

FAIRFAX *News Release*

Stock Symbol: FFH (TSX and NYSE)

TORONTO, August 31, 2004

FAIRFAX COMMENTS REGARDING RELATIONSHIP WITH RATING AGENCIES

Fairfax Financial Holdings Limited confirms that it maintains relationships with four major ratings agencies, in the course of which it meets with those agencies and provides them all information necessary or requested by them in order to permit them to perform their ratings functions. The information given by a company to ratings agencies necessarily involves a level of detail beyond its public disclosures which provide all material disclosure relating to the company's results and financial state.

As previously disclosed, Fairfax does not maintain a relationship with Fitch Ratings. Fairfax has not met with Fitch or provided information to Fitch since the spring of 2003 and since that time has requested Fitch to withdraw its ratings on Fairfax.

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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