysis

Market Trading Statistics for GAFRI and Selected Comparables

(Dollars in millions, except per share data)

Company Name	AEL	CON	FFG	NWLLA	NWFL	PLFE	PL	TMK	Great American Financial Resources, Inc.
	American Equity Investment Life Holding Co.	Conoco, Inc.	FBI Financial Group, Inc.	National Western Life Insurance Company	Nationwide Financial Services, Inc.	Prudential Life Corporation	Protective Life Corporation	Torchmark Corporation	Financial Resources, Inc.
Block Price (#13407)	\$13.34	\$17.95	\$38.46	\$260.00	\$65.67	\$20.03	\$45.03	\$64.85	\$21.69
52 Week High - Low	\$14.07-\$10.07	\$25.59-\$16.56	\$41.53-\$29.40	\$302.05-\$209.00	\$55.80-\$42.46	\$28.31-\$18.63	\$50.77-\$42.46	\$66.87-\$56.30	\$23.95-\$18.85
1 Yr. Avg. Wk. Volumes / Shares Out.	4.11%	4.73%	0.77%	0.85%	2.14%	1.08%	2.21%	1.91%	0.28%
Market Cap. (\$MM)	\$749.3	\$2,709.2	\$1,193.1	\$941.4	\$8,128.7	\$591.0	\$3,154.7	\$6,322.4	\$1,190.9
LTM Stock Performance	5.2%	-27.0%	18.4%	13.7%	28.5%	-14.6%	-7.6%	14.6%	8.0%
Current Price / Book:									
Excl. FAS 115	1.18x	0.88x	1.34x	1.01x	1.48x	1.15x	1.38x	1.56x	0.97x
Incl. FAS 115	1.28x	0.69x	1.30x	1.01x	1.47x	0.92x	1.36x	1.87x	0.96x
Return on Equity:									
LTM Operating Income	8.0%	2.0%	9.8%	5.0%	12.7%	10.5%	10.6%	15.4%	7.6%
2007E	12.1%	5.5%	9.7%	NA	10.9%	NA	10.9%	14.9%	6.8% <sup>(1)</sup>
2008E	11.2%	6.0%	9.6%	NA	10.8%	NA	10.6%	14.0%	7.5% <sup>(1)</sup>
Dividend Yield	0.30%	0.00%	1.20%	0.00%	1.00%	2.65%	1.95%	0.81%	0.40%
Price / Earnings:									
LTM Divided EPS	10.5x	NM	12.8x	12.5x	11.7x	12.0x	11.4x	12.6x	10.6x
LTM Operating EPS	15.2x	33.2x	13.8x	29.5x	11.6x	11.3x	13.0x	13.0x	13.6x
2007E	9.2x	11.7x	13.1x	NA	13.0x	NA	12.0x	12.3x	14.0x <sup>(1)</sup>
2008E	8.3x	10.1x	12.1x	NA	11.6x	NA	11.1x	11.1x	11.6x <sup>(1)</sup>
Debt / Total Cap.	60.7%	20.9%	19.8%	0.0%	21.1%	16.0%	38.5%	20.5%	20.3%
Beta	0.83	0.74	1.09	0.99	0.91	1.37	0.88	0.73	1.14
2008 Premiums by Line <sup>(2)</sup> :									

Source: S&P, DataSculpt, Bloomberg and Fitch IBCA, unless otherwise noted.

Note: All financial data as of December 31, 2006, unless otherwise noted.

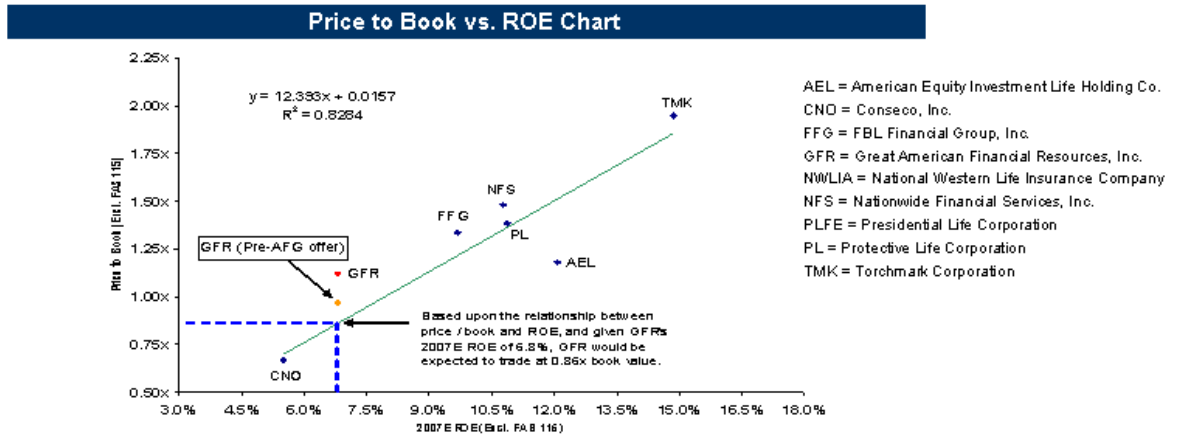
(1) GAAP projected data per GAFRI management.

(2) Source: A.M. Best.



Price to Book vs. ROE Analysis

- ◆ As a capital intensive business, life insurance valuations in the public markets have been strongly correlated to return on equity:
  - Companies with a higher expected return on equity generally have been rewarded with a higher valuation
- ◆ The price to book vs. ROE analysis examines the correlation between the expected ROEs and price / book value multiples of comparable companies. The resulting regression line provides the implied book value multiple for a company at a given expected ROE.
  - A company positioned below the line implies that the company is currently undervalued based on its expected ROE, while a position above the line suggests that a company is overvalued by the market

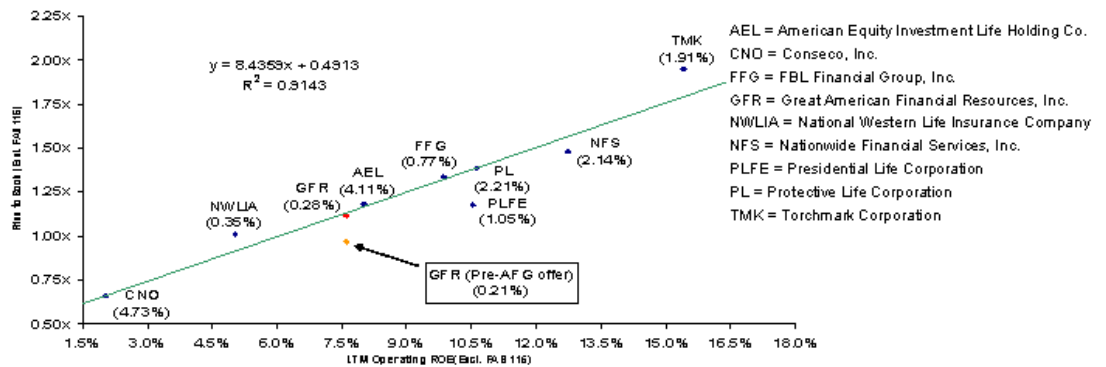


Source: SNL DataSource.  
 Note: NWLIA and PLFE not on graph because no public earnings estimates are available.

Price to Book vs. ROE Analysis (cont'd)

- ◆ While forward ROE estimates typically have been considered in determining an implied book value for a company, many of GAFRI's comparable companies have not been covered by research analysts and therefore do not have forward earnings estimates.
  - In the regression below, LTM Operating ROE was used, excluding the impact of realized gains and losses, as a proxy for forward ROE estimates
- ◆ The one-year average weekly trading volume for each company as a percentage of shares outstanding also was reviewed.
  - It would appear that average weekly trading volumes for GAFRI's peer companies do not impact whether the companies are over- or under-valued by the market

Price to Book vs. LTM Operating ROE Chart



Source: SNL DataSource.

Note: One-year average weekly volume / shares outstanding in parentheses.





## Summary of Dividend Discount Analysis

(Dollars in millions, except per share data)

### Discounted Cash Flow Summary

	2007	2008	2009	2010	2011
Free Cash (Mgmt Estimated Dividend) <sup>(1)</sup>	\$4.8	\$4.8	\$4.8	\$4.8	\$4.8
Assumed Discount Rate / Cost of Equity	11.5%	11.5%	11.5%	11.5%	11.5%
Discount Factor	0.90	0.80	0.72	0.65	0.58
Discounted Cash Flows	\$4.3	\$3.8	\$3.4	\$3.1	\$2.8

**Sum of Discounted Cash Flows** \$17.4

#### DCF with Net Income Exit Multiple

**Sum of Discounted Cash Flows** \$17.4

#### Terminal Value - Net Income Multiple

Projected 2012 Net Income <sup>(2)</sup>	\$147.7
Forward P/E Multiple	12.0x
Discount Factor	0.58

**1,028.2**

<b>Indicative Total Equity Value</b>	<b>\$1,045.6</b>
<b>Per Share</b>	<b>\$21.98</b>

#### Sensitivity:

Discount Rate	Net Income Exit Multiple		
	11.5x	12.0x	12.5x
10.5%	\$22.04	\$22.99	\$23.93
11.0%	21.56	22.48	<b>23.40</b>
11.5%	21.08	21.98	22.88
12.0%	<b>20.62</b>	21.50	22.38
12.5%	20.17	21.03	21.89

#### DCF with Book Value Exit Multiple

**Sum of Discounted Cash Flows** \$17.4

#### Terminal Value - Book Value Multiple

Projected 2011 Book Value <sup>(2) (3)</sup>	\$1,621.9
2011E ROAE <sup>(2) (3)</sup>	8.6%
Implied Price / Book Multiple	1.08x
Discount Factor	0.58

**1,020.3**

<b>Indicative Total Equity Value</b>	<b>\$1,037.7</b>
<b>Per Share</b>	<b>\$21.81</b>

#### Sensitivity:

Discount Rate	Book Value Exit Multiple		
	1.03x	1.08x	1.13x
10.5%	\$21.78	\$22.81	\$23.85
11.0%	21.29	22.31	<b>23.32</b>
11.5%	20.82	21.81	22.80
12.0%	<b>20.37</b>	21.33	22.30
12.5%	19.92	20.87	21.81

(1) Estimates provided by GAFRI management through 2009. Assumed to be held constant thereafter.

(2) Estimates provided by GAFRI management through 2009. Net income then grown at 10% and added back to book value.

(3) Excludes unrealized gains and losses.

## Cost of Equity Calculation

Cost of Capital Assumptions		
Risk Free Rate	4.76%	Yield on 10-year Treasury
Equity Risk Premium	7.5%	Long-term average ERP Source: Ibbotson Associates
Beta	0.90	Median of observed comparables
<b>Cost of Equity</b>	<b>11.5%</b>	<b>Calculated using the CAPM Approach</b>
Pre-Tax Cost of Debt	7.4%	Based on the current weighted average market rate GAFRI is paying on its debt

- ◆ **Dividends represent the cash available to common shareholders after funding capital requirements, working capital needs and debt financing requirements. These cash flows were therefore discounted at GAFRI's required return on equity (cost of equity) as opposed to its weighted average cost of capital ("WACC").**
- ◆ **GAFRI's estimated cost of equity, using a capital asset pricing model (CAPM) approach, is approximately 11.5%.**
  - GAFRI's estimated WACC is approximately 10.3% <sup>(1)</sup>

(1) GAFRI's WACC was calculated as the market weighted average of its estimated cost of equity and estimated after-tax cost of debt.

Summary of Premiums Paid Analysis

	Number of Transactions		% Held Prior to Announcement	Target Stock Premium		
				1 Day Prior to Announcement	1 Week Prior to Announcement	4 Weeks Prior to Announcement
All Transactions <sup>(1)</sup>	118	Median:	69.2%	20.5%	23.8%	27.4%
		75th Percentile:	80.0%	36.4%	43.1%	49.3%
		25th Percentile:	59.4%	11.1%	12.4%	15.3%
Financial Institutions <sup>(2)</sup>	23	Median:	75.1%	15.8%	17.4%	20.9%
		75th Percentile:	83.0%	24.5%	39.5%	36.0%
		25th Percentile:	60.8%	10.8%	11.5%	11.7%
Insurance Companies <sup>(3)</sup>	11	Median:	75.1%	15.8%	17.4%	26.0%
		75th Percentile:	81.1%	19.5%	31.7%	34.7%
		25th Percentile:	63.2%	11.7%	12.1%	17.5%
100% Cash <sup>(4)</sup>	77	Median:	69.7%	24.5%	29.0%	33.8%
		75th Percentile:	80.1%	46.0%	47.0%	53.4%
		25th Percentile:	60.5%	12.7%	14.3%	18.8%

Source: SDC Platinum.

(1) Based on all minority buy-out transactions of more than \$50MM since 1995.

(2) Based on all minority buy-out transactions of more than \$50MM since 1995 in which the target was a financial institution.

(3) Based on all minority buy-out transactions of more than \$50MM since 1995 in which the target was an insurance company.

(4) Based on all minority buy-out transactions of more than \$50MM since 1995 in which the target was acquired for 100% cash.

**Appendix A. Selected Acquisitions of Minority Interests**

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**Draft**

Selected Acquisitions of Minority Interests

**Precedent Minority Buy-Out Transactions – All**

(Dollars in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	1 Day Prior	1 Week Prior	4 Weeks Prior	Target Industry	Consideration
06/23/06	Case Pomeroy & Co Inc	CP Newco Inc	\$73.5	86.0%	8.6%	8.8%	8.8%	Real Estate, Mortgage Bankers and Brokers	Cash
03/21/06	Erie Family Life Insurance Co	Erie Indemnity Company	75.2	75.1%	6.7%	17.4%	20.8%	Insurance	Cash
10/10/06	Micro Therapeutics Inc	ev3 Inc	100.8	66.2%	8.3%	14.7%	7.3%	Measuring, Medical, Photo Equipment, Clocks	Stock
09/27/05	New Valley Corp	Vector Group Ltd	106.4	57.7%	44.7%	43.7%	46.7%	Holding Companies, Except Banks	Stock
09/12/05	WFS Financial Inc	Wachovia Corp, Charlotte, NC	503.8	84.0%	13.8%	11.5%	28.2%	Credit Institutions	Stock
06/01/05	7-Eleven Inc	7-Eleven Holding Co	1,301.5	69.7%	32.3%	31.0%	14.1%	Retail Trade-Food Stores	Cash
07/01/05	Topary Corp	Santos Ltd	139.8	54.3%	16.9%	16.1%	36.3%	Oil and Gas, Petroleum Refining	Cash
04/14/05	Rubicon Medical Corp	Boston Scientific Corp	99.3	53.8%	-0.7%	0.7%	28.1%	Measuring, Medical, Photo Equipment, Clocks	Stock
03/03/05	Siliconix Inc	Viewray Interscience Inc	231.0	80.4%	36.5%	30.0%	26.9%	Electronic and Electrical Equipment	Cash
02/23/05	Econ Labs Inc	Novartis AG	110.7	86.4%	11.0%	7.8%	23.5%	Drugs	Cash
01/27/05	Genesco International Inc	Dominic AS	163.8	84.0%	23.9%	22.4%	15.8%	Drugs	Cash
01/18/05	UnitedGlobalCom Inc	Liberty Media Int'l Inc	3,575.9	52.2%	-0.6%	3.5%	0.2%	Business Services	Cash / Stock
01/10/05	Fox Entertainment Group Inc	Liberty Media Int'l Inc	7,183.9	76.8%	13.1%	12.7%	17.5%	Radio and Television Broadcasting Stations	Stock
08/02/04	Cox Communications Inc	News Corp Inc	8,389.6	61.4%	26.0%	24.6%	25.2%	Radio and Television Broadcasting Stations	Cash
05/24/04	WFS Financial Inc	Cox Enterprises Inc	310.5	84.0%	3.5%	6.2%	5.1%	Credit Institutions	Cash
01/15/04	Phosphate Resource Partners LP	Westcorp, Irvine, CA	110.7	51.6%	2.7%	12.1%	16.8%	Mining	Stock
11/07/03	barnesandnoble.com Inc	IMC Global Inc	122.4	74.8%	35.6%	32.6%	27.1%	Miscellaneous Retail Trade	Cash
06/02/03	Ribopharm Inc	Barnes & Noble Inc	187.3	79.8%	23.0%	23.8%	50.2%	Drugs	Cash
05/23/03	UnitedGlobalCom Inc	ICN Pharmaceuticals Inc	361.9	57.2%	24.1%	24.8%	37.3%	Business Services	Stock
04/10/03	Hobite.com	Fidelity Nat'l Fin Inc	1,237.2	62.3%	13.0%	9.8%	28.0%	Transportation and Shipping (except air)	Stock
08/20/02	Pure Resources Inc	USA Interactive	433.6	57.9%	48.2%	45.4%	42.4%	Agriculture, Forestry, and Fishing	Cash
07/26/02	International Specialty Prods	Sovis SA de CV(Pulser)	127.0	77.9%	20.7%	27.0%	22.4%	Oil and Gas, Petroleum Refining	Stock
06/17/02	Fortress Group Inc	Union Oil Co of California	138.0	64.6%	96.4%	114.6%	118.8%	Chemicals and Allied Products	Cash
06/13/02	Expedia Inc	Samuel J Hayman	1,270.0	77.9%	4.3%	1.7%	20.7%	Metal and Metal Products	Stock / Liab.
02/18/02	Travelocity.com Inc	Lemnar Corp	112.2	73.1%	16.8%	18.7%	20.7%	Construction Firms	Stock
02/15/02	NRG Energy Inc	USA Interactive	3,636.4	46.5%	36.8%	26.9%	22.2%	Transportation and Shipping (except air)	Cash / Stock
02/04/02	Arizola Inc(Ullcorp Unbed)	Network Associates Inc	229.5	68.5%	-0.7%	-11.3%	-5.1%	Prepackaged Software	Stock
10/12/01	Liberty Digital Inc	Sacra Holdings Corp	447.2	65.8%	45.8%	40.3%	22.5%	Transportation and Shipping (except air)	Cash
10/10/01	NCH Corp	Xcel Energy Inc	1,644.7	81.8%	10.2%	18.0%	24.8%	Electric, Gas, and Water Distribution	Stock
08/21/01	Spectra Physics Inc	UllCorp United Inc	414.2	80.0%	15.0%	3.0%	-28.2%	Radio and Television Broadcasting Stations	Stock
06/30/01	Unigraphics Solutions Inc	Liberty Media Corp	402.6	88.8%	53.2%	40.1%	32.0%	Investment & Commodity Firms, Dealers, Exchanges	Cash
05/14/01	Agency.com Ltd	Investor Group	121.5	54.3%	34.0%	33.6%	18.8%	Software, Cosmetics, and Personal Care Products	Cash
03/28/01	CSFBdirect	Thermo Electron Corp	70.9	73.4%	27.8%	17.3%	40.4%	Insurance and Investment & Commodity Firms	Cash
12/28/00	Beritz Int'l Inc(Berense Corp)	Liberty Mutual Insurance Co	536.0	65.6%	24.8%	21.8%	17.3%	Measuring, Medical, Photo Equipment, Clocks	Cash
12/14/00	NPC International Inc	Baccou SA	160.3	67.4%	52.9%	68.8%	80.8%	Business Services	Cash
10/27/00	Azurix Corp(Emon Corp)	Electronic Data Systems Corp	208.5	78.5%	63.4%	45.0%	161.7%	Business Services	Cash
09/21/00	Heitz Corp	CSFB	110.4	82.0%	140.0%	102.0%	73.9%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Liab.
08/30/00	infini Broadcasting Corp	Westfield America Inc	1,060.8	55.3%	12.5%	11.7%	14.8%	Investment & Commodity Firms, Dealers, Exchanges	Cash
08/19/00	BHC Communications Inc	Berense Corp	110.2	54.4%	106.3%	103.1%	112.0%	Educational Services	Cash
		O Gene Bicknell	89.6	60.5%	11.3%	6.8%	32.0%	Retail Trade-Eating and Drinking Places	Cash
		Finnon Corp	330.1	64.9%	135.1%	135.1%	134.1%	Electric, Gas, and Water Distribution	Cash
		Ford Motor Co	734.0	81.0%	46.4%	42.7%	12.0%	Repair Services	Cash
		AXA Financial Inc	11,189.3	54.7%	4.6%	9.8%	34.3%	Insurance	Stock / Stock
		Viacom Inc	13,649.0	62.4%	-6.7%	-12.1%	-7.0%	Radio and Television Broadcasting Stations	Stock / Stock
		News Corp Ltd	887.7	75.1%	16.4%	13.4%	10.0%	Radio and Television Broadcasting Stations	Cash

Source: SDC Financial.



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Selected Acquisitions of Minority Interests

**Precedent Minority Buy-Out Transactions – All (cont'd)**

(Values in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	1 Day Prior	1 Week Prior	4 Weeks Prior	Target Industry	Consideration
07/2/00	Phoenix Investment Partners	Phoenix Home Life Mutual	453.1	42.3%	44.0%	40.3%	62.6%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Stock
07/01/00	Life Technologies Inc(Dealer)	Invigor Corp	940.7	72.1%	22.5%	22.5%	20.0%	High	Cash
06/24/00	Cherry Corp	Invigor Corp	135.5	51.0%	100.1%	100.1%	70.3%	Electronic and Electrical Equipment	Cash
03/27/00	National Life(TT Halford)	National Life Svcs Group Inc	1,324.8	86.4%	18.7%	40.3%	48.3%	Insurance	Cash
03/27/00	Rembrandt Village Inc	Security Capital Group Inc	2,448.3	86.0%	24.0%	39.5%	35.0%	Holds and Casinos	Cash
03/17/00	Yielder Property Casualty	SP Acq III PLC	1,573.7	80.1%	16.2%	31.0%	60.4%	Oil and Gas/Petroleum Refining	Cash
03/14/00	Viator International Inc	Alcoa Inc	346.3	81.1%	13.5%	12.8%	14.3%	Aerospace and Aircraft	Cash
02/22/00	Good Inc(IPC Information)	Global Crossing Ltd	871.9	72.4%	18.1%	22.8%	25.9%	Other Financial	Stock
02/14/00	Cardinalis Inc(Medical Mgr)	Healthco/VeriMed Inc	1,883.8	64.0%	5.3%	-0.7%	-3.4%	Business Services	Stock
02/02/00	Thermo Instrument Systems Inc	Thermo Electron Corp	631.7	69.8%	27.0%	33.2%	94.3%	Measuring, Medical, Photo Equipment, Oboes	Stock
01/31/00	Thermotech(Thermo Electron)	Thermo Electron Corp	169.2	65.5%	75.3%	85.6%	103.3%	Measuring, Medical, Photo Equipment, Oboes	Stock
01/31/00	Thermo BioAnalysis(Thermo)	Thermo Instrument Systems Inc	107.9	70.1%	51.4%	55.6%	53.4%	Measuring, Medical, Photo Equipment, Oboes	Cash
01/31/00	ThermoQuest Corp	Thermo Instrument Systems Inc	96.9	86.4%	36.0%	47.5%	61.9%	Measuring, Medical, Photo Equipment, Oboes	Cash
01/31/00	Thermo Coak Corp	Thermo Instrument Systems Inc	51.8	90.0%	6.7%	-5.1%	41.2%	Measuring, Medical, Photo Equipment, Oboes	Cash
01/19/00	Life Technologies Inc(Dealer)	Delta Corp	359.9	70.0%	38.2%	11.4%	18.1%	Drugs	Cash
01/19/00	Tigen Energy Corp	Elpro	159.2	53.0%	38.2%	42.4%	31.9%	Electric, Gas, and Water Distribution	Cash
01/19/00	Canithing Corp	Microligan Life Insurance Co	74.3	56.6%	15.6%	38.9%	52.1%	Investment & Commodity Firms, Dealers, Exchanges	Cash
12/08/99	Robertson-Cox Corp	Helco Companies LLC	87.0	66.2%	48.0%	43.8%	41.8%	Metal and Metal Products	Cash
12/01/99	Boise Cascade Office Products	Boise Cascade Corp	205.3	80.5%	43.5%	55.3%	60.0%	Wholesale Trade-Nonurable Goods	Cash
11/16/99	Thermo TeraTech Inc(Thermo)	Thermo Electron Corp	86.7	83.7%	-15.8%	-9.4%	11.6%	Machinery	Stock
11/05/99	PEC Israel Economic Corp	Discount Investment Corp Ltd	320.0	56.3%	0.2%	1.0%	2.8%	Investment & Commodity Firms, Dealers, Exchanges	Cash
10/21/99	Student Loan Corporation	Clgroup Inc	180.0	86.0%	11.5%	11.5%	0.8%	Credit Institutions	Cash
10/20/99	Thermatec Corp	Thermo Electron Corp	66.9	86.4%	27.3%	33.3%	31.9%	Machinery	Cash
09/03/99	Genentech Inc	Roche Hdg AG	4,313.5	56.9%	279.3%	281.5%	279.3%	Drugs	Cash
05/07/99	J Ray McDermott SA	McDermott International Inc	514.5	63.0%	-76.8%	13.1%	19.3%	Construction Firms	Cash
04/12/99	Neodermoff Inc	Investor Group	117.1	73.0%	64.9%	63.3%	77.6%	Wood Products, Furniture, and Fixtures	Cash
04/01/99	Aqua Alliance Inc	Venard SA	408.8	66.2%	28.9%	19.0%	101.7%	Business Services	Cash
03/24/99	Food Inc(Warburg, Pincus)	Wainwright Private Ventures Inc	191.9	60.9%	8.3%	81.9%	46.4%	Food Products, Furniture, and Fixtures	Cash
03/23/99	Spelling Entertainment Group	Viscom Inc	82.4	62.2%	25.7%	11.9%	34.0%	Motion Picture Production and Distribution	Cash
02/23/99	Sumner Aerospace Inc	Patriarch Corp	254.4	61.0%	47.0%	50.3%	40.6%	Wholesale Trade-Durable Goods	Stock
02/22/99	GA Capital (Lawyer Inc Co)	America Financial Corp	324.4	66.0%	42.7%	45.3%	42.1%	Insurance	Cash
02/16/99	BRC Holdings (SpecializedFinancial)	Bank of America National Trust	131.9	81.0%	17.2%	16.9%	16.2%	Business Services	Cash
02/09/99	Neurosoft Ltd Co	Alford Capital Services	264.8	93.8%	-5.3%	20.8%	62.4%	Pharmaceutical Software	Stock
02/03/99	JAL Specialty Steel Inc	Unarco SA	115.0	53.5%	100.0%	112.5%	37.8%	Metal and Metal Products	Cash
02/03/99	Ryerson Tube Inc	Unarco SA	61.2	86.4%	-41.0%	-36.6%	-51.8%	Metal and Metal Products	Stock
02/03/99	PEC Israel Economic Corp	Investor Group	125.0	81.4%	60.0%	56.7%	30.9%	Investment & Commodity Firms, Dealers, Exchanges	Cash
02/24/98	Tale-Communications Intl	Liberty Media Corp	378.1	81.1%	-1.1%	-4.5%	-0.9%	Radio and Television Broadcasting Stations	Cash
07/07/98	Life Technologies Inc(Dealer)	Delta Corp	215.8	56.5%	25.2%	24.7%	19.0%	Drugs	Cash
04/30/98	Mycom Corp(Cow AgroSciences)	Dow AgroSciences LLC	373.3	62.2%	41.8%	40.0%	52.4%	Agriculture, Forestry, and Fishing	Stock
03/27/98	International Specialty Prods	ISP Holdings Inc	324.5	79.9%	4.3%	1.7%	14.0%	Chemicals and Allied Products	Cash
09/17/98	BET Holdings Inc	Investor Group	462.3	97.0%	4.0%	14.3%	17.0%	Radio and Television Broadcasting Stations	Cash
03/05/98	XLConnect Solutions Inc	Xerox Corp	93.0	66.7%	-11.1%	15.1%	22.1%	Business Services	Cash
01/22/98	BT Office Products Intl Inc	Knorr/Hei RNP BT NV	138.1	70.0%	32.5%	78.9%	78.9%	Wholesale Trade-Durable Goods	Cash
01/20/98	NACT Telecommunications(GST)	World Access Inc	53.1	61.0%	12.0%	12.5%	16.7%	Wholesale Trade-Durable Goods	Stock
01/08/98	Rayonier Timberlands LP	Rayonier Inc	65.8	74.7%	11.2%	25.3%	17.5%	Agriculture, Forestry, and Fishing	Cash / Stock
09/18/97	Guaranty National Corp	Chon Capital Corp	117.2	77.3%	-0.8%	-0.8%	23.9%	Insurance	Cash / Stock
06/28/97	Rhone-Poulenc Power Inc	Rhone-Poulenc SA	4,831.8	63.1%	22.1%	22.8%	20.3%	Drugs	Cash

Source: SDC Financial.





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Selected Acquisitions of Minority Interests

# Precedent Minority Buy-Out Transactions – Financial Institutions

(Dollars in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
					1 Day Prior	1 Week Prior	4 Weeks Prior			
08/23/08	Case Pomeroy & Co. Inc.	CP Navajo Inc	\$73.5	88.0%	8.8%	8.8%	8.8%	Real Estate, Mortgage Bankers and Brokers	Cash	
03/21/06	Erie Family Life Insurance Co	Erie Indemnity Company	75.2	75.1%	6.7%	17.4%	20.8%	Insurance	Stock	
08/12/05	WFS Financial Inc	Wachovia Corp, Charlotte, NC	503.8	84.0%	13.8%	11.5%	28.2%	Credit Institutions	Cash	
06/24/04	WFS Financial Inc	Wachovia, Irvine, CA	310.5	84.0%	3.6%	6.2%	6.1%	Credit Institutions	Cash / Lib.	
06/17/02	Fortress Group Inc	Lennar Corp.	112.2	73.1%	16.8%	18.7%	20.7%	Construction Firms	Cash	
10/10/01	TD Waterhouse Group Inc	Toronto-Dominion Bank	402.6	88.8%	53.2%	40.1%	32.8%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
06/03/01	Liberty Financial Cos Inc	Liberty Mutual Insurance Co	536.0	65.6%	24.8%	40.1%	40.4%	Insurance and Investment & Commodity Firms	Cash	
03/28/01	CSFBdirect	CSFB	110.4	82.0%	140.0%	102.0%	73.0%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Lib.	
02/18/01	Westfield America Ins	Westfield America Trust	1,189.8	65.9%	12.6%	11.7%	14.8%	Insurance	Cash / Stock	
08/30/00	AXA Financial Inc	AXA Group	11,189.3	54.7%	4.6%	9.8%	34.3%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
07/24/00	Phoenix Investment Partners	Phoenix Home Life Mutual	430.1	42.3%	44.0%	40.0%	40.0%	Insurance	Cash	
03/27/00	Hartford Life/ITT Hartford	Hartford Fin Svcs Group Inc	1,324.6	80.4%	18.7%	40.3%	43.3%	Insurance	Cash	
02/22/00	Travlers Property Casualty	Chigroup Inc	2,449.3	85.0%	24.5%	36.5%	36.0%	Insurance	Cash	
02/22/00	Next Inc(IPC Information)	Global Crossing Ltd	876.9	72.4%	18.1%	22.8%	25.9%	Other Financial	Stock	
01/19/00	Continig Corp	Metropolitan Life Insurance Co	74.3	56.6%	15.6%	38.9%	52.1%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
11/03/99	PEC Israel Economic Corp	Discount Investment Corp Ltd	320.0	56.3%	0.2%	1.0%	0.8%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
10/21/99	Student Loan Corporation	Chigroup Inc	180.0	80.0%	11.5%	11.6%	2.8%	Credit Institutions	Cash	
06/07/99	J Ray McJannet SA	MidBerm International Inc	514.5	63.0%	16.8%	13.1%	19.3%	Construction Firms	Cash	
10/27/98	Citizens Corp(Hanover Ins Co)	Almeida Financial Corp	212.4	81.8%	20.6%	17.2%	20.9%	Insurance	Cash	
08/03/98	PEC Israel Economic Corp	Investor Group	125.0	81.4%	60.0%	55.7%	50.5%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Stock	
06/18/97	Guaranty National Corp	Oven Capital Corp	117.2	77.3%	10.8%	23.9%	27.7%	Insurance	Cash	
06/02/97	Accordia Inc	Associated Insurance Cos	193.2	60.8%	12.7%	11.5%	26.0%	Insurance	Cash / Stock	
03/03/97	American FRI Entipis Inc	American Financial Group Inc	83.6	63.0%	34.6%	48.0%	41.0%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Stock	
02/20/97	NHP Inc	Apartment Invest & Mgmt Co	114.5	53.3%	28.3%	25.2%	19.1%	Real Estate, Mortgage Bankers and Brokers	Stock	
01/13/97	Zurich Reinsurance Centre	Zurich Versicherungs GmbH	319.0	66.0%	17.1%	16.5%	11.8%	Insurance	Cash	
12/17/96	Almeida Property & Casualty	Almeida Financial Corp	818.9	59.3%	16.8%	14.2%	14.2%	Insurance	Cash / Stock	
06/09/96	Crocker Realty Trust Inc	Highwoods Properties Inc	75.1	73.6%	9.2%	8.0%	3.3%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Stock	
06/23/96	Bankers Life Holding(Consolid)	Consoco Inc	120.8	88.4%	14.9%	10.5%	11.7%	Insurance	Stock	
03/23/96	Crest American Mgmt & Inv Inc	Equity Holdings Ltd	63.3	84.3%	2.6%	4.2%	3.6%	Investment & Commodity Firms, Dealers, Exchanges	Cash	

<b>Mean:</b>	<b>72.2%</b>	<b>22.8%</b>	<b>24.8%</b>	<b>25.9%</b>
<b>Median:</b>	<b>75.1%</b>	<b>15.8%</b>	<b>17.4%</b>	<b>20.9%</b>
<b>75th Percentile:</b>	<b>83.0%</b>	<b>24.5%</b>	<b>36.5%</b>	<b>36.0%</b>
<b>25th Percentile:</b>	<b>60.8%</b>	<b>10.8%</b>	<b>11.5%</b>	<b>11.7%</b>

Source: SDC Financial.





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Selected Acquisitions of Minority Interests

Precedent Minority Buy-Out Transactions – Insurance Companies

(Dollars in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium			Target Industry	Consideration
					1 Day Prior	1 Week Prior	4 Weeks Prior		
03/21/06	Erie Family Life Insurance Co	Erie Indemnity Company	\$75.2	75.1%	6.7%	17.4%	20.8%	Insurance	Cash
06/06/01	Liberty Financial Cos Inc	Liberty Mutual Insurance Co	536.0	65.6%	24.8%	40.1%	40.4%	Insurance	Cash
08/30/00	AXA Financial Inc	AXA Group	11,189.3	54.7%	4.6%	9.8%	34.3%	Insurance	Cash / Stock
03/27/00	Hartford Life(TT Hartford)	Hartford Fin Svcs Group Inc	1,324.6	80.4%	18.7%	40.3%	43.3%	Insurance	Cash
03/21/00	Travelers Property Casualty	Citigroup Inc	2,449.3	85.0%	24.5%	39.5%	35.0%	Insurance	Cash
10/27/98	Citizens Corp(Hanover Ins Co)	Allmerica Financial Corp	212.4	81.8%	20.6%	17.2%	20.9%	Insurance	Cash
09/18/97	Guaranty National Corp	Orion Capital Corp	117.2	77.3%	10.8%	23.9%	27.7%	Insurance	Cash / Stock
06/02/97	Accordia Inc	Associated Insurance Cos	193.2	60.8%	12.7%	11.5%	26.0%	Insurance	Cash
01/13/97	Zurich Reinsurance Centre	Zurich Versicherungs GmbH	319.0	66.0%	17.1%	18.5%	11.6%	Insurance	Cash
12/17/96	Allmerica Property & Casualty	Allmerica Financial Corp	816.9	59.3%	15.8%	12.6%	14.2%	Insurance	Cash / Stock
08/26/96	Bankers Life Holding(Conseco)	Conseco Inc	120.8	86.4%	14.9%	10.5%	11.7%	Insurance	Stock
		<b>Mean:</b>		<b>72.2%</b>	<b>15.6%</b>	<b>21.9%</b>	<b>26.0%</b>		
		<b>Median:</b>		<b>75.1%</b>	<b>15.8%</b>	<b>17.4%</b>	<b>26.0%</b>		
		<b>75th Percentile:</b>		<b>81.1%</b>	<b>19.6%</b>	<b>31.7%</b>	<b>34.7%</b>		
		<b>25th Percentile:</b>		<b>63.2%</b>	<b>11.7%</b>	<b>12.1%</b>	<b>17.5%</b>		

Source: SDC Financial.



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Selected Acquisitions of Minority Interests

**Precedent Minority Buy-Out Transactions – 100% Cash**

(Dollars in millions)

Announce Date	Target Name	Acquirer Name	Transaction Values	% Hold Prior	Target Stock Premium				Target Industry	Consideration
					1 Day Prior	1 Week Prior	4 Weeks Prior	Prior		
06/23/06	Care Pomeroy & Co Inc	CP Newco Inc	\$73.5	86.0%	8.8%	8.8%	8.8%	Real Estate, Mortgage Bankers and Brokers	Cash	
03/21/06	Erie Family Life Insurance Co	Erie Indemnity Company	75.2	75.1%	17.4%	17.4%	17.4%	Insurance	Cash	
09/12/05	WFS Financial Inc	Wachovia Corp/Chenortie, NC	503.8	84.0%	13.8%	11.5%	26.2%	Credit Institutions	Stock	
07/01/05	7-Eleven Inc	YG Holding Co	1,301.5	66.7%	32.3%	31.0%	14.1%	Retail Trade-Food Stores	Cash	
07/01/05	Tippecanoe Corp	Santos Ltd	139.8	54.5%	18.6%	16.1%	36.3%	Oil and Gas; Petroleum Refining	Cash	
04/14/05	Rubicon Medical Corp	Boston Scientific Corp	99.3	53.6%	-0.7%	0.7%	26.1%	Measuring, Medical, Photo Equipment, Clocks	Cash	
02/21/05	Eon Labs Inc	Novartis AG	932.9	86.4%	11.0%	7.8%	23.5%	Drugs	Cash	
01/27/05	Genencor International Inc	Danisco A/S	163.8	84.0%	23.5%	22.4%	15.8%	Drugs	Cash	
08/02/04	Cox Communications Inc	Cox Enterprises Inc	8,389.6	81.4%	26.0%	24.6%	26.2%	Radio and Television Broadcasting Stations	Cash	
05/24/04	WFS Financial Inc	Westcorp, Irvine, CA	310.5	84.0%	3.5%	6.2%	5.1%	Credit Institutions	Cash	
11/07/03	bernesinohole.com Inc	Barnes & Noble Inc	122.4	74.8%	35.6%	32.6%	27.1%	Miscellaneous Retail Trade	Cash	
06/02/03	Ribagham Inc	ICN Pharmaceuticals Inc	187.3	79.6%	23.0%	23.8%	50.2%	Drugs	Cash	
12/13/02	Seminis Inc	Savia SA de CV/Pulsar	63.9	73.4%	49.2%	45.4%	45.4%	Agriculture, Forestry, and Fishing	Cash	
07/26/02	International Specialty Products	Samuel J Heyman	138.0	77.9%	4.3%	1.7%	33.8%	Chemicals and Allied Products	Cash	
02/19/02	Travelocity.com Inc	Sabra Holdings Corp	447.2	66.5%	45.8%	40.3%	22.5%	Transportation and Shipping (except air)	Cash	
10/10/01	NCH Corp	Toronto-Dominion Bank	121.5	54.3%	53.2%	49.1%	32.9%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
06/21/01	Spectra Physicals Inc	Thermo Electron Corp	70.9	78.5%	27.8%	-0.6%	-7.9%	Stages, Cosmetics, and Personal-Care Products	Cash	
06/06/01	Liberty Financial Cos Inc	Liberty Mutual Insurance Co	536.0	65.6%	24.8%	40.1%	40.4%	Insurance and Investment & Commodity Firms	Cash	
05/30/01	Bacou USA Inc	Bacou SA	160.3	67.4%	21.8%	17.3%	11.3%	Measuring, Medical, Photo Equipment, Clocks	Cash	
05/14/01	Agency.com Ltd	Electronic Data Systems Corp	209.5	59.6%	53.4%	45.0%	16.1%	Business Services	Cash	
03/28/01	CSFBdirect	Seneca Investments LLC	110.4	82.0%	140.0%	102.0%	112.9%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
12/29/00	Beritz Intl Inc/Beressa Corp	Beressa Corp	110.2	54.4%	106.3%	103.1%	129.9%	Business Services	Cash	
12/14/00	NPC International Inc	O Game Biaknal	93.6	60.5%	11.3%	8.8%	32.0%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
10/27/00	Azurix Corp/Ermon Corp	Ermon Corp	330.1	64.9%	135.1%	135.1%	134.1%	Educational Services	Cash	
09/21/00	Herfz Corp	Ford Motor Co	734.0	81.0%	46.4%	42.7%	12.0%	Retail Trade-Eating and Drinking Places	Cash	
08/14/00	BHC Communications Inc	News Corp Ltd	897.7	76.1%	16.4%	13.4%	10.0%	Repair Services	Cash	
07/24/00	Phoenix Investment Partners	Phoenix Home Life Mutual	430.1	42.3%	44.0%	40.0%	62.6%	Radio and Television Broadcasting Stations	Cash	
04/24/00	Cherry Corp	Investor Group	130.5	61.0%	103.1%	109.1%	70.3%	Electronic and Electrical Equipment	Cash	
03/27/00	Hartford Life/ITT Hartford	Hartford F.N.S. Group Inc	1,324.6	80.4%	18.7%	40.3%	43.3%	Insurance	Cash	
03/23/00	Homesite Village Inc	Security Capital Group Inc	156.8	72.3%	49.1%	59.2%	99.8%	Hotels and Casinos	Cash	
03/21/00	Travelers Property Casualty	Cligroup Inc	2,449.3	86.0%	24.5%	39.5%	35.0%	Aerospace and Aircraft	Cash	
03/17/00	Vastar Resources Inc	BP Amoco PLC	1,275.7	80.1%	16.2%	35.0%	69.4%	Oil and Gas; Petroleum Refining	Cash	
03/14/00	Homed International Inc	Alcoa Inc	349.3	81.1%	13.5%	12.8%	14.3%	Insurance	Cash	
01/31/00	Thermo BioAnalysis/Thermo	Thermo Instrument Systems Inc	467.9	70.1%	51.4%	55.6%	53.4%	Measuring, Medical, Photo Equipment, Clocks	Cash	
01/31/00	Thermo Quest Corp	Thermo Instrument Systems Inc	96.9	85.4%	36.0%	47.0%	61.9%	Measuring, Medical, Photo Equipment, Clocks	Cash	
01/31/00	Thermo Optek Corp	Thermo Instrument Systems Inc	51.8	90.0%	6.7%	-5.1%	41.2%	Measuring, Medical, Photo Equipment, Clocks	Cash	
01/19/00	Life Technologies Inc/DaVar	Declar Corp	356.9	70.0%	8.9%	11.4%	16.1%	Drugs	Cash	
01/19/00	Trigen Energy Corp	Elyo	169.2	63.0%	38.2%	42.4%	31.9%	Electric, Gas, and Water Distribution	Cash	
01/19/00	Coming Corp	Metropolitan Life Insurance Co	74.3	56.6%	15.6%	39.9%	52.1%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
12/08/99	Robertson-Occo Corp	Heco Companies LLC	57.0	69.2%	46.0%	43.8%	41.5%	Metal and Metal Products	Cash	
12/01/99	Boise Cascade Office Products	Boise Cascade Corp	205.3	80.5%	43.5%	55.3%	60.0%	Wholesale Trade-Nonurable Goods	Cash	
11/05/99	PEC Israel Economic Corp	Discount Investment Corp Ltd	320.0	56.3%	1.0%	2.8%	0.8%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
10/21/99	Student Loan Corporation	Cligroup Inc	111.69	80.0%	11.8%	11.6%	0.8%	Credit Institutions	Cash	
10/20/99	Thermonetec Corp	Thermo Electron Corp	56.9	55.4%	27.3%	33.3%	34.9%	Machinery	Cash	
06/03/99	Genentech Inc	Roche Hlg AG	4,313.5	56.9%	279.3%	281.5%	279.3%	Drugs	Cash	
05/07/99	J Ray McDermott SA	McDermott International Inc	514.5	63.0%	16.8%	13.1%	19.3%	Construction Firms	Cash	
04/12/99	Mesdowcraft Inc	Investor Group	53.2	73.0%	64.9%	63.3%	77.8%	Wood Products, Furniture, and Fixtures	Cash	
04/01/99	Aqua Alliance Inc	Vivendi SA	117.1	77.8%	28.8%	19.0%	101.7%	Business Services	Cash	

Source: SDC Financial.



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Selected Acquisitions of Minority Interests

Precedent Minority Buy-Out Transactions – 100% Cash (cont'd)

(Dollars in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
					1 Day Prior	1 Week Prior	4 Weeks Prior	4 Weeks Prior		
03/24/09	Kroll Inc(Warburg Pincus)	Warburg Pincus Ventures Inc	\$420.8	58.2%	83.8%	51.9%	46.4%	Wood Products, Furniture, and Fixtures	Cash	
03/21/09	Spelling Entertainment Group	Viacom Inc	191.6	80.9%	8.3%	43.2%	54.5%	Motion Picture Production and Distribution	Cash	
10/27/08	Citibank Capital-Hanover Inc Co)	Altimira Financial Corp	212.4	81.6%	20.6%	17.2%	20.9%	Insurance	Cash	
10/16/08	BA Merchant Svcs(BankAmerica)	Bank of America National Trust	339.4	66.4%	47.2%	56.3%	42.1%	Business Services	Cash	
09/23/08	ERC Holdings Inc	Affiliated Computer Services	131.9	51.0%	37.2%	16.9%	15.2%	Perfected Software	Cash	
09/23/08	JAL Specialty Steel Inc	Ultrator SA	115.0	53.5%	100.0%	112.5%	37.6%	Metal and Metal Products	Cash	
09/08/08	PEC Israel Economic Corp	Investor Group	126.0	81.4%	80.0%	55.7%	50.6%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
07/07/08	Life Technologies Inc(Daughter)	Decker Corp	215.8	56.5%	25.2%	24.7%	19.0%	Drugs	Cash	
04/30/08	Myogen Corp(Div AgroSciences)	Div AgroSciences LLC	375.3	62.2%	41.8%	40.0%	52.4%	Agriculture, Forestry, and Fishing	Cash	
03/17/08	BET Holdings Inc	Investor Group	462.3	57.9%	4.0%	14.3%	17.9%	Radio and Television Broadcasting Stations	Cash	
03/06/08	XLConnect Solutions Inc	Xerox Corp	93.0	69.7%	11.1%	15.1%	22.1%	Business Services	Cash	
01/22/08	BT Office Products Int'l Inc	Kontipollex KNP BT NV	138.1	70.0%	32.5%	78.9%	76.9%	Wholesale Trade-NonDurable Goods	Cash	
01/08/08	Ryegate Timberlands LP	Ryegate Inc	66.8	74.7%	11.2%	25.3%	17.5%	Agriculture, Forestry, and Fishing	Cash	
09/26/07	Rhone-Poulenc Rouler Inc	Rhone-Poulenc SA	4,831.6	63.1%	22.1%	22.8%	29.3%	Drugs	Cash	
09/20/07	Wheelabrator Technologies Inc	Wise Management Inc	893.7	65.4%	26.9%	28.2%	30.7%	Drugs	Cash	
08/03/07	Faulding Inc(FH Faulding & Co)	FH Faulding & Co Ltd	77.3	62.0%	26.8%	22.7%	46.9%	Measuring, Medical, Photo Equipment, Clocks	Cash	
08/02/07	Accoral Inc	Associated Insurance Cos	193.2	60.6%	12.7%	11.5%	26.0%	Insurance	Cash	
05/22/07	Chesapeake Steel Co	Texas Industries Inc	72.8	81.3%	20.4%	25.3%	34.1%	Metal and Metal Products	Cash	
01/28/07	Colbasa Inc(Monserotto Co)	Monserotto Co	242.6	56.3%	62.0%	60.0%	60.0%	Agriculture, Forestry, and Fishing	Cash	
01/13/07	Zurich Reinsurance Centre	Zurich Versicherungs GmbH	319.0	66.0%	17.1%	18.5%	11.6%	Insurance	Cash	
11/27/06	Central Treater Farm & Coultry	JW Chiles Equity Partners LP	68.7	81.3%	17.5%	17.5%	48.8%	Miscellaneous-Retail Trade	Cash	
10/10/06	WCI Steel Inc(Renco Group Inc)	Renco Group Inc	58.5	84.5%	37.7%	29.0%	77.8%	Metal and Metal Products	Cash	
09/08/06	Crocker Realty Trust Inc	Highwoods Properties Inc	78.1	73.6%	9.2%	8.0%	5.3%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
08/08/06	Roto-Rouler Inc	Chemtec Corp	93.6	54.0%	12.3%	12.3%	11.2%	Repair Services	Cash	
07/03/06	Golden Poultry Co Inc	Gold Kist Inc	52.1	75.0%	92.0%	50.0%	38.0%	Food and Kindred Products	Cash	
05/27/06	SyStemix Inc(Sandoz AG)	Sandoz AG	107.6	87.8%	4.7%	69.8%	59.2%	Drugs	Cash	
03/28/06	Great American Mgmt & Inv't Inc	Equity Holdings Ltd	63.3	84.3%	2.6%	4.2%	5.6%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
		<b>Mean:</b>		<b>69.4%</b>	<b>35.3%</b>	<b>38.0%</b>	<b>42.7%</b>			
		<b>Median:</b>		<b>69.7%</b>	<b>24.5%</b>	<b>29.0%</b>	<b>33.6%</b>			
		<b>75th Percentile:</b>		<b>80.1%</b>	<b>46.0%</b>	<b>47.0%</b>	<b>53.4%</b>			
		<b>25th Percentile:</b>		<b>60.5%</b>	<b>12.7%</b>	<b>14.3%</b>	<b>18.8%</b>			

Source: SDC Financial.



**Appendix B. Real Estate**

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Overview of Real Estate Portfolio

(Dollars in thousands)

Property	Description	GAAP Book Value	Date of Last Appraisal	Appraisal Value	Estimated Current Value
Sailfish Marina - Palm Beach Shores, FL	Marina, Hotel and Restaurant	\$30,815	7/1/2005	\$65,800 <sup>(1)</sup>	\$40,000 <sup>(2)</sup>
Mountain View Grand - Whitefield, NH (55% owned)	Resort Hotel	12,204	9/1/2005	17,000	12,171 <sup>(2)</sup>
Bay Bridge Marina - Chesapeake Bay, MD (55% owned)	Marina	17,242	7/31/2005	29,200	18,980 <sup>(2)</sup>
Skipjak Marina - Georgetown, MD	18 Plus Acre Yachting Resort	6,474	2/28/2006	13,900	13,900
Undeveloped Land - Mount Dora, FL	4.3 Acres of Vacant Waterfront Land Near Orlando, FL	1,425	1/30/2006	3,350	3,350
Kings Island - Mason, OH	6.1 Acres	0	10/19/2004	2,500	3,233
Chatham Dormitories - Cape Cod, MA	152 Room Oceanfront Resort	458	NA	NA	450
Charleston Harbor Resort - Charleston, SC (50% owned)	131 Rooms, 6 Cottages and Vacant Land Parcels	6,291	6/28/2005	20,625	10,312 <sup>(2)</sup>
Charleston Marina - Charleston, SC (50% owned)	Marina	2,511	6/28/2005	12,500	6,250 <sup>(2)</sup>
Chatham Enterprises - Cape Cod, MA	Vacant Building on 0.75 Acres	541	NA	NA	1,000
Total		\$77,971		\$165,875	\$109,645

Source: GAFRI Management

- (1) Appraised value was prior to receipt of \$15 million payment from Palm Beach County in exchange for restrictions on development rights and guaranty of public access.
- (2) Net of estimated profit sharing payments to be due upon sale of property.
- (3) Reflects value of GAFRI's proportionate ownership share only.

*Confidential*

***Draft***

***Presentation to the Special Committee of Independent  
Directors of the Board of Directors of***



**May 15, 2007**

*Draft*

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## Disclaimer

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## **I. Executive Summary**

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## Executive Summary

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- ◆ **Cochran Caronia Waller (“CCW”) has been requested by the Special Committee of the Board of Directors of Great American Financial Resources, Inc. (“GAFRI” or the “Company”) to prepare a financial analysis (the “Financial Analysis”) of the Company in connection with a potential buyout proposal by American Financial Group (“AFG”) or one of its affiliates or subsidiaries, for the publicly held shares not owned by AFG or its subsidiaries (the “AFG Proposal”).**
- ◆ **In preparing the Financial Analysis, CCW reviewed, among other things, the following information:**
  - Publicly available information concerning the business, financial condition and operations of GAFRI
  - Internal information prepared by Company management concerning the business, financial condition and operations of GAFRI
  - Financial projections for GAFRI prepared by Company management
  - Audited financial statements of GAFRI for the quarter ended March 31, 2007 and for the five years ended December 31, 2002
  - Discussions with GAFRI management concerning the Company, its operating environment, financial condition, prospects and strategic objectives
  - Historical stock price performance and other valuation metrics for GAFRI
  - Certain relevant market and financial data of GAFRI, companies comparable to GAFRI and transactions comparable to the AFG Proposal

## Overview of Selected Methodologies

- ◆ The table below summarizes the types of financial analyses performed and other factors considered by CCW:

	Description
Historical Stock Price Performance	◆ Historical stock trading performance of GAFRI common shares compared with the stock trading performances of certain comparable company indices as well as broader market indices
Historical Trading Multiples	◆ Historical price / book value trading multiples over time and average trading multiples over various periods
Price / Book Value vs. ROE Analysis	◆ Correlation between return on equity (ROE) and price / book value for comparable companies and resulting implied price / book value multiple for GAFRI
Public Market Trading Analysis	◆ Comparison of selected financial, operating and trading information and ratios (e.g., price / earnings and price / book value) using publicly available information of a peer group of companies
Dividend Discount Analysis	◆ Calculation of the sum of the Company's projected cash flows to common shareholders and a terminal value discounted at GAFRI's cost of equity
Premiums Paid Analysis	◆ Premiums paid in comparable minority stake buy-out transactions

## **II. Corporate Overview**

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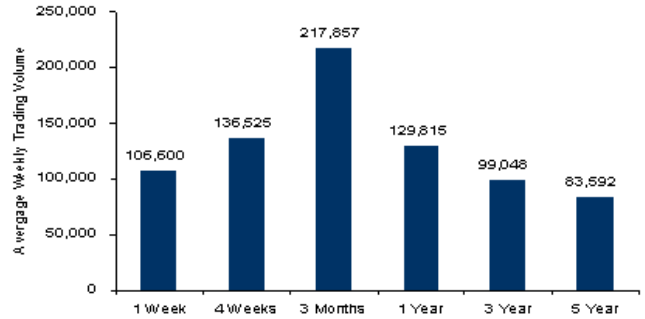
GAFRI Public Market Data

Public Market Summary

Share Price (as of 5/11/07)	\$24.51
52 Week:	
High (3/1/07)	\$25.45
Low (7/14/06)	\$18.52
% of 52 Week High	96.3%
Market Capitalization (\$MM)	\$1,166.2
Price / 3/31/07 BVPS (Incl. FAS 115)	1.05x
Price / 3/31/07 BVPS (Excl. FAS 115)	1.07x
Price / LTM Diluted Earnings	11.8x
Price / LTM Operating Earnings	15.2x
Price / 2007E Earnings	15.8x
Price / 2008E Earnings	13.1x

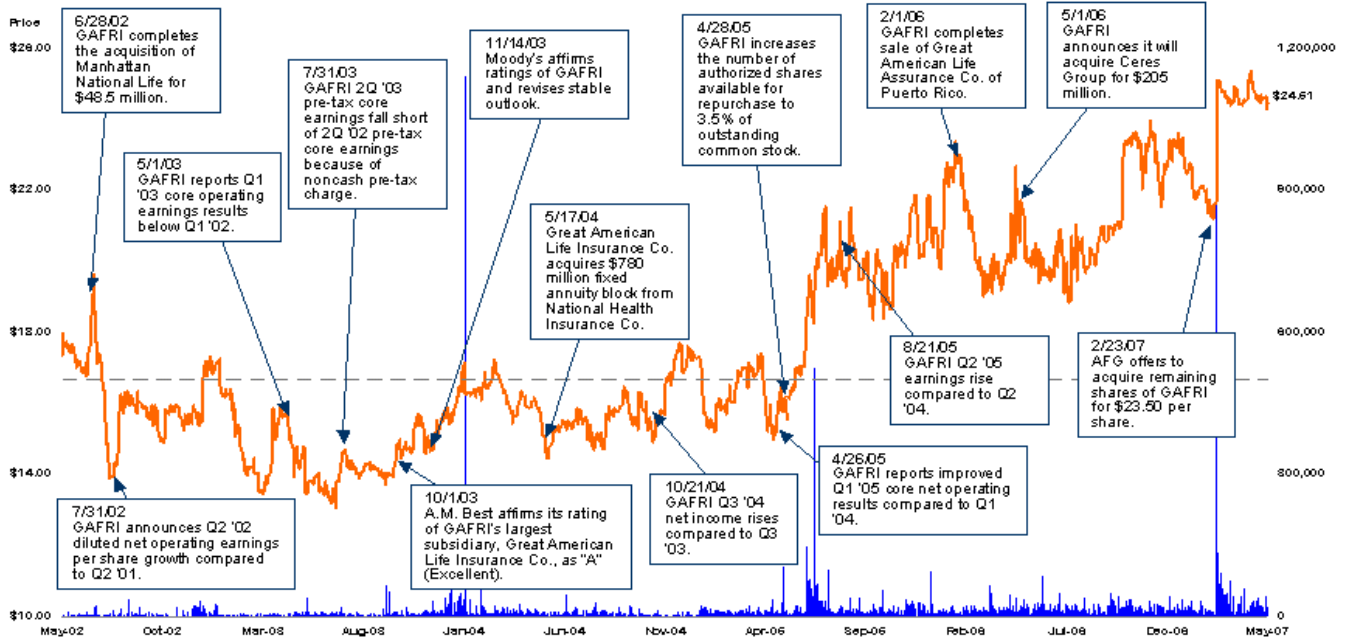
Source: SNL Financial and GAFRI management.

Average Weekly Trading Volume



Note: Calculated for full business weeks, Monday through Friday. Data is through Friday, May 11, 2007.  
Source: Bloomberg.

Historical Price / Volume Chart and Major Events

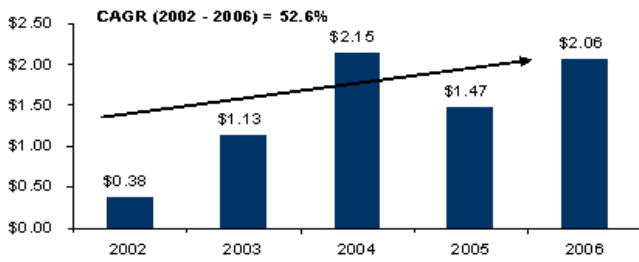


Source: Bloomberg.

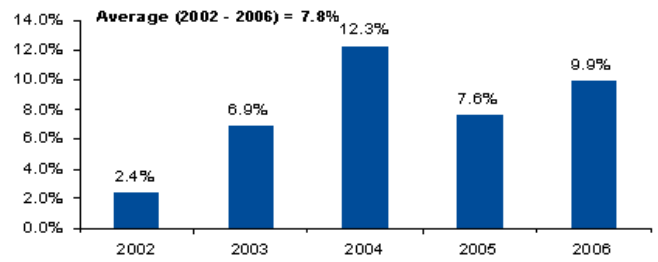


## GAFRI Historical Earnings

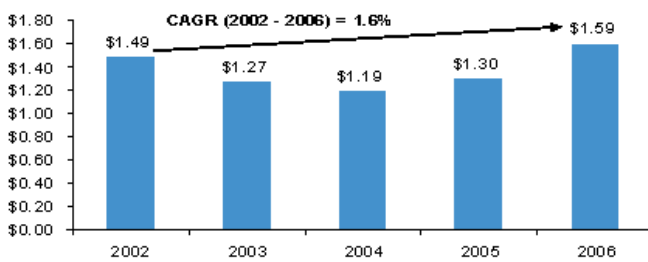
### Diluted Earnings Per Share



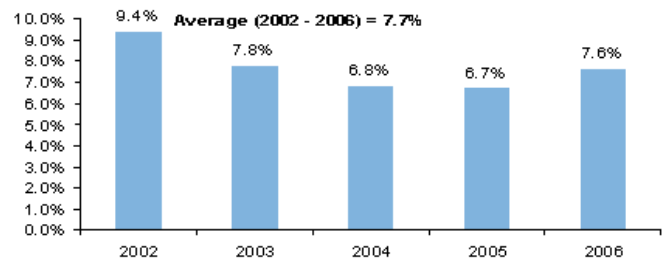
### Return on Average Equity (Excl. FAS 115)



### Operating Earnings Per Share



### Operating Return on Average Equity (Excl. FAS 115)

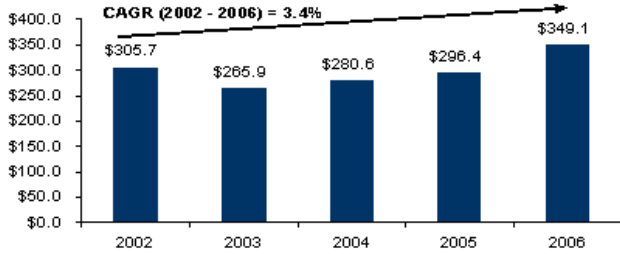


Source: SNL DataSource and public SEC filings. Operating income equals net income after income taxes, before extraordinary items, realized gains and certain non-recurring items as reported by the Company. The amortization of deferred acquisition costs related to realized gains is also excluded.

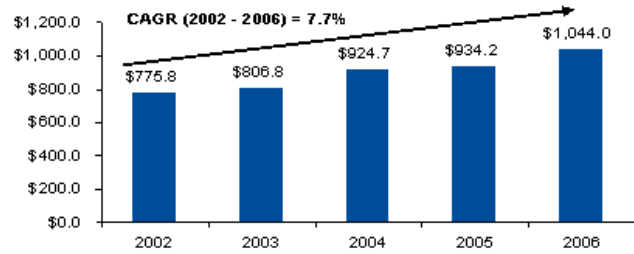
## GAFRI Selected Historical Financial Results

(Dollars in millions, except for per share data)

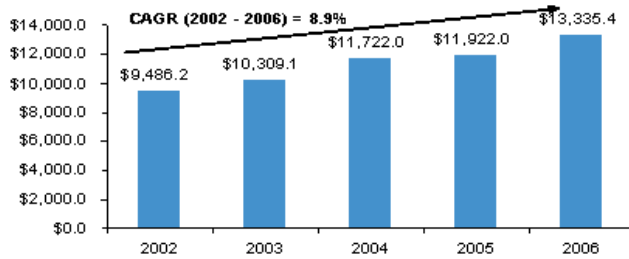
### Net Policy Revenue



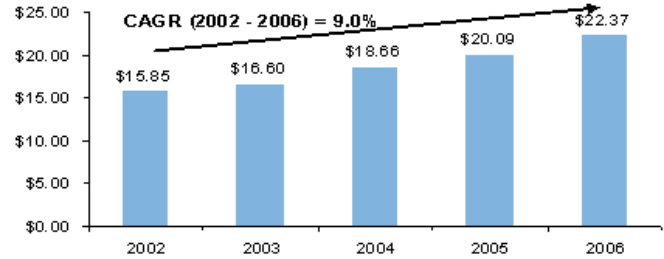
### Total Revenue



### Total Assets



### Book Value Per Share (Excl. FAS 115)

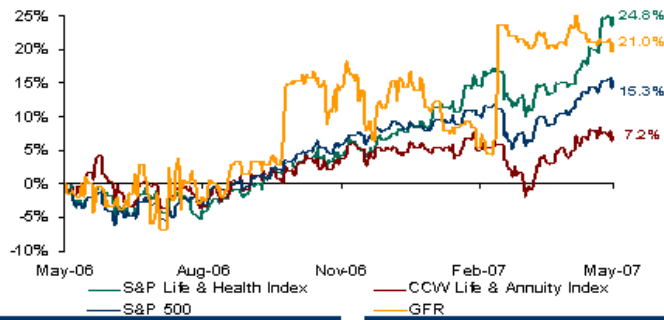


Source: SNL DataSource, public SEC filings and GAFRI internal financial documents.

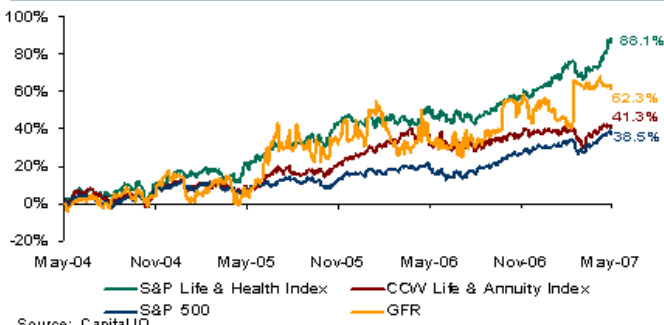


## Historical Sector Stock Performance vs. General Market

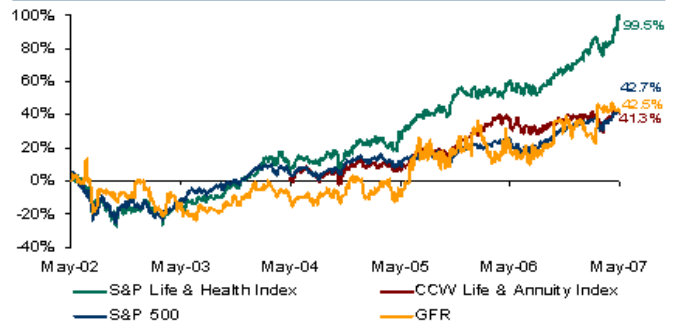
One Year Stock Performance



Three Year Stock Performance



Five Year Stock Performance

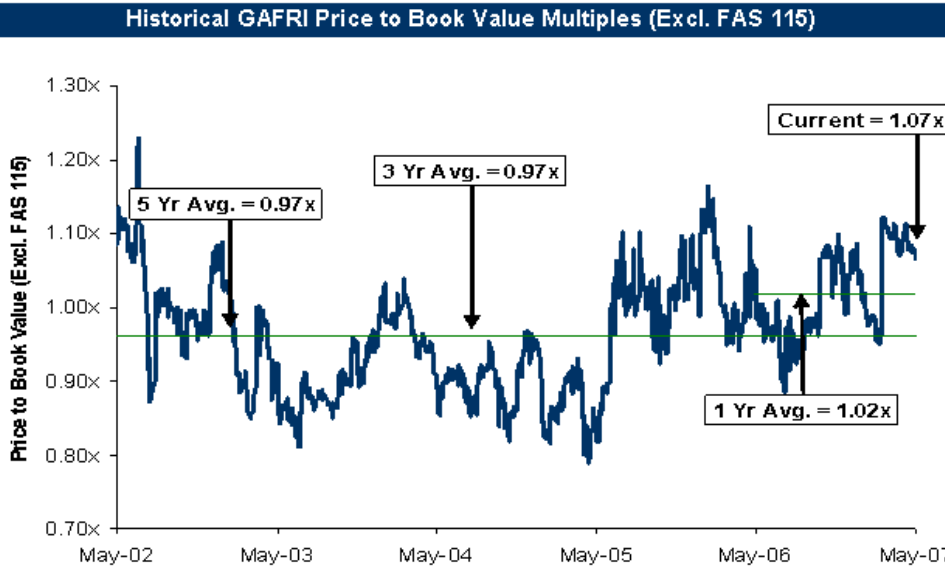


Source: Capital IQ.

Note: CCW Life & Annuity Index includes AEL, CNO, FFG, NWLIA, NFS, PLFE, PL and TMK.



## Historical GAFRI Price to Book Value Multiples (Excl. FAS 115)

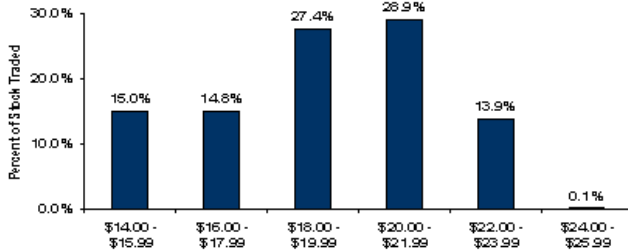


Source: SNL Financial, GFR 10-Ks and 10-Qs.

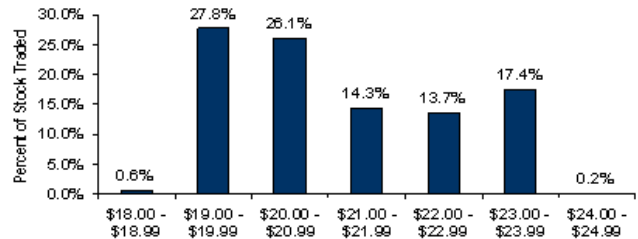
## Historical GAFRI Price / Volume Trading Summary

- ◆ GAFRI announced after close of business on February 22, 2007 that AFG proposed to acquire the shares of GAFRI that AFG and its subsidiaries do not already own for \$23.50 per share in cash.

**GAFRI Trading Volume by Price Range  
Last 3 Years (2/22/04 to 2/22/07)**



**GAFRI Trading Volume by Price Range  
1 Year (2/22/06 to 2/22/07)**



**GAFRI Trading Range  
Last 3 Years (2/22/04 to 2/22/07)**

Price Range	Days Closing Price Within Range	% of Total	Volume of Shares Traded Within Range <sup>(1)</sup>	% of Total
\$14.00 - \$15.99	178	22.7%	2,094,303	15.0%
\$16.00 - \$17.99	162	20.7%	2,074,142	14.8%
\$18.00 - \$19.99	129	16.5%	3,839,490	27.4%
\$20.00 - \$21.99	208	26.5%	4,039,903	28.9%
\$22.00 - \$23.99	107	13.6%	1,943,291	13.9%
\$24.00 - \$25.99	0	0.0%	9,822	0.1%
	784	100.0%	14,000,950	100.0%

(1) Based on closing stock prices.

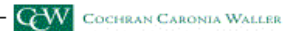
Source: Bloomberg.



**GAFRI Trading Range  
1 Year (2/22/06 to 2/22/07)**

Price Range	Days Closing Price Within Range	% of Total	Volume of Shares Traded Within Range <sup>(1)</sup>	% of Total
\$18.00 - \$18.99	2	0.8%	33,052	0.6%
\$19.00 - \$19.99	59	22.5%	1,464,428	27.8%
\$20.00 - \$20.99	77	29.4%	1,374,974	26.1%
\$21.00 - \$21.99	38	14.5%	753,472	14.3%
\$22.00 - \$22.99	39	14.9%	722,238	13.7%
\$23.00 - \$23.99	47	17.9%	917,915	17.4%
\$24.00 - \$24.99	0	0.0%	9,822	0.2%
	262	100.0%	5,275,900	100.0%

(1) Based on closing stock prices.



## 2007 – 2009 Management Plan

*(Dollars in millions, except per share data)*

	Actual 2005	Actual 2006	Plan 2007	Plan 2008	Plan 2009
Net Premiums	\$1,147	\$1,727	\$2,160	\$2,965	\$3,775
Assets <sup>(1)</sup>	11,800	13,300	14,300	15,800	18,000
GAAP Equity <sup>(1)</sup>	949	1,064	1,150	1,250	1,375
Net Operating Earnings <sup>(2)</sup>	\$62.0	\$76.7	\$74.8 <sup>(5)</sup>	\$91.4	\$111.0
Operating Earnings Per Share <sup>(2)</sup>	1.30	1.59	1.55 <sup>(5)</sup>	1.87	2.26
Net Earnings Per Share	1.47	2.06	1.60	1.87	2.26
Book Value Per Share <sup>(1)</sup>	\$20.09	\$22.37	\$24.19	\$26.33	\$28.93
ROE - Operating <sup>(3)</sup>	6.7%	7.6%	6.8% <sup>(5)</sup>	7.8%	8.7%
ROE - Net Income <sup>(4)</sup>	6.3%	11.1%	8.1%	8.8%	9.8%

Source: GAFRI Management.

Note: Assumes earnings on excess capital earns portfolio rate.

(1) Excludes unrealized gains (losses) on fixed maturities.

(2) From continuing operations (excludes GA Life of Puerto Rico, hotel gains and 2005 unlockings).

(3) Includes GA Life of Puerto Rico, excludes realized gains, hotel gains and 2005 unlockings.

(4) Includes operating, non-operating, discontinued lines and change in unrealized gains in stocks.

(5) Excludes non-recurring earnings items of \$3.5 million in the first quarter of 2007.

### **III. Financial Analysis**

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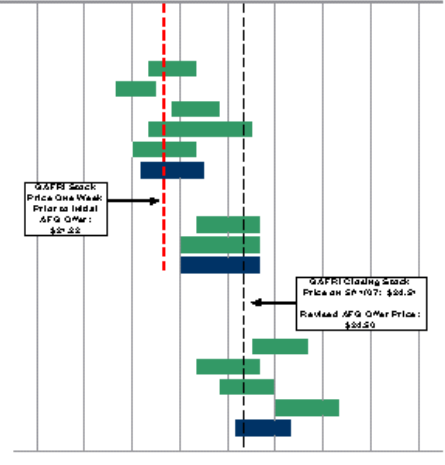
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Draft

Financial Analysis

## Financial Analysis Summary

Financial Statistic <sup>(1)</sup>	Selected Multiple Range/ Premium Range	Implied Per Share Range	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00
<b>I. Stand Alone Analysis</b>													
Public Market Trading Analysis: <sup>(2)</sup>													
Price / LTM Operating EPS (see pg. 18)	\$1.61	13.0x --- 14.0x											
Price / 2007E Operating EPS (see pg. 18)	\$1.65	12.5x --- 13.5x											
Price / 2008E Operating EPS (see pg. 18)	\$1.67	11.5x --- 12.5x											
Price / 3Q31/07 BVPS (Excl. FAS 115) <sup>(4)</sup> (see pg. 18)	\$22.83	0.90x --- 1.10x											
Price / Book Value vs. 2007E ROE <sup>(4)</sup> (see pg. 19)	6.6%	0.88x --- 0.96x											
<i>Indicative Reference Range</i>													
Dividend Discount Analysis: <sup>(5)</sup>													
		Exit Multiple											
Price / Estimated Earnings (see pg. 21)		12.5x --- 13.5x											
Price / Book Value <sup>(4)</sup> (see pg. 21)		1.11x --- 1.21x											
<i>Indicative Reference Range</i>													
<b>II. Transaction Analysis</b>													
Premium Paid Analysis: <sup>(5)</sup>													
All Transactions (see pg. 23)	\$21.22	17.6% --- 27.8%											
Financial Institution Transactions (see pg. 23)	\$21.22	7.9% --- 17.9%											
Insurance Transactions (see pg. 23)	\$21.22	12.2% --- 22.2%											
100% Cash Transactions (see pg. 23)	\$21.22	23.6% --- 33.6%											
<i>Indicative Reference Range</i>													



(1) GAFRI's critical date per GAFRI public filings, except as otherwise noted. GAFRI projected date per GAFRI management.

(2) Peer group includes AEL, CMO, FFO, KVVU, NYS, PLTE, PL and TMK.

(3) Excludes unrealized gains and losses.

(4) Based on a discount rate range of 10.2% - 11.5%.

(5) Selected premium range is based on the median premium paid over large I-dosing stock prices one trading week prior to announcement for selected companies with majority ownerships. Includes transactions announced or effected since 1996 with transaction values of greater than \$50MM.

**Draft**

Financial Analysis

**Illustrative Stock Price Matrix**

(Dollars in millions, except per share data)

	GAFRI Matrix Stock Price Range											
	\$22.00	\$22.50	\$23.00	\$23.50	\$24.00	\$24.50	\$25.00	\$25.50	\$26.00	\$26.50	\$27.00	\$27.50
Market Capitalization	\$1,047.4	\$1,071.2	\$1,095.0	\$1,118.8	\$1,142.6	\$1,166.4	\$1,190.2	\$1,214.0	\$1,237.8	\$1,261.6	\$1,285.4	\$1,309.2
Aggregate Transaction Value	\$198.0	\$202.5	\$207.0	\$211.5	\$216.0	\$220.5	\$224.9	\$229.4	\$233.9	\$238.4	\$242.9	\$247.4
<b>Implied Premium / (Discount) to:</b>												
Close (5/11/07)	-10.2%	-8.2%	-6.2%	-4.1%	-2.1%	0.0%	2.0%	4.0%	6.1%	8.1%	10.2%	12.2%
Close (2/22/07)	1.4%	3.7%	6.0%	8.3%	10.7%	13.0%	15.3%	17.6%	19.9%	22.2%	24.5%	26.8%
5 Day Average (Prior to 2/22/07)	2.5%	4.6%	7.1%	9.5%	11.9%	14.1%	16.4%	18.6%	21.1%	23.4%	25.9%	28.1%
20 Day Average (Prior to 2/22/07)	1.0%	3.3%	5.6%	7.9%	10.2%	12.5%	14.8%	17.1%	19.4%	21.7%	24.0%	26.3%
60 Day Average (Prior to 2/22/07)	-1.6%	0.3%	2.5%	4.8%	7.0%	9.2%	11.4%	13.7%	15.9%	18.1%	20.4%	22.6%
One Year Average (Prior to 2/22/07)	3.8%	6.1%	8.5%	10.9%	13.2%	15.6%	17.9%	20.3%	22.7%	25.0%	27.4%	29.7%

**Financial Statistic** <sup>(1)</sup>

Implied Price to:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
LTM Operating EPS	13.7x	14.0x	14.3x	14.6x	14.8x	15.2x	15.5x	15.8x	16.1x	16.5x	16.8x	17.1x
2007E Operating EPS	14.2x	14.5x	14.8x	15.2x	15.5x	15.8x	16.1x	16.5x	16.8x	17.1x	17.4x	17.7x
2008E Operating EPS	11.8x	12.0x	12.3x	12.6x	12.8x	13.1x	13.4x	13.8x	14.2x	14.4x	14.7x	15.0x
3/31/07 BVPS (Incl. FAS 115)	0.94x	0.97x	0.99x	1.01x	1.03x	1.05x	1.07x	1.09x	1.12x	1.14x	1.16x	1.18x
3/31/07 BVPS (Excl. FAS 115)	0.96x	0.98x	1.01x	1.03x	1.05x	1.07x	1.10x	1.12x	1.14x	1.16x	1.18x	1.20x
12/31/06 Capital & Surplus	1.63x	1.66x	1.70x	1.74x	1.77x	1.81x	1.85x	1.89x	1.92x	1.96x	2.00x	2.03x

**Premium / (Discount) to:**

Median Peer Group Trading Multiple <sup>(2)</sup>

Price / 2007E Earnings	13.0x	9.2%	11.7%	14.1%	16.6%	19.1%	21.6%	24.1%	26.6%	29.0%	31.5%	34.0%
Price / 2008E Earnings	12.0x	-2.0%	0.3%	2.5%	4.7%	7.0%	9.2%	11.4%	13.6%	15.9%	18.1%	20.3%
Price / Book Value (Incl. FAS 115)	1.20x	-21.3%	-19.5%	-17.7%	-16.0%	-14.2%	-12.4%	-10.6%	-8.8%	-7.0%	-5.2%	-3.4%
Price / Book Value (Excl. FAS 115)	1.20x	-19.7%	-17.9%	-16.0%	-14.2%	-12.4%	-10.6%	-8.7%	-6.9%	-5.1%	-3.3%	-1.4%

Note: Selected per share reference ranges reflected on prior page is shaded.

(1) GAFRI historical data per GAFRI public filings, except as otherwise noted. GAFRI projected data per GAFRI management.

(2) Peer group includes AEL, CNO, FFG, NVLLA, NFS, PLFE, PL, and TMK.



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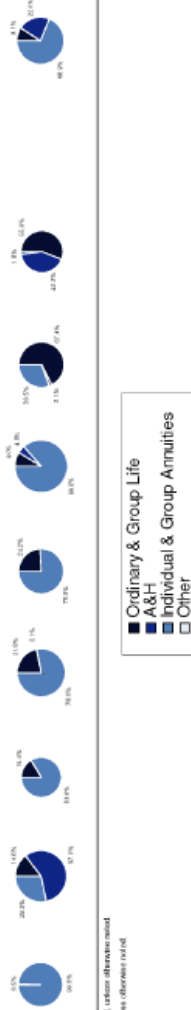
Financial Analysis

# Market Trading Statistics for GAFRI and Selected Comparables

(Colors in red, except per share data)

Company Name	AEL	CNO	FBL Financial Group, Inc.	NWLI	NFL	PL	TMK	Other (2/2/07)	Current (5/1/07)
Stock Price (\$1/07)	\$12.16	\$18.35	\$38.77	\$265.08	\$60.55	\$48.02	\$68.50	\$21.66	\$24.51
52 Week High-Low	\$14.07-\$10.07	\$24.47-\$15.56	\$41.53-\$29.50	\$274.48-\$208.00	\$60.00-\$42.46	\$51.00-\$32.46	\$68.94-\$56.84	\$23.95-\$19.55	\$25.45-\$18.52
1 Yr Avg. Wk. Volume / Shares Out	4.15%	4.51%	0.52%	0.37%	2.26%	2.26%	1.61%	0.21%	0.28%
Market Cap. (\$MM)	\$683.6	\$2,703.0	\$1,205.9	\$894.5	\$5,537.3	\$5,488.0	\$5,766.4	\$1,050.3	\$1,166.2
LTM Stock Performance	-7.3%	-22.2%	26.6%	20.6%	38.0%	7.4%	14.0%	0.0%	21.0%
Current Price / Book:									
Excl. FAS 115	1.06x	0.65x	1.31x	0.58x	1.07x	1.48x	1.20x	0.85x	1.07x
Incl. FAS 115	1.13x	0.58x	1.28x	1.00x	1.54x	1.45x	1.20x	0.85x	1.06x
Return on Equity:									
LTM Operating Income	7.6%	1.1%	10.2%	4.9%	13.0%	11.3%	15.5%	10.1%	7.2%
2007E	10.6%	4.6%	8.2%	NA	10.6%	NA	10.8%	10.6%	6.8%
2008E	11.3%	5.8%	8.1%	NA	10.9%	NA	13.0%	10.3%	7.8%
Dividend Yield	0.41%	0.05%	1.24%	0.05%	1.72%	1.86%	0.78%	1.06%	0.41%
Price / Earnings:									
LTM Diluted EPS	0.8x	NM	13.5x	12.4x	11.7x	11.8x	13.0x	11.8x	10.4x
LTM Operating EPS	14.3x	NM	13.3x	20.3x	12.3x	13.3x	13.5x	13.5x	15.2x
2007E	10.0x	14.5x	13.2x	18.7x	NA	12.6x	12.5x	13.0x	14.0x
2008E	8.4x	10.8x	12.2x	NA	12.5x	12.1x	11.5x	12.0x	13.1x
DISH / Total Cap.	55.8%	23.4%	25.8%	0.0%	21.4%	38.6%	20.8%	20.8%	20.2%
Beta	0.82	0.74	1.07	0.87	0.90	1.32	0.72	1.12	1.14

2006 Premiums by Line<sup>(2)</sup>:



Source: S&P, Dun & Bradstreet, Bloomberg and First Call. Unless otherwise noted.  
 Note: All financial data as of March 31, 2007, unless otherwise noted.  
 (1) GAAP projected data per GAFRI management.  
 (2) Source: A.M. Best.

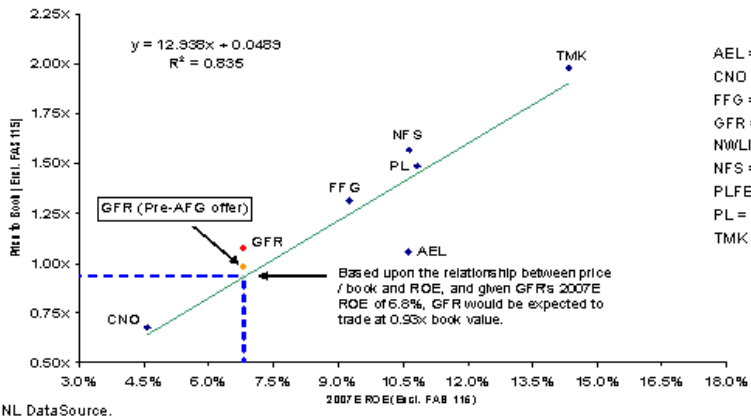




Price to Book vs. ROE Analysis

- ◆ As a capital intensive business, life insurance valuations in the public markets have been strongly correlated to return on equity:
  - Companies with a higher expected return on equity generally have been rewarded with a higher valuation
- ◆ The price to book vs. ROE analysis examines the correlation between the expected ROEs and price / book value multiples of comparable companies. The resulting regression line provides the implied book value multiple for a company at a given expected ROE.
  - A company positioned below the line implies that the company is currently undervalued based on its expected ROE, while a position above the line suggests that a company is overvalued by the market

Price to Book vs. ROE Chart



AEL = American Equity Investment Life Holding Co.  
 CNO = Conseco, Inc.  
 FFG = FBL Financial Group, Inc.  
 GFR = Great American Financial Resources, Inc.  
 NWLIA = National Western Life Insurance Company  
 NFS = Nationwide Financial Services, Inc.  
 PLFE = Presidential Life Corporation  
 PL = Protective Life Corporation  
 TMK = Torchmark Corporation

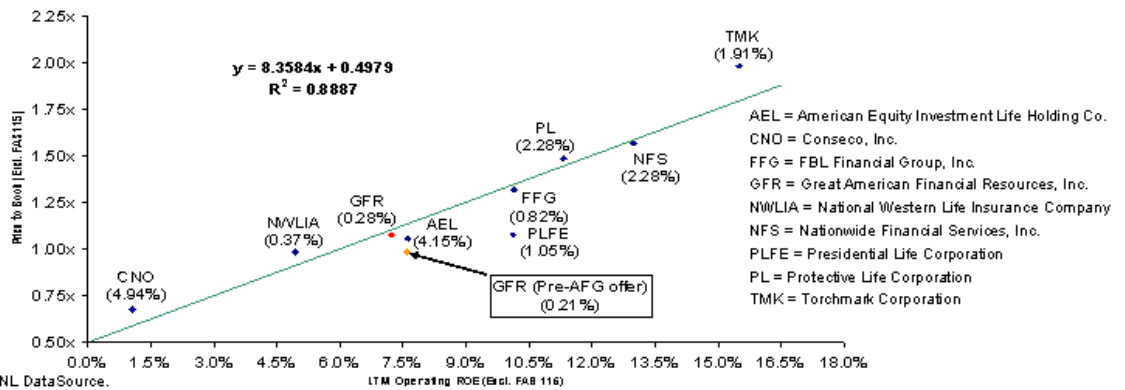
Source: SNL DataSource.  
 Note: NWLIA and PLFE not on graph because no public earnings estimates are available.



Price to Book vs. ROE Analysis (cont'd)

- ◆ While forward ROE estimates typically have been considered in determining an implied book value for a company, many of GAFRI's comparable companies have not been covered by research analysts and therefore do not have forward earnings estimates.
  - In the regression below, LTM Operating ROE was used, excluding the impact of realized gains and losses, as a proxy for forward ROE estimates
- ◆ The one-year average weekly trading volume for each company as a percentage of shares outstanding also was reviewed.
  - It would appear that average weekly trading volumes for GAFRI's peer companies do not impact whether the companies are over- or under-valued by the market

Price to Book vs. LTM Operating ROE Chart



## Summary of Dividend Discount Analysis

(Dollars in millions, except per share data)

Discounted Cash Flow Summary					
	2007	2008	2009	2010	2011
Free Cash (Mgmt Estimated Dividend) <sup>(1)</sup>	\$4.8	\$4.8	\$4.8	\$4.8	\$4.8
Assumed Discount Rate / Cost of Equity	11.3%	11.3%	11.3%	11.3%	11.3%
Discount Factor	0.90	0.81	0.72	0.65	0.58
Discounted Cash Flows	\$4.3	\$3.8	\$3.4	\$3.1	\$2.8

Sum of Discounted Cash Flows \$17.4

## DCF with Net Income Exit Multiple

Sum of Discounted Cash Flows \$17.4

## Terminal Value - Net Income Multiple

Projected 2012 Net Income <sup>(2)</sup>	\$147.7
Forward P/E Multiple	13.0x
Discount Factor	0.58

1,122.3

Indicative Total Equity Value	\$1,139.7
Per Share	\$23.94

## Sensitivity:

Discount Rate	Net Income Exit Multiple		
	12.5x	13.0x	13.5x
10.3%	\$24.09	\$25.04	\$25.98
10.8%	23.55	24.48	25.47
11.3%	23.03	23.94	24.85
11.8%	22.53	23.41	24.30
12.3%	22.03	22.90	23.77

## DCF with Book Value Exit Multiple

Sum of Discounted Cash Flows \$17.4

## Terminal Value - Book Value Multiple

Projected 2011 Book Value <sup>(2)(3)</sup>	\$1,621.9
2011E ROAE <sup>(4)(5)</sup>	8.6%
Implied Price / Book Multiple	1.16x
Discount Factor	0.58

1,103.9

Indicative Total Equity Value	\$1,121.4
Per Share	\$23.55

## Sensitivity:

Discount Rate	Book Value Exit Multiple		
	1.11x	1.16x	1.21x
10.3%	\$23.59	\$24.63	\$25.67
10.8%	23.07	24.09	25.10
11.3%	22.56	23.55	24.55
11.8%	22.06	23.04	24.01
12.3%	21.58	22.53	23.48

(1) Estimates provided by GAFRI management through 2009. Assumed to be held constant thereafter.

(2) Estimates provided by GAFRI management through 2009. Net income then grown at 10% and added back to book value.

(3) Excludes unrealized gains and losses.

## Cost of Equity Calculation

Cost of Capital Assumptions		
Risk Free Rate	4.67%	Yield on 10-year Treasury
Equity Risk Premium	7.5%	Long-term average ERP Source: Ibbotson Associates
Beta	0.89	Median of observed comparables
<b>Cost of Equity</b>	<b>11.3%</b>	<b>Calculated using the CAPM Approach</b>
Pre-Tax Cost of Debt	7.4%	Based on the current weighted average market rate GAFRI is paying on its debt

- ◆ **Dividends represent the cash available to common shareholders after funding capital requirements, working capital needs and debt financing requirements. These cash flows were therefore discounted at GAFRI's required return on equity (cost of equity) as opposed to its weighted average cost of capital ("WACC").**
- ◆ **GAFRI's estimated cost of equity, using a capital asset pricing model (CAPM) approach, is approximately 11.3%.**
  - GAFRI's estimated WACC is approximately 10.1% <sup>(1)</sup>

(1) GAFRI's WACC was calculated as the market weighted average of its estimated cost of equity and estimated after-tax cost of debt.

Summary of Premiums Paid Analysis

	Number of Transactions		% Held Prior to Announcement	Target Stock Premium		
				1 Day Prior to Announcement	1 Week Prior to Announcement	4 Weeks Prior to Announcement
All Transactions <sup>(1)</sup>	116	Median:	69.7%	18.8%	22.8%	27.1%
		75th Percentile:	80.2%	36.1%	43.3%	48.5%
		25th Percentile:	59.9%	10.2%	11.7%	14.4%
Financial Institutions <sup>(2)</sup>	30	Median:	75.1%	14.4%	12.9%	20.7%
		75th Percentile:	82.8%	18.5%	24.9%	32.9%
		25th Percentile:	61.4%	7.8%	9.1%	8.8%
Insurance Companies <sup>(3)</sup>	11	Median:	75.1%	14.9%	17.2%	20.9%
		75th Percentile:	81.1%	17.9%	21.2%	31.0%
		25th Percentile:	63.2%	8.7%	11.0%	13.0%
100% Cash <sup>(4)</sup>	74	Median:	69.7%	23.5%	28.6%	33.3%
		75th Percentile:	80.1%	45.3%	48.6%	53.2%
		25th Percentile:	60.6%	11.7%	13.6%	17.6%

Source: SDC Platinum.

Note: Pending transactions not included in any calculations on this page.

(1) Based on all minority buy-out transactions of more than \$50MM since 1996.

(2) Based on all minority buy-out transactions of more than \$50MM since 1996 in which the target was a financial institution.

(3) Based on all minority buy-out transactions of more than \$50MM since 1996 in which the target was an insurance company.

(4) Based on all minority buy-out transactions of more than \$50MM since 1996 in which the target was acquired for 100% cash.

**Appendix A. Selected Acquisitions of Minority Interests**

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**Draft**

*Selected Acquisitions of Minority Interests*

**Precedent Minority Buy-Out Transactions – All**

(Dollars in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
					1 Day Prior	1 Week Prior	4 Weeks Prior			
04/02/07 <sup>(1)</sup>	Tribune Co	Siem Zell	\$3,989.0	52.5%	5.6%	9.3%	13.3%	Printing, Publishing, and Allied Services	Cash	
01/24/07 <sup>(1)</sup>	21st Century Insurance Co	AIG	686.1	56.8%	20.9%	17.8%	10.0%	Insurance	Cash	
10/26/06 <sup>(1)</sup>	NelRatings Inc	VNU NV	377.5	55.8%	44.1%	45.0%	45.1%	Business Services	Cash	
11/20/06	TD Banknorth Inc, Portland, ME	Toronto-Dominion Bank	3,232.1	54.8%	8.5%	8.4%	7.1%	Commercial Banks, Bank Holding Companies	Cash	
08/23/06	Case Pomeroy & Co Inc	CP Newco Inc	73.5	86.0%	6.8%	8.8%	8.8%	Real Estate, Mortgage Bankers and Brokers	Cash	
03/21/06	Erie Family Life Insurance Co	Erie Indemnity Company	75.2	75.1%	6.7%	17.4%	20.8%	Insurance	Cash	
10/10/05	Micro Therapeutics Inc	ev3 Inc	100.8	66.2%	8.3%	14.7%	7.3%	Measuring, Medical, Photo Equipment; Clocks	Stock	
08/27/05	New Valley Corp	Vector Group Ltd	106.4	57.7%	44.7%	43.7%	48.7%	Holding Companies, Except Banks	Stock	
05/12/05	WFS Financial Inc	Wachovia Corp, Charlotte, NC	1,301.5	69.7%	32.3%	11.5%	28.2%	Credit Institutions	Stock	
08/01/05	7-Eleven Inc	IYG Holding Co	503.8	83.4%	13.8%	31.0%	14.1%	Retail Trade-Food Stores	Cash	
07/01/05	Tipary Corp	Sentis Ltd	139.8	54.5%	19.9%	16.1%	38.3%	Oil and Gas; Petroleum Refining	Cash	
04/14/05	Rubicon Medical Corp	Boston Scientific Corp	99.3	53.0%	-0.7%	0.7%	25.1%	Measuring, Medical, Photo Equipment; Clocks	Cash	
03/03/05	Shorix Inc	Vialay Interscience Inc	231.0	80.4%	36.5%	39.0%	28.9%	Electronic and Electrical Equipment	Stock	
02/21/05	Eon Labs Inc	Novartis AG	632.9	66.4%	11.0%	7.8%	23.5%	Drugs	Cash	
01/27/05	Genentech International Inc	Danisco AS	163.8	84.0%	20.9%	22.4%	15.8%	Drugs	Cash	
01/18/05	UnitedGlobalCom Inc	Liberty Media Intl Inc	3,675.9	52.2%	-0.6%	3.5%	0.2%	Business Services	Cash / Stock	
01/10/05	Fox Entertainment Group Inc	News Corp Inc	7,183.9	76.5%	13.1%	12.7%	17.5%	Radio and Television Broadcasting Stations	Stock	
08/02/04	Cox Communications Inc	Cox Enterprises Inc	6,389.6	61.4%	26.0%	24.6%	25.2%	Radio and Television Broadcasting Stations	Cash	
05/24/04	WFS Financial Inc	Westcorp, White, CA	310.5	84.0%	3.5%	6.2%	5.1%	Credit Institutions	Cash	
11/07/03	Phosphalite Resource Partners LP	IMC Global Inc	110.7	51.6%	2.7%	12.1%	16.8%	Mining	Stock	
06/02/03	Rhapnaam Inc	Barnes & Noble Inc	122.4	74.8%	36.6%	32.6%	27.1%	Miscellaneous Retail Trade	Stock	
05/23/03	Heels.com	Fidelity Natl Fint Inc	167.3	79.6%	23.0%	23.8%	50.2%	Drugs	Cash	
04/10/03	International Specialty Prods	ICN Pharmaceuticals Inc	361.9	57.2%	24.1%	24.8%	37.3%	Business Services	Stock	
08/20/02	Pure Resources Inc	USA Interactive	1,237.2	62.2%	13.0%	9.8%	28.0%	Transportation and Shipping (except air)	Stock	
07/28/02	Tiermont Corp	Savia SA de CV(Pulcar)	63.9	73.4%	49.2%	45.4%	45.4%	Agriculture, Forestry, and Fishing	Cash	
06/17/02	Fortress Group Inc	Union Oil Co of California	433.6	57.9%	20.7%	27.0%	22.4%	Oil and Gas; Petroleum Refining	Stock	
03/18/02	McAfee.com Corp	Samuel J. Heyman	138.0	77.9%	4.3%	1.7%	33.8%	Chemicals and Allied Products	Cash	
02/15/02	Travelocity.com Inc	Vahri Inc	127.0	64.6%	96.4%	114.6%	118.8%	Metal and Metal Products	Stock	
02/04/02	Infimate Brands Inc(Limited)	Leniter Corp	112.2	73.1%	19.6%	18.7%	20.7%	Confectionery Firms	Cash / Lab.	
11/07/01	Agula Inc(Uliferp Limited)	Network Associates Inc	229.5	68.5%	-0.7%	-11.3%	-5.1%	Prepackaged Software	Cash / Lab.	
10/10/01	TD Waterhouse Group Inc	Sabre Holdings Corp	447.2	65.5%	46.8%	40.3%	22.8%	Transportation and Shipping (except air)	Cash	
08/21/01	Specific Physical Inc	Xcel Energy Inc	672.6	73.0%	28.6%	34.0%	-3.1%	Electric, Gas, and Water Distribution	Stock	
08/06/01	Liberty Financial Cos Inc	Limited Inc	414.2	81.8%	10.2%	16.0%	24.8%	Retail Trade-General Merchandise and Apparel	Stock	
05/20/01	Unigraphics Solutions Inc	UlifCorp United Inc	1,644.7	81.8%	15.0%	12.7%	-16.1%	Electric, Gas, and Water Distribution	Stock	
05/14/01	Aerovoy.com Ltd	Liberty Media Corp	69.1	89.0%	10.1%	3.0%	-28.2%	Radio and Television Broadcasting Stations	Stock	
03/28/01	CSE-Bidnet	Toronto-Dominion Bank	402.6	88.8%	53.2%	49.1%	32.9%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
02/15/01	Westfield America Inc	Investor Group	121.5	54.2%	34.0%	30.6%	18.8%	Soaps, Cosmetics, and Personal-Care Products	Cash	
12/29/00	Beritz Intl Inc(Benesse Corp)	Thermo Electron Corp	539.0	65.0%	27.6%	-0.6%	-7.9%	Insurance and Investment & Commodity Firms	Cash	
12/14/00	NPC International Inc	Liberty Mutual Insurance Co	110.2	54.4%	106.3%	103.1%	112.9%	Insurance and Investment & Commodity Firms	Cash	
		O Gene Bicknell	93.6	60.5%	11.3%	6.8%	32.0%	Retail Trade-Eating and Drinking Places	Cash	

Source: SDC Financial.  
(1) Indicates pending transaction.



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Selected Acquisitions of Minority Interests

**Precedent Minority Buy-Out Transactions – All (cont'd)**

(Dollars in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
					1 Day Prior	1 Week Prior	4 Weeks Prior	Prior		
10/27/00	Azulink Corp (Emron Corp)	Emron Corp	\$320.1	64.9%	135.1%	135.1%	135.1%	134.1%	Electric, Gas, and Water Distribution	Cash
09/21/00	Hertz Corp	Ford Motor Co	734.0	61.0%	46.4%	42.7%	12.0%	12.0%	Repair Services	Cash
06/30/00	AMA Financial Inc	AMA Group	11,189.3	54.7%	4.6%	9.8%	34.3%	34.3%	Insurance	Cash/ Stock
06/15/00	Infinity Broadcasting Corp	Viacom Inc	13,649.0	62.4%	-6.7%	-12.1%	-7.0%	-7.0%	Radio and Television Broadcasting Stations	Stock
06/14/00	BHC Communications Inc	News Corp Ltd	867.7	76.1%	15.4%	13.4%	10.0%	10.0%	Radio and Television Broadcasting Stations	Cash
07/09/00	Life Technologies Inc (Dealer)	Invitrogen Corp	401.7	72.1%	22.5%	22.5%	20.0%	20.0%	Drugs	Cash/ Stock
04/24/00	Cherry Corp	Investor Group	130.5	51.0%	103.1%	109.1%	70.3%	70.3%	Electronic and Electrical Equipment	Cash
03/27/00	Hartford Lic (ITT Hartford)	Hartford Fin Svcs Group Inc	1,324.6	69.4%	19.7%	40.3%	43.3%	43.3%	Insurance	Cash
03/22/00	Homesite Village Inc	Security Capital Group Inc	156.8	72.3%	49.1%	59.2%	98.6%	98.6%	Hotels and Casinos	Cash
03/21/00	Traveler Property Casualty	Citigroup Inc	2,449.3	65.0%	24.5%	39.5%	35.0%	35.0%	Insurance	Cash
03/17/00	Vestor Resources Inc	BP Amoco PLC	1,575.7	60.1%	16.2%	12.8%	14.2%	14.2%	Oil and Gas; Petroleum Refining	Cash
03/14/00	Howmet International Inc	Aloca Inc	349.3	61.1%	13.0%	22.8%	25.9%	25.9%	Aerospace and Aircraft	Stock
03/14/00	Xinet Inc (PC Information)	Global Crossing Ltd	875.9	72.4%	18.1%	5.9%	-0.7%	-0.7%	Other Financial	Stock
03/22/00	HealthcareWebMD Inc	HealthcareWebMD Inc	1,865.8	64.9%	27.0%	33.2%	94.3%	94.3%	Measuring, Medical, Photo Equipment, Clocks	Stock
02/02/00	Thermo Instrument Systems Inc	Thermo Electron Corp	831.7	69.6%	76.3%	85.6%	103.2%	103.2%	Measuring, Medical, Photo Equipment, Clocks	Stock
01/31/00	Thermo Instrument Systems Inc	Thermo Electron Corp	169.2	68.2%	76.3%	85.6%	53.4%	53.4%	Measuring, Medical, Photo Equipment, Clocks	Cash
01/31/00	Thermox (Thermo Electron)	Thermo Instrument Systems Inc	167.9	70.1%	51.4%	47.0%	51.4%	51.4%	Measuring, Medical, Photo Equipment, Clocks	Cash
01/31/00	ThermoQuest Corp	Thermo Instrument Systems Inc	96.9	85.4%	36.0%	47.0%	47.0%	47.0%	Measuring, Medical, Photo Equipment, Clocks	Cash
01/19/00	Tigen Energy Corp	Thermo Instrument Systems Inc	159.2	53.0%	38.2%	42.4%	31.8%	31.8%	Electric, Gas, and Water Distribution	Cash
01/19/00	Comint Corp	Elyo	51.8	90.0%	6.7%	-5.1%	4.2%	4.2%	Investment & Commodity Firms, Dealers, Exchanges	Cash
12/06/99	Robinson-Cook Corp	Metropolitan Life Insurance Co	74.3	56.0%	15.6%	38.8%	52.1%	52.1%	Investment & Commodity Firms, Dealers, Exchanges	Cash
12/01/99	Boise Cascade Office Products	Heico Companies LLC	57.0	69.2%	46.0%	43.6%	41.5%	41.5%	Metal and Metal Products	Cash
11/16/99	Thermo TerraTech Inc (Thermo)	Boise Cascade Corp	205.3	69.5%	48.5%	45.9%	60.0%	60.0%	Wholesale Trade-Nondurable Goods	Cash
11/05/99	PEC Israel Economic Corp	Thermo Electron Corp	80.7	53.7%	-15.6%	0.2%	1.0%	2.6%	Machinery	Stock
10/21/99	Student Loan Corporation	Discount Investment Corp Ltd	320.0	69.0%	11.5%	11.5%	0.6%	0.6%	Credit Institutions	Cash
10/20/99	Thermotek Corp	Citigroup Inc	180.0	69.0%	27.3%	33.3%	34.6%	34.6%	Computer Peripherals	Cash
06/03/99	Genentech Inc	Thermo Electron Corp	56.9	56.4%	27.3%	33.3%	34.6%	34.6%	Pharmaceuticals	Cash
05/07/99	J Ray McDermott SA	Poche Hig AG	4,313.5	59.9%	279.3%	281.5%	279.3%	279.3%	Drugs	Cash
04/12/99	Meadowcroft Inc	McDermott International Inc	514.5	63.0%	16.6%	13.1%	19.2%	19.2%	Construction Firms	Cash
04/01/99	Aqua Alliance Inc	Investor Group	53.2	79.0%	64.9%	83.3%	77.8%	77.8%	Wood Products, Furniture, and Fixtures	Cash
03/24/99	Knoll Inc (Waburg, Pincus)	Waburg Pincus Ventures Inc	490.8	58.2%	26.9%	19.0%	101.7%	101.7%	Business Services	Cash
03/21/99	Spelling Entertainment Group	Wisdom Inc	191.6	89.9%	8.3%	43.2%	46.4%	46.4%	Wood Products, Furniture, and Fixtures	Cash
12/03/98	Brimmer Aerospace Inc	Felchold Corp	82.4	69.2%	25.7%	41.8%	40.8%	40.8%	Motion Picture Production and Distribution	Cash
10/27/98	Citizens Corp (Hanover Ins Co)	Allmerica Financial Corp	212.4	61.8%	20.6%	17.2%	20.9%	20.9%	Wholesale Trade-Durable Goods	Stock
10/22/98	BA Merchant Svcs (BancAmerica)	Bank of America National Trust	339.4	67.2%	47.2%	56.3%	42.1%	42.1%	Insurance	Cash
10/16/98	BRC Holdings Inc	Bank of America National Trust	131.9	51.0%	17.2%	16.9%	15.2%	15.2%	Business Services	Cash
09/25/98	Insignia Properties Trust	Apartment Invest & Mgmt Co	63.6	75.0%	7.5%	7.5%	7.5%	7.5%	Prepackaged Software	Cash
09/23/98	Newmont Gold Co	Newmont Mining Corp	264.8	69.6%	-5.2%	20.6%	62.4%	62.4%	Investment & Commodity Firms, Dealers, Exchanges	Stock
09/23/98	J&L Specialty Steel Inc	Leiron SA	115.0	58.5%	100.0%	112.5%	37.8%	37.8%	Mining	Stock
09/23/98	Pyronox Tull Inc	Inland Steel Industries Inc	61.2	66.4%	-41.0%	-38.6%	-51.8%	-51.8%	Metal and Metal Products	Stock
05/06/98	PEC Israel Economic Corp	Investor Group	125.0	61.4%	60.0%	55.7%	50.5%	50.5%	Investment & Commodity Firms, Dealers, Exchanges	Cash
06/24/98	Tele-Communications Intl	Liberty Media Corp	379.1	61.1%	-1.1%	-4.5%	-9.8%	-9.8%	Radio and Television Broadcasting Stations	Stock
04/30/98	Myogen Corp (Dow AgroSciences)	Dow AgroSciences LLC	376.3	62.2%	41.8%	40.0%	52.4%	52.4%	Agriculture, Forestry, and Fishing	Cash
03/27/98	International Specialty Prods	ISP Holdings Inc	324.5	79.9%	1.7%	1.7%	14.5%	14.5%	Chemicals and Allied Products	Stock
03/17/98	BET Holdings Inc	Investor Group	462.3	57.9%	4.0%	14.3%	17.9%	17.9%	Radio and Television Broadcasting Stations	Cash
03/05/98	XLConnect Solutions Inc	Xerox Corp	99.0	69.7%	-11.1%	15.1%	22.1%	22.1%	Business Services	Cash
01/22/98	BT Office Products Intl Inc	Koninklijke KNP BT NV	136.1	70.0%	32.5%	78.9%	78.9%	78.9%	Wholesale Trade-Nondurable Goods	Cash
01/20/98	NACT Telecommunications (GST)	World Access Inc	53.1	61.0%	12.0%	12.5%	16.7%	16.7%	Wholesale Trade-Durable Goods	Stock

Source: SDC Financial.





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Selected Acquisitions of Minority Interests

**Precedent Minority Buy-Out Transactions – All (cont'd)**

(Dollar in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
					1 Day	1 Week	4 Weeks	Prior		
01/08/88	Rayonier Timberlands LP	Rayonier Inc	\$65.8	74.7%	11.2%	25.3%	17.5%	Agriculture, Forestry, and Fishing	Cash / Stock	
09/18/87	Guaranty National Corp	Orion Capital Corp	117.2	77.3%	10.6%	20.9%	27.7%	Insurance	Cash / Stock	
08/28/87	Rhone-Poulenc Finer Inc	Rhone-Poulenc SA	4,831.6	83.1%	22.1%	22.8%	29.3%	Drugs	Cash	
06/20/87	Wiresabator Technologies Inc	Waste Management Inc	869.7	65.4%	26.9%	28.2%	30.7%	Measuring, Medical, Photo Equipment, Clocks	Cash	
09/03/87	Faulding Inc(FH Faulding & Co)	FH Faulding & Co Ltd	77.3	92.0%	25.6%	22.7%	45.9%	Drugs	Cash	
09/02/87	Acordia Inc	Associated Insurance Cos	103.2	60.8%	12.7%	11.5%	28.0%	Insurance	Cash	
05/14/87	Chesport Steel Co	Texas Industries Inc	72.8	81.2%	20.4%	25.3%	34.1%	Metal and Metal Products	Stock	
03/03/87	Enron Global Power & Pipelines	Enron Corp	426.0	50.6%	11.8%	13.7%	19.7%	Electric, Gas, and Water Distribution	Stock / Stock	
02/25/87	American Fin Etrps Inc	American Financial Group Inc	836	85.2%	34.8%	48.0%	41.0%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Warrants	
02/20/87	Fra Inc	Petrofina SA	257.0	85.2%	16.7%	18.5%	21.8%	Oil and Gas- Petroleum Refining	Stock / Stock / Lab.	
02/18/87	Contour Medical(Relievement)	Apartment Invest & Mgmt Co	114.5	53.3%	26.3%	25.2%	25.2%	Real Estate, Mortgage Bankers and Brokers	Stock	
01/28/87	Calgene Inc(Monsanto Co)	Sun Healthcare Group Inc	55.2	65.3%	21.4%	46.6%	57.4%	Measuring, Medical, Photo Equipment, Clocks	Cash / Stock / Lab.	
01/13/87	Zurich Reinsurance Centre	Monsanto Co	242.6	56.3%	62.0%	60.0%	60.0%	Measuring, Medical, Photo Equipment, Clocks	Cash	
12/17/86	Genetics Institute Inc	Zurich Versicherungs GmbH	319.0	66.0%	17.1%	18.5%	11.8%	Agriculture, Forestry, and Fishing	Cash	
11/27/86	Altimedia Property & Casualty	American Home Products Corp	1,000.0	60.0%	123.7%	123.7%	134.5%	Insurance	Cash / Stock	
10/10/86	WCI Steel Inc(Ranco Group Inc)	Altimedia Financial Corp	816.9	59.2%	15.8%	12.6%	14.2%	Insurance	Cash / Stock	
09/08/86	Crocker Realty Trust Inc	JW Childs Equity Partners LP	56.7	81.2%	17.7%	17.5%	18.8%	Miscellaneous Retail Trade	Cash	
08/26/86	Bankers Life Holding(Conseco)	Renco Group Inc	56.5	84.2%	17.7%	20.0%	77.8%	Metal and Metal Products	Cash	
08/08/86	Roto-Booster Inc	Highwoods Properties Inc	120.8	88.4%	14.9%	10.5%	11.7%	Investment & Commodity Firms, Dealers, Exchanges	Stock	
07/03/86	Golden Poultry Co Inc	Chemaco Corp	93.6	54.9%	12.3%	12.3%	11.2%	Repair, Services	Cash	
05/27/86	SylSermix Inc(Sandaz AG)	Sandoz AG	107.6	57.8%	4.7%	50.0%	39.0%	Food and Kindred Products	Cash	
03/28/86	Great American Mgmt & Inv Inc	Equity Holdings Ltd	63.3	84.3%	2.6%	4.2%	3.6%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
	<b>Mean:</b>			<b>69.7%</b>	<b>29.2%</b>	<b>32.1%</b>	<b>36.4%</b>			
	<b>Median:</b>			<b>69.7%</b>	<b>18.9%</b>	<b>22.6%</b>	<b>27.1%</b>			
	<b>75th Percentile:</b>			<b>80.2%</b>	<b>36.1%</b>	<b>43.3%</b>	<b>48.9%</b>			
	<b>25th Percentile:</b>			<b>59.8%</b>	<b>10.2%</b>	<b>11.7%</b>	<b>14.4%</b>			

Source: SDC Financial.  
 Note: Pending transactions not included in mean, median and percentile calculations.



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Selected Acquisitions of Minority Interests

Precedent Minority Buy-Out Transactions – Financial Institutions

(Dollars in m/Mones)

Announce Date	Status	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
						1 Day Prior	1 Week Prior	4 Weeks Prior	1 Year Prior		
01/26/09 <sup>(1)</sup>	Pending	21st Century Insurance Co	AVG	\$695.1	56.8%	20.8%	17.6%	10.0%	Insurance	Cash	
01/29/09	Pending	MetLife Inc	AVG/INV	312.5	45.0%	45.0%	45.0%	45.0%	Business Services	Cash	
02/20/08	Completed	TD Bank Inc Postland,ME	Toronto-Dominion Bank	3,322.9	54.0%	14.3%	14.3%	14.3%	Real Estate Banks, Bank Holding Companies	Cash	
03/23/08	Completed	State Farm Indemnity Co	CP Mexico Inc	73.5	86.0%	8.8%	8.8%	8.8%	Real Estate, Mortgage Bankers and Brokers	Cash	
03/21/08	Completed	State Farm Indemnity Co	First Indemnity Company	75.2	76.1%	6.7%	17.4%	20.8%	Insurance	Cash	
06/12/06	Completed	WFS Financial Inc	Wachovia Corp Charlotte,NC	503.8	84.4%	13.8%	11.5%	28.2%	Credit Institutions	Stock	
06/24/04	Completed	Fortress Group Inc	Lennar Corp	310.5	84.0%	3.5%	6.2%	5.1%	Construction Firms	Cash / Lib	
06/17/02	Completed	TD Waterhouse Group Inc	Fortress Group Inc	112.2	73.1%	16.8%	18.7%	20.7%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
10/13/01	Completed	Liberty Financial Cos Inc	Toronto-Dominion Bank	402.6	88.8%	83.2%	49.1%	32.9%	Insurance and Investment & Commodity Firms	Cash	
06/06/01	Completed	Liberty Financial Cos Inc	Liberty Mutual Insurance Co	536.0	66.6%	0.7%	1.7%	-6.8%	Insurance and Investment & Commodity Firms	Cash	
03/28/01	Completed	GSF/First	CSEB	110.4	89.0%	140.0%	102.0%	73.8%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Lib	
02/15/01	Completed	Westfield America Inc	Westfield America Trust	1,050.8	56.8%	12.5%	11.7%	14.5%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Stock	
06/30/00	Completed	AAA Financial Inc	AAA Group	1,189.3	54.7%	4.8%	9.8%	34.3%	Insurance	Cash / Stock	
03/27/00	Completed	Harford Life/ITT Harford	Harford Fin Svcs Group Inc	1,384.6	80.4%	18.7%	40.3%	43.3%	Insurance	Cash	
02/21/00	Completed	Trawlers Property Casualty	Citigroup Inc	2,469.3	65.0%	24.0%	35.0%	30.0%	Insurance	Stock	
02/22/00	Completed	Kiel Ind(P/C Information)	Global Crossing Ltd	873.9	72.4%	18.1%	22.8%	25.9%	Investment & Commodity Firms, Dealers, Exchanges	Stock	
01/22/00	Completed	First American Financial Corp	First American Financial Corp	74.3	55.0%	10.0%	34.9%	32.1%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
11/03/99	Completed	State Farm Indemnity Co	State Farm Indemnity Corp Ltd	38.0	55.0%	11.5%	11.8%	0.8%	Credit Institutions	Cash	
10/21/99	Completed	State Farm Indemnity Co	Citigroup Inc	180.0	80.0%	11.8%	11.8%	19.3%	Construction Firms	Cash	
06/07/99	Completed	J Ray McInerney SA	McInerney International Inc	514.5	69.0%	16.8%	13.1%	20.8%	Insurance	Cash	
10/27/98	Completed	Global Properties Trust	Almirada Financial Corp	212.4	81.8%	20.8%	17.2%	19.8%	Insurance	Stock	
10/06/98	Completed	Insights Properties Trust	Apartment Invest & Mgmt Co	63.6	76.0%	7.5%	7.5%	7.5%	Investment & Commodity Firms, Dealers, Exchanges	Stock	
08/08/98	Completed	PEC Israel Economic Corp	Investor Group	125.0	81.4%	80.0%	55.7%	50.5%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
06/18/97	Completed	Gannett National Corp	Orion Capital Corp	117.2	77.3%	10.8%	23.9%	27.7%	Insurance	Cash / Stock	
06/05/97	Completed	Accordia Inc	Associated Insurance Cos	183.2	69.8%	12.7%	11.5%	26.0%	Insurance	Cash	
03/03/97	Completed	American Fin Emps Inc	American Financial Group Inc	83.6	88.0%	34.8%	48.0%	41.0%	Investment & Commodity Firms, Dealers, Exchanges	Cash / Stock	
02/20/97	Completed	NHP Inc	Apartment Invest & Mgmt Co	114.5	53.3%	88.3%	25.2%	19.1%	Real Estate, Mortgage Bankers and Brokers	Stock	
01/13/97	Completed	Zurich Reinsurance Centre	Zurich Versicherungs GmbH	319.0	66.0%	17.1%	18.5%	11.6%	Insurance	Cash	
12/17/96	Completed	Almirada Property & Casualty	Almirada Financial Corp	916.9	58.3%	15.8%	12.0%	14.2%	Insurance	Cash / Stock	
03/03/96	Completed	Crocker Realty Trust Inc	Highwoods Properties Inc	76.1	73.6%	9.2%	8.0%	3.3%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
03/02/96	Completed	Barons Life Holding(Consolid)	Consolid Inc	120.9	68.4%	14.8%	10.0%	11.7%	Insurance	Stock	
03/28/96	Completed	Clear American Mgmt & Trst Inc	Equity Holdings Ltd	63.3	84.3%	2.8%	4.2%	3.6%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
<b>Mean:</b>					<b>72.7%</b>	<b>20.2%</b>	<b>21.6%</b>	<b>22.3%</b>			
<b>Median:</b>					<b>76.1%</b>	<b>14.4%</b>	<b>13.9%</b>	<b>20.7%</b>			
<b>75th Percentile:</b>					<b>82.8%</b>	<b>18.5%</b>	<b>24.9%</b>	<b>32.8%</b>			
<b>25th Percentile:</b>					<b>61.4%</b>	<b>7.8%</b>	<b>5.1%</b>	<b>6.6%</b>			

Source: SDC Financial

Note: Pending transactions not included in mean, median and percentile calculations.

(1) Indicates pending transaction.

**Draft**

*Selected Acquisitions of Minority Interests*

## Precedent Minority Buy-Out Transactions – Insurance Companies

(Dollars in millions)

Announce Date	Status	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium			Target Industry	Consideration
						1 Day Prior	1 Week Prior	4 Weeks Prior		
01/24/07 <sup>(1)</sup>	Pending	21st Century Insurance Co	AIG	\$888.1	56.8%	20.9%	17.8%	10.0%	Insurance	Cash
03/21/06	Completed	Erie Family Life Insurance Co	Erie Indemnity Company	75.2	75.1%	6.7%	17.4%	20.8%	Insurance	Cash
08/08/01	Completed	Liberty Financial Cos Inc	Liberty Mutual Insurance Co	536.0	65.6%	0.7%	1.7%	-6.8%	Insurance	Cash
08/30/00	Completed	AXA Financial Inc	AXA Group	11,188.3	54.7%	4.6%	9.8%	34.3%	Insurance	Cash / Stock
03/27/00	Completed	Hartford Life(TT Hartford)	Hartford Fin Svcs Group Inc	1,324.6	80.4%	18.7%	40.3%	43.3%	Insurance	Cash
03/27/00	Completed	Travelers Property Casualty	Citigroup Inc	2,440.3	85.0%	24.5%	39.5%	35.0%	Insurance	Cash
10/27/98	Completed	Citizens Corp(Harover Ins Co)	Allmerica Financial Corp	212.4	81.8%	20.6%	17.2%	20.9%	Insurance	Cash
09/18/97	Completed	Guaranty National Corp	Orion Capital Corp	117.2	77.3%	10.8%	23.9%	27.7%	Insurance	Cash / Stock
06/02/97	Completed	Accordia Inc	Associated Insurance Cos	193.2	60.8%	12.7%	11.5%	26.0%	Insurance	Cash
01/13/97	Completed	Zurich Reinsurance Centre	Zurich Versicherungs GmbH	319.0	66.0%	17.1%	18.5%	11.6%	Insurance	Cash
12/17/95	Completed	Allmerica Property & Casualty	Allmerica Financial Corp	816.9	59.3%	15.8%	12.6%	14.2%	Insurance	Cash / Stock
08/26/95	Completed	Bankers Life Holding(Conseco)	Conseco Inc	120.8	88.4%	14.9%	10.5%	11.7%	Insurance	Stock
			<b>Mean:</b>		<b>72.2%</b>	<b>13.4%</b>	<b>18.4%</b>	<b>21.7%</b>		
			<b>Median:</b>		<b>75.1%</b>	<b>14.9%</b>	<b>17.2%</b>	<b>20.9%</b>		
			<b>75th Percentile:</b>		<b>81.1%</b>	<b>17.9%</b>	<b>21.2%</b>	<b>31.0%</b>		
			<b>25th Percentile:</b>		<b>63.2%</b>	<b>8.7%</b>	<b>11.0%</b>	<b>13.0%</b>		

Source: SDC Financial

Note: Pending transactions not included in mean, median and percentile calculations.

(1) Indicates pending transaction.

**Draft**

*Selected Acquisitions of Minority Interests*

# Precedent Minority Buy-Out Transactions – 100% Cash

(Values in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
					1 Day Prior	1 Week Prior	4 Weeks Prior	Prior		
04/02/07	Tribune Co	Siem Zell	\$3,998.0	52.5%	9.2%	5.9%	13.3%	Printing, Publishing, and Allied Services	Cash	
01/24/07	21st Century Insurance Co	AIG	686.1	56.8%	17.8%	20.8%	10.0%	Insurance	Cash	
10/06/06	NetRatings Inc	VNU NV	377.5	55.8%	44.1%	45.0%	46.1%	Business Services	Cash	
11/20/06	TD Banknorth Inc/Portland ME	Toronto-Dominion Bank	3,232.1	54.6%	6.6%	6.6%	7.1%	Commercial Banks, Bank Holding Companies	Cash	
08/23/06	Casa Pomeroy & Co Inc	CP Newco Inc	73.5	86.0%	8.8%	8.8%	8.8%	Real Estate: Mortgage Bankers and Brokers	Cash	
03/21/06	Erie Family Life Insurance Co	Erie Indemnity Company	75.2	75.1%	6.7%	6.7%	20.8%	Insurance	Cash	
09/01/05	7-Eleven Inc	IYG Holding Co	1,301.5	69.7%	32.3%	31.0%	14.1%	Retail Trade-Food Stores	Cash	
07/01/05	Tipperary Corp	Santas Ltd	139.8	54.5%	18.8%	16.1%	36.3%	Oil and Gas: Petroleum Refining	Cash	
04/14/05	Rubicon Medical Corp	Boston Scientific Corp	96.3	53.6%	0.7%	0.7%	26.1%	Measuring, Medical, Photo Equipment: Clocks	Cash	
02/21/05	Eon Labs Inc	Novartis AG	932.9	66.4%	7.8%	7.8%	20.5%	Drugs	Cash	
01/27/05	Genencor International Inc	Danisco A/S	183.8	84.0%	23.8%	24.6%	15.8%	Drugs	Cash	
08/26/04	Cox Communications Inc	Cox Enterprises Inc	8,389.6	61.4%	26.0%	24.6%	26.2%	Radio and Television Broadcasting Stations	Cash	
05/24/04	WFS Financial Inc	Westcorp Inv/Inc CA	310.5	84.0%	3.5%	3.5%	5.1%	Credit Institutions	Cash	
11/07/03	barresandmobile.com Inc	Barnes & Noble Inc	122.4	74.8%	35.6%	32.6%	27.1%	Miscellaneous Retail Trade	Cash	
06/02/03	Ribapharm Inc	ICN Pharmaceuticals Inc	187.3	79.8%	23.0%	23.8%	50.2%	Drugs	Cash	
12/13/02	Seminis Inc	Seminis SA de CV/Pullar	63.9	73.4%	48.2%	45.4%	45.4%	Agriculture, Forestry, and Fishing	Cash	
07/26/02	International Specialty Prods	Samuel J Heyman	138.0	77.9%	4.3%	1.7%	38.8%	Chemicals and Allied Products	Cash	
02/19/02	Travelocity.com Inc	Sabine Holdings Corp	467.2	65.5%	45.8%	40.3%	22.5%	Transportation and Shipping (except air)	Cash	
10/10/01	TD Waterhouse Group Inc	Toronto-Dominion Bank	402.6	88.8%	53.2%	49.1%	32.9%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
10/01/01	NCH Corp	Investor Group	121.5	54.3%	34.0%	33.0%	16.8%	Soaps, Cosmetics, and Personal-Care Products	Cash	
08/21/01	Spectra Physics Inc	Thermo Electron Corp	70.9	73.4%	27.8%	27.8%	-0.6%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
06/06/01	Liberty Financial Coe Inc	Liberty Mutual Insurance Co	536.0	65.6%	0.7%	1.7%	-6.8%	Insurance and Investment & Commodity Firms	Cash	
05/00/01	Beloji USA Inc	Beloji SA	160.3	67.4%	21.8%	17.3%	11.3%	Electronic and Electrical Equipment	Cash	
05/23/01	Unigraphics Solutions Inc	Electronic Data Systems Corp	208.5	79.5%	52.8%	68.8%	80.8%	Measuring, Medical, Photo Equipment: Clocks	Cash	
05/14/01	Agency.com Ltd	Sensica Investments LLC	53.8	59.6%	63.4%	45.0%	161.7%	Prepackaged Software	Cash	
03/26/01	CSFBdirect	CSFB	110.4	82.0%	102.0%	102.0%	79.9%	Business Services	Cash	
12/28/00	Berlitz Int'l Inc/Berlitz Corp	Berlitz Corp	110.2	54.4%	106.3%	103.1%	112.9%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
12/14/00	NFC International Inc	O Gene Bicknell	80.6	60.5%	135.1%	135.1%	32.0%	Educational Services	Cash	
09/21/00	Azurix Corp/Enron Corp	Enron Corp	330.1	64.9%	6.8%	6.8%	32.0%	Retail Trade-Eating and Drinking Places	Cash	
08/14/00	BHC Communications Inc	Ford Motor Co	734.0	81.0%	46.4%	42.7%	12.0%	Electric, Gas, and Water Distribution	Cash	
04/24/00	Cherry Corp	News Corp Ltd	887.7	76.1%	13.4%	13.4%	10.0%	Repair Services	Cash	
03/27/00	Hartford Life(TT Hartford)	Investor Group	130.5	51.0%	103.1%	109.1%	70.3%	Radio and Television Broadcasting Stations	Cash	
03/23/00	Homestead Village Inc	Hartford Fin Svcs Group Inc	1,324.6	80.4%	18.7%	40.3%	48.3%	Insurance	Cash	
03/21/00	Travelers Property Casualty	Security Capital Group Inc	156.8	72.3%	49.1%	56.2%	66.8%	Insurance	Cash	
03/17/00	Vastar Resources Inc	Cligroup Inc	2,449.3	85.0%	24.5%	39.5%	35.0%	Hotels and Casinos	Cash	
03/17/00	Howmet International Inc	BP Amoco PLC	1,275.7	80.1%	16.2%	35.0%	69.4%	Insurance	Cash	
01/31/00	Thermo BioAnalysis(Thermo)	Alcali Inc	346.3	81.1%	13.5%	12.8%	14.3%	Oil and Gas: Petroleum Refining	Cash	
01/21/00	ThermoQuest Corp	Thermo Instrument Systems Inc	167.9	70.1%	51.4%	55.6%	59.4%	Aerospace and Aircraft	Cash	
01/19/00	Thermo Optix Corp	Thermo Instrument Systems Inc	96.9	85.4%	36.0%	47.0%	81.9%	Measuring, Medical, Photo Equipment: Clocks	Cash	
01/19/00	Trigen Energy Corp	Thermo Instrument Systems Inc	51.8	90.0%	6.7%	-5.1%	41.2%	Measuring, Medical, Photo Equipment: Clocks	Cash	
01/19/00	Corning Corp	Elyo	150.2	53.0%	38.2%	42.4%	31.9%	Electric, Gas, and Water Distribution	Cash	
12/08/99	Robertson-Ceco Corp	Metroplan Life Insurance Co	74.3	56.8%	15.6%	38.9%	52.1%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
12/01/99	PEC Israel Economic Corp	Base Cascade Corp	57.0	69.2%	46.0%	43.8%	60.0%	Metal and Metal Products	Cash	
11/05/99	Student Loan Corporation	Discount Investment Corp Ltd	320.3	80.5%	43.5%	55.3%	60.0%	Wholesale Trade-Nondurable Goods	Cash	
10/21/99	Thermoolec Corp	Cligroup Inc	186.0	80.0%	11.5%	11.6%	0.8%	Investment & Commodity Firms, Dealers, Exchanges	Cash	
10/20/99		Thermo Electron Corp	55.4%	55.4%	27.3%	33.3%	34.9%	Machinery	Cash	

Source: SDC Financial.

(1) Indicates pending transaction.



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Selected Acquisitions of Minority Interests

Precedent Minority Buy-Out Transactions – 100% Cash (cont'd)

(Dollar in millions)

Announce Date	Target Name	Acquirer Name	Transaction Value	% Held Prior	Target Stock Premium				Target Industry	Consideration
					1 Day	1 Week	4 Weeks	Prior		
06/03/90	Genetech Inc	Roche Hldg AG	\$4,313.5	56.9%	270.3%	281.1%	270.3%	270.3%	Drugs	Cash
05/07/90	J Ray McDermott SA	McDermott International Inc	514.5	63.0%	13.1%	19.3%	19.3%	19.3%	Construction Firms	Cash
04/12/90	Meadwestcoast Inc	Investor Group	53.2	73.0%	84.8%	63.3%	63.3%	63.3%	Wood Products, Furniture, and Furnishings	Cash
04/01/90	Acas Alliance Inc	Wentz SA	117.1	77.8%	29.9%	19.7%	19.7%	101.7%	Business Services	Cash
03/24/90	Kred Inc (Wetlung, Pilsen)	Wetlung Pilsen Ventures Inc	460.8	59.3%	83.8%	51.3%	46.4%	46.4%	Wood Products, Furniture, and Furnishings	Cash
03/21/90	Spelling Entertainment Group	Viacom Inc	191.6	80.9%	8.3%	43.3%	43.3%	54.5%	Motion Picture Production and Distribution	Cash
03/21/90	Chicago Comprehensives Inc (Co)	Almco Financial Corp	212.4	81.8%	20.6%	17.3%	20.6%	20.6%	Insurance	Cash
10/22/88	BA Merchant Svc (BankAmerica)	Bank of America National Trust	292.4	65.4%	67.2%	56.3%	56.3%	42.1%	Business Services	Cash
10/18/88	BPC Holdings Inc	United SA	115.9	51.0%	100.6%	112.5%	112.5%	15.2%	Insurance and Software	Cash
09/23/88	USL Specialty Steel Inc	Investor Group	125.0	81.4%	60.0%	65.7%	65.7%	37.8%	Metal and Metal Products	Cash
09/09/88	REC Invest Economic Corp	Dow AgroSciences LLC	970.3	60.3%	41.8%	40.7%	40.7%	60.4%	Insurance & Commodity Firms, Dealers, Exchanges	Cash
04/30/88	Melroe Corp (Dow AgroSciences)	Investor Group	462.3	57.3%	4.6%	14.3%	14.3%	17.9%	Agriculture, Forestry, and Fishing	Cash
03/17/88	BET Holdings Inc	Westcoast Corp	63.0	69.7%	-11.1%	15.1%	15.1%	23.1%	Radio and Television Broadcasting Stations	Cash
03/05/88	XCO Steel Solutions Inc	Kennecott KNP BT NV	138.1	70.3%	32.8%	78.3%	78.3%	78.0%	Business Services	Cash
01/28/88	Rayovac Timberridge LP	Rayovac Inc	65.8	74.7%	11.2%	25.3%	25.3%	17.5%	Wholesale Trade	Cash
06/28/87	Whitcomb Paper Inc	Whitcomb Paper SA	4,893.8	63.1%	22.1%	22.2%	22.2%	30.3%	Agriculture, Forestry, and Fishing	Cash
06/20/87	Whitcomb Timberridge Inc	Whitcomb Paper SA	66.4%	66.4%	26.8%	26.8%	26.8%	30.7%	Wholesale Trade	Cash
05/23/87	Faulding Inc (FH Faulding & Co)	FH Faulding & Co Ltd	77.3	60.0%	25.6%	25.6%	25.6%	45.8%	Drugs	Cash
05/22/87	Acordia Inc	Associated Insurance Co	103.2	60.0%	13.7%	14.5%	14.5%	26.0%	Insurance	Cash
01/28/87	Chesapeake Steel Co	Truax Industries Inc	72.5	81.3%	20.4%	25.3%	25.3%	34.1%	Metal and Metal Products	Cash
01/28/87	Zeigler Inc (Moraine Co)	Moraine Co	242.8	64.3%	62.4%	66.0%	66.0%	61.0%	Agriculture, Forestry, and Fishing	Cash
01/28/87	Zurich Reinsurance Centre	Zurich Reinsurance GmbH	319.0	65.0%	97.1%	19.1%	19.1%	11.8%	Insurance	Cash
11/27/86	General Tractor Farm & Country	AM Dallas Equity Partners LP	58.7	81.3%	17.5%	17.5%	17.5%	18.8%	Miscellaneous Retail Trade	Cash
10/10/86	NCI Steel Inc (Pence Group Inc)	Pence Group Inc	56.5	59.5%	17.3%	29.0%	29.0%	73.8%	Metal and Metal Products	Cash
09/18/86	Greiner Realty Trust Inc	Highwood Properties Inc	29.1	71.8%	9.2%	8.3%	8.3%	1.3%	Real Estate	Cash
08/18/86	Pico-Flader Inc	Chemical Corp	33.8	54.9%	12.5%	12.3%	12.3%	11.2%	Repair Services	Cash
07/03/86	Golden Poultry Co Inc	Gold Kist Inc	32.1	75.3%	52.0%	50.0%	50.0%	38.0%	Food and Kindred Products	Cash
05/27/86	Systemax Inc (Santex AG)	Santex AG	107.8	47.7%	67.8%	69.3%	69.3%	59.2%	Drugs	Cash
03/28/86	Great American Mgmt & Trst Inc	Equity Holdings Ltd	63.3	84.3%	2.8%	4.2%	4.2%	3.8%	Insurance & Commodity Firms, Dealers, Exchanges	Cash
				<b>Mean:</b>	<b>69.6%</b>	<b>37.9%</b>	<b>37.9%</b>	<b>42.2%</b>		
				<b>Median:</b>	<b>69.7%</b>	<b>28.6%</b>	<b>28.6%</b>	<b>33.3%</b>		
				<b>75th Percentile:</b>	<b>80.1%</b>	<b>48.3%</b>	<b>48.6%</b>	<b>53.2%</b>		
				<b>25th Percentile:</b>	<b>60.6%</b>	<b>11.7%</b>	<b>13.6%</b>	<b>17.0%</b>		

Source: SDC Financial.  
Note: Pending transactions not included in mean, median and percentile calculations.

*Draft*

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**Appendix B. Real Estate**

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Overview of Real Estate Portfolio

(Dollars in thousands)

Property	Description	GAAP Book Value	Date of Last Appraisal	Appraisal Value	Estimated Current Value
Sailfish Marina - Palm Beach Shores, FL	Marina, Hotel and Restaurant	\$30,815	7/1/2005	\$65,800 <sup>(1)</sup>	\$40,000 <sup>(2)</sup>
Mountain View Grand - Whitefield, NH (55% owned)	Resort Hotel	12,204	9/1/2005	17,000	12,171 <sup>(2)</sup>
Bay Bridge Marina - Chesapeake Bay, MD (55% owned)	Marina	17,242	7/31/2005	29,200	18,980 <sup>(2)</sup>
Skipjak Marina - Georgetown, MD	18 Plus Acre Yachting Resort	6,474	2/28/2006	13,900	13,900
Undeveloped Land - Mount Dora, FL	4.3 Acres of Vacant Waterfront Land Near Orlando, FL	1,425	1/30/2006	3,350	3,350
Kings Island - Mason, OH	6.1 Acres	0	10/19/2004	2,500	3,233
Chatham Dormitories - Cape Cod, MA	152 Room Oceanfront Resort	458	NA	NA	450
Charleston Harbor Resort - Charleston, SC (50% owned)	131 Rooms, 6 Cottages and Vacant Land Parcels	6,291	6/28/2005	20,625	10,312 <sup>(2)</sup>
Charleston Marina - Charleston, SC (50% owned)	Marina	2,511	6/28/2005	12,500	6,250 <sup>(2)</sup>
Chatham Enterprises - Cape Cod, MA	Vacant Building on 0.75 Acres	541	NA	NA	1,000
Total		\$77,971		\$165,875	\$109,645

Source: GAFRI Management

- (1) Appraised value was prior to receipt of \$15 million payment from Palm Beach County in exchange for restrictions on development rights and guaranty of public access.
- (2) Net of estimated profit sharing payments to be due upon sale of property.
- (3) Reflects value of GAFRI's proportionate ownership share only.

**POWER OF ATTORNEY**

The undersigned hereby constitutes and appoints James C. Kennedy and Karl J. Grafe, and each of them, as the undersigned's true and lawful attorneys-in-fact and agents, with full power to act without the other, with full power of substitution and resubstitution, for the undersigned and in undersigned's name, place, and stead, to do any and all acts and things and to execute any and all instruments which such attorneys-in-fact and agents may deem necessary or advisable to enable each of the undersigned to comply with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any rules, regulations and requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the filing by American Financial Group, Inc., an Ohio corporation ("AFG"), Great American Financial Resources, Inc., a Delaware corporation ("GAFRI"), GAFRI Acquisition Corp., a Delaware corporation ("GAC"), Carl H. Lindner, Carl H. Lindner III, S. Craig Lindner, William R. Martin and Kenneth C. Ambrecht (all of the foregoing are referred to as the "Filing Persons") under the Exchange Act of a Schedule 13E-3 Transaction Statement, and any or all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith relating to that ) Agreement and Plan of Merger, dated as of May 17, 2007, by and among GAFRI, AFG and GAC, with the Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Exchange Act, as amended, this Power of Attorney has been signed by the following person on the date indicated:

**Date:** August 7, 2007

**By:** /s/ Kenneth C. Ambrecht  
Kenneth C. Ambrecht



**POWER OF ATTORNEY**

The undersigned hereby constitutes and appoints James C. Kennedy and Karl J. Grafe, and each of them, as the undersigned's true and lawful attorneys-in-fact and agents, with full power to act without the other, with full power of substitution and resubstitution, for the undersigned and in undersigned's name, place, and stead, to do any and all acts and things and to execute any and all instruments which such attorneys-in-fact and agents may deem necessary or advisable to enable each of the undersigned to comply with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any rules, regulations and requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the filing by American Financial Group, Inc., an Ohio corporation ("AFG"), Great American Financial Resources, Inc., a Delaware corporation ("GAFRI"), GAFRI Acquisition Corp., a Delaware corporation ("GAC"), Carl H. Lindner, Carl H. Lindner III, S. Craig Lindner, William R. Martin and Kenneth C. Ambrecht (all of the foregoing are referred to as the "Filing Persons") under the Exchange Act of a Schedule 13E-3 Transaction Statement, and any or all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith relating to that ) Agreement and Plan of Merger, dated as of May 17, 2007, by and among GAFRI, AFG and GAC, with the Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Exchange Act, as amended, this Power of Attorney has been signed by the following person on the date indicated:

**Date:** August 7, 2007

**By:** /s/ William R. Martin  
William R. Martin