

FAIRFAX FINANCIAL HOLDINGS

News Releases

Stock Symbol: FFH

TORONTO, August 4, 1998

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 1998

	\$000s			
	<u>Second Quarter</u>		<u>Year to Date</u>	
	<u>Latest</u>	<u>Year Ago</u>	<u>Latest</u>	<u>Year Ago</u>
Total revenue	648,323	545,203	1,285,430	1,030,132
Net earnings	58,054	62,906	110,888	94,819
Net earnings per share	\$4.79	\$6.01	\$9.54	\$9.06

Net earnings for the quarter decreased 8% to \$58.1 million from \$62.9 million last year. Net earnings per share for the quarter decreased to \$4.79 per share this year from \$6.01 per share last year based on higher weighted average shares outstanding.

The lower earnings in the second quarter were mainly due to lower realized gains and greater pricing competition.

During the first quarter, Fairfax announced agreements to purchase Crum & Forster Holdings Inc. and two Skandia subsidiaries. These acquisitions are expected to close during the third quarter, and the earnings from these companies to be acquired are therefore not included in the 1998 second quarter earnings of Fairfax.

There were 11.6 million weighted average shares outstanding for the first six months of 1998 compared to 10.5 million in 1997.

Fairfax Financial Holdings Limited is a financial services holding company which, through its subsidiaries, is engaged in property, casualty and life insurance and reinsurance, investment management and insurance claims management.

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