

Selected Financial Data

| | | | Pro Forma ^(a) | | |
|--|------------|------------|--------------------------|------------|------------|
| (in millions, except per share data) | 2004 | 2003 | 2002 | 2001 | 2000 |
| Earnings Statement Data: | | | | | |
| Gross written premiums ^(b) | \$ 956.6 | \$ 979.4 | \$ 1,067.4 | \$ 1,127.6 | \$ 1,210.8 |
| Net written premiums | 917.8 | 817.6 | 687.3 | 902.9 | 1,207.0 |
| Net earned premiums | \$ 872.3 | \$ 698.7 | \$ 753.1 | \$ 1,066.3 | \$ 1,172.2 |
| Total revenue | 951.8 | 769.0 | 817.2 | 1,145.4 | 1,245.2 |
| Net income | 96.4 | 58.2 | 39.9 | 0.6 | (51.9) |
| Realized (gains) losses, after-tax | (9.2) | (0.6) | 4.4 | 3.8 | 3.5 |
| Operating income | \$ 87.2 | \$ 57.6 | \$ 44.3 | \$ 4.4 | \$ (48.4) |
| Per share—diluted | | | | | |
| Net earnings | \$ 4.62 | \$ 2.83 | \$ 1.96 | \$ 0.03 | \$ (2.55) |
| Operating earnings | \$ 4.18 | \$ 2.79 | \$ 2.18 | \$ 0.22 | \$ (2.38) |
| Cash dividends declared per common share | \$ 0.22 | \$ 0.165 | — | — | — |
| Combined ratio | 89.1% | 92.5% | 96.1% | 104.9% | 109.0% |
| Balance Sheet Data: | | | | | |
| Total assets | \$ 1,944.9 | \$ 1,902.7 | \$ 1,729.7 | \$ 1,960.9 | \$ 1,961.2 |
| Long-term debt | \$ 199.3 | \$ 195.5 | \$ 55.0 | \$ 55.0 | \$ 55.0 |
| Total shareholders' equity | 547.4 | 455.4 | 386.8 | 507.8 | 559.2 |
| Book value per share | \$ 26.60 | \$ 22.38 | \$ 19.01 | \$ 24.95 | \$ 27.48 |
| Return on equity (ex FAS 115, based on operating earnings) | 18.6% | 14.7% | 10.2% | 0.8% | (9.0%) |
| Average basic shares outstanding | 20.6 | 20.3 | 20.3 | 20.3 | 20.3 |
| Average diluted shares outstanding | 20.9 | 20.6 | 20.3 | 20.3 | 20.3 |
| Period-end shares outstanding | 20.6 | 20.5 | 20.3 | 20.3 | 20.3 |

(a) The pro forma results for years 2002 and prior combine the separate income statements and balance sheets for Infinity's nonstandard auto subsidiaries ("NSA Group") and the personal insurance business assumed by Infinity as part of the initial public offering completed in February 2003. Pro forma adjustments have been made for the following items:

- investment income on the \$125.3 million portfolio transferred with the Assumed Agency Business at its market yield of 4.4%;
- interest expense on the \$55 million note issued in December 2002;
- income tax effects on applicable items; and
- pro forma shares outstanding represent shares outstanding as of the date of the initial public offering.

(b) Shown gross of all reinsurance for both the NSA and Assumed Agency Business. The 2003 amount excludes \$48 million of unearned premium transferred with the Assumed Agency Business on January 1, 2003.

Infinity Property and Casualty Corporation and Subsidiaries

Forward-Looking Statements

This report contains certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements in this report not dealing with historical results are forward-looking and are based on estimates, assumptions, and projections. Statements which include the words "believes," "expects," "may," "should," "intends," "plans," "anticipates," "estimates," or the negative version of those words and similar statements of a future or forward-looking nature identify forward-looking statements. Examples of such forward-looking statements include statements relating to: expectations concerning market conditions, premiums, growth, earnings, investment activities, expected losses, rate changes and loss experience.

Actual results could differ materially from those expected by Infinity depending on certain risks and uncertainties including but not limited to: changes in economic conditions and financial markets (including interest rates), the adequacy or accuracy of Infinity's pricing methodologies, the actions of competitors, the time to receive approval for the rollout of new programs and requested rate changes, judicial and regulatory developments affecting the automobile insurance industry, the outcome of pending litigation against Infinity, weather conditions (including the severity and frequency of storms, hurricanes, snowfalls, hail, and winter conditions and changes in driving patterns and loss trends. Infinity undertakes no obligation to publicly update or revise any of the forward-looking statements.