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**FOR IMMEDIATE RELEASE**

**16 March 2015**

**Recommended Cash Offer**

**for Brit plc ("Brit")**

**by FFHL Group Ltd. ("FGL")**

**an entity wholly-owned by Fairfax Financial Holdings Limited ("Fairfax")**

**Publication of Offer Document**

On 17 February 2015, the boards of Fairfax and Brit announced the terms of a recommended cash offer through which the entire issued, and to be issued, ordinary share capital of Brit will be acquired by FGL, an entity wholly-owned by Fairfax (the "**Offer**").

Further to the announcement of the Offer, the boards of Fairfax and Brit are pleased to announce that the offer document containing the full terms of, and conditions to, the Offer and the procedures for acceptance (the "**Offer Document**") is being published and sent to Brit Shareholders today together with the Form of Acceptance.

The Offer will remain open until the later of (i) 15 April 2015 and (ii) 14 calendar days after becoming or being declared unconditional in all respects.

The procedure for acceptance of the Offer is set out in the Offer Document in Section C of Part 3 and in the Form of Acceptance.

The Offer Document together with those documents listed in paragraph 15 of Part 7 to the Offer Document will be available on Fairfax's website at [www.fairfax.ca/britoffer](http://www.fairfax.ca/britoffer) and on Brit's website at [www.britinsurance.com](http://www.britinsurance.com). For the avoidance of doubt, the content of such website is not incorporated into, and does not form part of, this announcement.

Defined terms used but not defined in this announcement have the meanings set out in the Offer Document.

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#### **1. Irrevocable undertakings**

By way of update to the position stated in the 17 February 2015 announcement relating to the Offer, Mark Cloutier's irrevocable undertaking has been updated to apply in respect of an additional 37 Brit Shares held by him at that date. His undertaking therefore applies in respect of 1,204,813 Brit Shares in total and the total number of Brit Shares in respect of which Fairfax has received irrevocable undertakings from Brit Shareholders is accordingly 294,953,274 Brit Shares.

#### **2. About Fairfax**

Fairfax Financial Holdings Limited is a holding company which, through its subsidiaries, is engaged in property

and casualty insurance and reinsurance and investment management. Fairfax was founded in 1985 by the present Chairman and Chief Executive Officer, Prem Watsa. Fairfax has been under present management since 1985 and is headquartered in Toronto, Canada. Its common shares are listed on the Toronto Stock Exchange under the symbol FFH and in U.S. dollars under the symbol FFH.U.

### **3. Further Information**

RBC Europe Limited (trading as RBC Capital Markets), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Fairfax and no one else in connection with the Offer and will not be responsible to anyone other than Fairfax for providing the protections afforded to clients of RBC Capital Markets nor for providing advice in relation to the Offer or any other matter referred to in this announcement.

J.P. Morgan Limited, which conducts its UK investment banking businesses as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised and regulated in the United Kingdom by the Financial Conduct Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for Brit and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Brit for providing the protections afforded to clients of J.P. Morgan Cazenove, nor for providing advice in relation to any matter referred to herein.

Numis Securities Limited ("Numis"), is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Numis is acting as financial adviser and broker exclusively for Brit and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Brit for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

Willis Capital Markets & Advisory Limited ("Willis Capital Markets") is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Willis Capital Markets is acting as financial adviser exclusively for Brit and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Brit for providing the protections afforded to clients of Willis Capital Markets, nor for providing advice in relation to any matter referred to herein.

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation, inducement or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of or exercise rights in respect of any securities, or the solicitation of any vote or approval of an offer to buy securities in any jurisdiction, pursuant to the Offer or otherwise. Any response in respect of the Offer should be made only on the basis of information contained in the Offer Document, which will contain the full terms and conditions of the Offer, including how the Offer may be accepted. Brit Shareholders are advised to read the formal documentation in relation to the Offer carefully once it has been despatched.

This announcement does not constitute a prospectus or prospectus-equivalent document.

This announcement has been prepared for the purpose of complying with English law, the Code and the Listing Rules of the Financial Conduct Authority and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

### **4. Overseas jurisdictions**

The release, publication or distribution of this announcement in, and the availability of the Offer to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore, any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable

requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.

In particular, copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Unless otherwise permitted by applicable law and regulation, the Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The receipt of cash pursuant to the Offer by Brit Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. Each Brit Shareholder is urged to consult their independent professional adviser regarding the tax consequences of accepting the Offer.

## 5. Notice to US investors

The Offer is being made for securities of a United Kingdom company and Brit Shareholders in the United States should be aware that this announcement, the Offer Document and any other documents relating to the Offer have been or will be prepared in accordance with the Code and UK disclosure requirements, format and style, all of which differ from those in the United States. Brit's financial statements, and all financial information that is included in this announcement or that may be included in the Offer Document, any other documents relating to the Offer, have been or will be prepared in accordance with International Financial Reporting Standards and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with the US generally accepted accounting principles.

The Offer will be made in the United States pursuant to applicable US tender offer rules and securities laws (or pursuant to exemptive relief therefrom granted by the United States Securities and Exchange Commission (the "SEC")) and otherwise in accordance with the requirements of English law, the Code, the Panel, the London Stock Exchange and the Financial Conduct Authority. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under United States domestic tender offer procedures and law.

Neither the SEC nor any US state securities commission has approved or disapproved the Offer or passed upon the adequacy or completeness of this Announcement or the Offer Document. It may be difficult for US holders of Brit securities to enforce their rights under and any claim arising out of the US federal securities laws, since Fairfax, FGL and Brit are located outside of the United States, and some or all of their officers and directors may be resident outside of the United States.

In accordance with, and to the extent permitted by, the Code, normal UK market practice and Rule 14e-5 under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), RBC Capital Markets and J.P. Morgan Cazenove and their affiliates may continue to act as exempt principal traders in Brit Shares on the London Stock Exchange and will engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law, including Rule 14e-5 under the Exchange Act. To the extent required to be disclosed in accordance with applicable regulatory requirements, information about any such purchases will be disclosed on a next day basis to the Panel and will be available from any Regulatory Information Service, including the Regulatory News Service on the London Stock Exchange website, *www.londonstockexchange.com*. To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will as applicable also be publicly disclosed in the United States.

## 6. Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## 7. Information relating to Brit Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Brit Shareholders, persons with information rights and other relevant persons for the receipt of communications from Brit may be provided to Fairfax during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c) of the Code.