

FAIRFAX News Release

Stock Symbol: *FFH*

TORONTO, February 03, 1999

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 1998 \$000s

	<u>Fourth Quarter</u>		<u>Year</u>	
	<u>Latest</u>	<u>Year Ago</u>	<u>Latest</u>	<u>Year Ago</u>
Total revenue	1,132,649	510,810	3,575,871	2,088,307
Net earnings	167,950	66,700	387,535	232,498
Net earnings per share	\$14.01	\$6.02	\$32.63	\$21.59

Net earnings for the year increased 67% to \$387.5 million from \$232.5 million last year. Net earnings per share increased 51% to \$32.63 for the year compared to \$21.59 last year based on higher weighted average shares outstanding.

The increased earnings for the year were mainly due to significantly higher investment income including gains offset by higher underwriting losses.

During the fourth quarter, Fairfax announced an agreement to acquire TIG Holdings Inc. This transaction, which is subject to various conditions, is contemplated to close in the spring of 1999. On December 22, 1998 Fairfax completed the private placement of 2,000,000 subscription receipts at a price of \$500 per receipt raising net proceeds of \$959.7 million.

There were 11.9 million weighted average shares outstanding during 1998 compared to 10.8 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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