

# FAIRFAX *News Release*

*Stock Symbol: FFH*

**TORONTO, May 10, 2002**

## **FIRST QUARTER FINANCIAL RESULTS**

Fairfax's insurance and reinsurance operations showed significant improvement in the first quarter of 2002. Net premiums written increased 13.2% over the previous year (35.2% excluding TIG, which exited from a significant amount of its program business written through MGAs), to \$1,577.8 million from \$1,393.9 million in 2001, while combined ratios improved as follows:

	<u>2002</u>	<u>2001</u>
Insurance - Canada	99.4%	111.3%
- U.S.	106.9%	111.9%
Reinsurance	<u>98.8%</u>	<u>103.2%</u>
Consolidated	<u>103.2%</u>	<u>109.5%</u>

Earnings before income taxes and non-controlling interests increased 257% to \$29.0 million in the first quarter of 2002 from \$11.3 million last year, notwithstanding a decrease in interest, dividends and realized gains to \$176.4 million in 2002 from \$230.8 million last year and a \$9.9 million expense in 2002 for Lindsey Morden's settlement of two outstanding legal claims. Net earnings declined to \$11.3 million in the first quarter of 2002 from \$30.9 million in 2001, as a result of there being \$7.1 million of income tax expense in 2002 as compared to \$25.5 million of income tax recovery in 2001, and a \$6.6 million deduction in respect of the OdysseyRe non-controlling interest in 2002 as against no such deduction in 2001 when OdysseyRe was wholly-owned.

Following is a summary of the first quarter financial results:

### THREE MONTHS ENDED MARCH 31 *(\$ millions except per share amounts)*

	<u>2002</u>	<u>2001</u>
Total revenue	1,742.2	1,528.3
Earnings before income taxes and non-controlling interests	29.0	11.3
Net earnings	11.3	30.9
Net earnings per share	\$0.46	\$2.11

Fairfax's detailed first quarter report can be accessed at its internet location [www.fairfax.ca](http://www.fairfax.ca)

There were 14.3 million weighted average shares outstanding in the first quarter of 2002 compared to 13.1 million in 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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