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FAIRFAX AFRICA PRICES INITIAL PUBLIC OFFERING IN CONNECTION WITH US\$500 MILLION CAPITAL RAISE

Fairfax Financial Holdings Limited (TSX: FFH and FFH.U) (“**Fairfax Financial**”) and Fairfax Africa Holdings Corporation (“**Fairfax Africa**” or the “**Company**”) announce today the pricing of the Company’s previously announced initial public offering (the “**Offering**”) of subordinate voting shares (“**Subordinate Voting Shares**”). The Company has entered into an underwriting agreement for the offering of 5,622,000 Subordinate Voting Shares at a price of US\$10.00 per share, for total gross proceeds of approximately US\$56,220,000. In addition to the public offering of Subordinate Voting Shares, the Company will issue to Fairfax Financial directly or to one or more of its subsidiaries 30,000,000 multiple voting shares. Further, cornerstone investors have committed to subscribe for, on a private placement basis, approximately US\$144 million of Subordinate Voting Shares. As a result, the aggregate equity commitment from the Offering, cornerstone investors, and Fairfax Financial, is approximately US\$500 million.

“We are humbled to have received US\$500 million of commitments and to close the books on the Fairfax Africa offering. I want to personally thank each and every one of the many people who worked tirelessly to get Fairfax Africa launched and also to thank all of the shareholders who have supported this new venture.” said Prem Watsa, Chairman of Fairfax Africa and Chairman and CEO of Fairfax Financial. “We aim to build value for Fairfax Africa shareholders over the longterm.”

The Company will file a final prospectus in each of the provinces and territories of Canada in connection with the Offering. The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Subordinate Voting Shares under the symbol “FAH.U”. Listing on the TSX, which is expected to occur upon closing of the Offering (the “**Closing**”), is subject to the Company fulfilling all of the requirements of the TSX. The Offering along with the other commitments are expected to close on or about February 17, 2017. The Offering is subject to customary closing conditions, including obtaining receipts from applicable securities regulatory authorities for the final prospectus.

Fairfax Africa is an investment holding company. Its investment objective is to achieve long-term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments of African businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa (“**African Investments**”). Generally, subject to compliance with applicable law, African Investments will be made with a view of acquiring control or significant influence positions.

Fairfax Financial has taken the initiative to create the Company. Fairfax Financial is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and investment management.

RBC Capital Markets is acting as Global Coordinator for the Offering in Canada and the United States. RBC Capital Markets, Citigroup and UBS are acting as Joint Global Coordinators and bookrunners for the Offering in EMEA and elsewhere outside of Canada and the United States. RBC Capital Markets, Citigroup, UBS, BMO Capital Markets, CIBC Capital Markets, National Bank Financial Inc., Scotiabank and TD Securities Inc. are acting as joint bookrunners for the Offering in North America, with Canaccord Genuity Corp., Cormark Securities Inc., Desjardins Capital Markets, GMP Securities L.P., Raymond James Ltd., Dundee Capital Partners and Manulife Securities Incorporated acting as co-managers.

The Company granted the underwriters a 30-day option to purchase up to an additional 15% of the aggregate number of Subordinate Voting Shares issued under the Offering to cover over-allocations, if any, and for market stabilization purposes.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or acceptance of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the time a receipt for the final prospectus or other authorization is obtained from the securities commission or similar authority in such jurisdiction. This press release is not an offer of securities for sale in the United States, and the securities may not be offered or sold in the United States absent registration or an exemption from registration. The securities have not been and will not be registered under the United States Securities Act of 1933. A copy of the final prospectus will be available on SEDAR at www.sedar.com.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects Fairfax Financial's and the Company's current expectations regarding future events, including the expected closing date of the public offering. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Fairfax Financial's or the Company's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, failure to complete the Offering and related transactions, and the factors discussed under "Risk Factors" in the amended and restated preliminary prospectus of the Company dated January 17, 2017. Neither Fairfax Financial nor the Company undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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