

FAIRFAX *News Release*

Stock Symbol: FFH.SV (TSX); FFH (NYSE)

TORONTO, January 11, 2005

EUROPEAN RUNOFF PURCHASE

Fairfax Financial Holdings Limited (TSX:FFH.SV) (NYSE:FFH) announced today that its French subsidiary, Compagnie Transcontinentale de Réassurance Holding (CTRH), purchased Compagnie de Réassurance d'Ile-de-France (Corifrance), a French reinsurance subsidiary of Markel Corporation which was placed into runoff in November, 2004, and its French holding company Terra Nova SAS (TN SAS).

Corifrance and TN SAS had consolidated total assets of €137 million, on a pro forma US GAAP basis as at September 30, 2004. Before being placed into runoff by Markel, Corifrance wrote a small diversified mix of reinsurance business on a worldwide basis, including property, aviation, marine and credit. Corifrance had net written premiums, on a pro forma US GAAP basis, of €21 million in 2003.

The purchase price was €44 million, which was determined on the basis of a discount to book value. As part of the consideration for the purchase, CTRH received a reserve indemnity capped at the purchase price. As at September 30, 2004, Corifrance had gross claims reserves of €38 million.

Payment is scheduled to occur upon the earlier of the dissolution and merger of Corifrance into an affiliate of CTRH or April 7, 2005. Subject to regulatory approvals, Fairfax intends to merge Corifrance into its European runoff subsidiary, Riverstone Insurance UK.

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

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