

Cincinnati Financial Corporation 5 Percent Stock Dividend

At its January 31 meeting, your company's board of directors declared a 5 percent stock dividend to be paid June 15 on shares outstanding and of record on April 30.

On Wednesday, April 28—the Nasdaq-specified ex-dividend date—our common stock price and all historic stock price data were adjusted by 5 percent to reflect the upcoming stock dividend. If you purchase shares between now and June 15, you will pay the lower split-adjusted price, but you will not receive the dividend shares.

For our shareholders, the change in the stock price on the ex-dividend date may require some clarification. Until the June 15 payable date for the stock dividend, all stock ownership records will show the share price adjusted 5 percent but will not yet report the additional shares to be issued June 15. **Please keep this in mind if you review reports on your holdings between now and June 15. There may be a temporary understatement of your investment's value.**

	Shares*	Price**	Value	
Before ex-dividend date	100	\$40.00	\$4,000	
Between ex-dividend date and payable date	100	\$38.10	\$3,810	Between the ex-dividend and pay dates, a shareholder owns 5 percent more shares but the new shares are not yet represented by stock certificates or an entry in your broker account.
	5	38.10	190	
After pay date	105	\$38.10	\$4,000	

* Presumes shares held prior to April 30 are not sold prior to June 15.

** \$40 stock price chosen for illustration only and is not intended to represent the actual or anticipated price of CINF shares on any specific date.

How the June 15 Stock Dividend Distribution May Affect You

On June 15, 2004, Cincinnati Financial Corporation will distribute a 5 percent stock dividend based on the number of shares held on the record date of April 30. All shareholders, whether you hold shares in your name or in a brokerage account, will receive additional shares equal to 5 percent of your holdings. To calculate the number of shares you will hold after the dividend, multiply by 1.05 the number of shares you purchased before April 28 (ex-dividend date).

Here is how you will receive your stock dividend distribution:

- If you hold certificates for your CFC shares, you will receive a new certificate for your stock dividend shares and a check for the cash value of any fractional shares, based on the pre-dividend closing price of \$43.57 on April 27.
- If a broker holds your CFC shares, your broker account will be credited with whole and fractional shares.
- If you hold CFC shares within your 401(k) retirement savings plan, the stock units you purchased before April 28 will increase by 5 percent. Your account will accommodate any fractional shares due to you. The dividend does not affect your regular plan contribution.
- If you hold CFC shares within a dividend reinvestment plan, the stock units you hold in your account will increase by 5 percent, and your account will accommodate holdings of fractional shares.

April 30, 2004