

FAIRFAX *News Release*

Stock Symbol: *FFH*

TORONTO, February 9, 2001

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2000

(\$000)

	<u>Fourth Quarter</u>		<u>Year</u>	
	<u>Latest</u>	<u>Year Ago</u>	<u>Latest</u>	<u>Year Ago</u>
Total revenue	1,819,735	1,684,809	6,188,523	5,788,454
Net earnings (loss)	40,057	(30,090)	137,441	124,208
Net earnings (loss) per share	\$2.81	(\$2.44)	\$9.41	\$9.20

Net earnings for the year increased 11% to \$137.4 million from \$124.2 million last year. The increase was in spite of 1999 reserves strengthening in 2000 of \$189.5 million, Kingsmead operating losses and loss on the sale of Kingsmead of \$33.0 million and restructuring costs of \$30.2 million, which were offset by realized gains which were higher by \$243.2 million and by a shortening of the amortization period of negative goodwill in the fourth quarter resulting in a \$79.4 million increase in earnings. The 1999 reserves strengthening in 2000 was primarily due to the soft insurance market conditions in the U.S. in 1999. Pricing in the U.S. insurance market continued to strengthen in the fourth quarter of 2000 with Fairfax's U.S. insurance companies realizing renewal price increases in excess of 12%. The company continues to be protected against adverse development on 1998 and prior years by vendor indemnities and by its corporate insurance cover with Swiss Re.

The combined ratio for 2000 was 116.6% compared with 114.6% for 1999. Excluding 1999 reserves strengthening in 2000, the combined ratio for 2000 was 112.6%.

Fairfax ended the year with cash and marketable securities at the holding company level of \$545.4 million compared with \$712.7 million at December 31, 1999. The company ended the year with a book value of \$242.75 per share compared with \$231.75 per share at December 31, 1999.

There were 13.2 million weighted average shares outstanding during 2000 compared to 13.3 million in 1999. During the year, the company repurchased 325,309 of its subordinate voting shares for \$59.7 million under its normal course issuer bid.

Fairfax's 2000 Annual Report is scheduled to be mailed to shareholders, and posted on the Internet at www.Fairfax.ca, on Friday, March 9, 2001.

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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