

FAIRFAX News Release

Stock Symbol: *FFH*

TORONTO, February 04, 2000

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 1999

	\$000s			
	<u>Fourth Quarter</u>		<u>Year</u>	
	<u>Latest</u>	<u>Year Ago</u>	<u>Latest</u>	<u>Year Ago</u>
Total revenue	1,684,809	1,131,095	5,779,821	3,574,317
Net earnings (loss)	(30,090)	167,950	124,208	387,535
Net earnings (loss) per share	(\$2.44)	\$14.01	\$9.20	\$32.63

Net earnings for the year decreased 68% to \$124.2 million from \$387.5 million last year. The major reasons for the decrease were unusually high international catastrophe losses (\$190.1 million), substantially lower realized gains (by \$319.1 million) and extremely competitive insurance markets. There were 13.3 million weighted average shares outstanding during 1999 compared to 11.9 million in 1998. The combined ratio for 1999 was 114.6% compared with 113.0% for 1998. Excluding catastrophes, the combined ratio for 1999 was 110.1% compared with 110.9% for 1998.

In the fourth quarter of 1999, Fairfax had a net loss of \$30.1 million compared with net earnings of \$168.0 million in the fourth quarter of 1998. The major reasons for the loss in the fourth quarter of 1999 were catastrophe (including European storms) losses of \$116.3 million and realized investment losses of \$17.8 million, which arose mainly from the amortization of S&P puts. The carrying value of the remaining S&P puts, which mature over the next two years, amounted to \$60.6 million. The combined ratio for the fourth quarter of 1999 was 123.0% compared with 119.6% for the fourth quarter of 1998. Excluding catastrophes, the combined ratio for the fourth quarter of 1999 was 113.1% compared with 115.9% for the fourth quarter of 1998.

Fairfax ended the year with cash and marketable securities at the holding company level of \$712.7 million compared with \$305.4 million at December 31, 1998. The company ended the year with a book value of \$231.75 per share compared with \$184.54 per share at December 31, 1998.

During the year, the company repurchased 706,103 of its subordinate voting shares for \$206.8 million (including 184,100 shares for \$45.5 million in the fourth quarter) under its normal course issuer bid. That bid permits Fairfax to repurchase up to a further 517,636 shares.

Fairfax's 1999 Annual Report is scheduled to be mailed to shareholders, and posted on the Internet at www.Fairfax.ca, on Monday, March 6, 2000.

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.

For further information contact: John C. Varnell, Vice President at (416) 367-4941