

White Mountains Announces Block Trade of Common Shares of Montpelier Re Holdings, Ltd.

03-12-2004

HAMILTON, Bermuda, March 12 /PRNewswire-FirstCall/ -- White Mountains Insurance Group, Ltd. (NYSE: WTM) announced today that it and funds managed by Prospector Partners, LLC have sold approximately 4,785,540 common shares of Montpelier Re Holdings Ltd. (NYSE: MRH) in a block trade to Banc of America Securities LLC and Morgan Stanley & Co. Incorporated at a price of \$34.50 per share. White Mountains indicated that Banc of America Securities LLC and Morgan Stanley & Co. Incorporated have offered the shares to the public at a price of \$35.50 per share.

Notwithstanding the block trade, White Mountains' beneficial ownership of shares of Montpelier will only decline to 13,472,357.5, as White Mountains has also indicated it intends to purchase currently exercisable warrants to acquire 2,390,785.8 shares of Montpelier from an existing warrant holder on March 15, 2004. Montpelier did not sell any common shares in connection with this transaction and did not receive any proceeds.

White Mountains has indicated that this transaction is being made in connection with an internal restructuring of its business and that, together with additional steps White Mountains may take, a change in the treatment of its Montpelier investment under US generally accepted accounting principles may result. White Mountains has further indicated that, after giving effect to both the sale of the shares and the acquisition of the warrants, its fully converted ownership percentage of Montpelier common shares will be approximately 18.4%.

ADDITIONAL INFORMATION

White Mountains is a Bermuda-domiciled financial services holding company traded on the New York Stock Exchange and the Bermuda Stock Exchange under the symbol WTM. Additional financial information and other items of interest are available at the Company's web site located at www.whitemountains.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this release which address activities, events or developments which we expect or anticipate will or may occur in the future are forward-looking statements. The words "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, among others, statements with respect to White Mountains':

- * growth in book value per share or return on equity;
- * business strategy;
- * financial and operating targets or plans;
- * incurred losses and the adequacy of its loss and loss adjustment expense reserves;
- * projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts;
- * expansion and growth of its business and operations; and
- * future capital expenditures.

These statements are based on certain assumptions and analyses made by White Mountains in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform with its expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including:

- * claims arising from catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks;
- * the continued availability of capital and financing;
- * general economic, market or business conditions;
- * business opportunities (or lack thereof) that may be presented to it and pursued;
- * competitive forces, including the conduct of other insurers and reinsurers;
- * changes in domestic or foreign laws or regulations applicable to White Mountains, its competitors or its clients;
- * an economic downturn or other economic conditions adversely affecting its financial position;
- * loss reserves established subsequently proving to have been inadequate; and
- * other factors, most of which are beyond White Mountains' control.

Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by White Mountains will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, White Mountains or its business or operations. White Mountains assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

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03/12/2004

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