

Fairfax India Holdings Corporation

TSX Stock Symbol: *FIH.U*

News Release

TORONTO, November 1, 2018

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THIRD QUARTER FINANCIAL RESULTS

(Note: All dollar amounts in this news release are expressed in U.S. dollars except as otherwise noted. The financial results are prepared using the recognition and measurement requirements of International Financial Reporting Standards except as otherwise noted, and are unaudited.)

Fairfax India Holdings Corporation (TSX: FIH.U) announces net earnings of \$94.2 million in the third quarter of 2018 (\$0.61 net earnings per diluted share) compared to a net loss of \$53.2 million in the third quarter of 2017 (\$0.36 net loss per diluted share), reflecting increased net unrealized gains on investments.

Highlights in the third quarter of 2018 included the following:

- The third quarter of 2018 included a net change in unrealized gains on investments of \$136.2 million, principally from an increase in the fair values in the company's investments in the private companies Sanmar of \$225.0 million and Bangalore International Airport of \$72.4 million, and the company's investment in the Sanmar bonds of \$68.3 million, partially offset by a decrease in the market price of the company's investment in the public company IIFL that depreciated by \$211.9 million.
- On September 17, 2018 the company announced that it had entered into an agreement with Sanmar to which the \$299.0 million in bonds will be settled for consideration equal to, at the date of cancellation, the bonds' principal amount plus an effective annual interest rate of 13.0%. The company will invest \$194.3 million at current exchange rates (approximately 14.1 billion Indian rupees) of the net proceeds received from the settlement of the bonds into 171,710 newly issued common shares of Sanmar, increasing the company's equity interest to 42.9% from 30.0% at September 30, 2018. In the third quarter of 2018 as a result of favourable operational developments at Sanmar, the company recorded unrealized investment gains from its investments in the Sanmar common shares and bonds of \$225.0 million and \$68.3 million, respectively.
- At September 30, 2018 common shareholders' equity was \$2,014.4 million, or \$13.08 per share, compared to \$2,132.5 million, or \$14.46 per share, at December 31, 2017, a decrease of 9.5% primarily related to unrealized foreign currency translation losses as a result of the weakening of the Indian rupee relative to the U.S. dollar, partially offset by net earnings in the first nine months of 2018.

Subsequent to September 30, 2018:

- On October 19, 2018 the company invested \$60.2 million (approximately 4.4 billion Indian rupees) in securities of The Catholic Syrian Bank ("CSB"), comprised of 19.8 million common shares for \$9.5 million (approximately 0.7 billion Indian rupees), and warrants to purchase 66.5 million common shares for \$50.7 million (approximately 3.7 billion Indian rupees). The consideration paid at closing represented 25.0% and 40.0% of the consideration payable for the common shares and warrants respectively. The balance of the consideration payable to CSB of approximately \$104 million at the exchange rate at that date (approximately 7.7 billion Indian rupees) is payable within 18 months following the initial investment, payable in one or more tranches either upon request by CSB or at the option of Fairfax India. Following the payment of the remaining consideration, Fairfax India will have invested approximately \$165 million (approximately 12.1 billion Indian rupees) and will own a 51.0% equity interest in CSB on a fully diluted basis.

There were 154.6 million and 147.4 million weighted average shares outstanding during the third quarters of 2018 and 2017 respectively. At September 30, 2018 there were 124,062,896 subordinate voting shares and 30,000,000 multiple voting shares outstanding.

FAIRFAX INDIA HOLDINGS CORPORATION

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Fairfax India's detailed third quarter report can be accessed at its website www.fairfaxindia.ca.

Fairfax India is an investment holding company whose objective is to achieve long term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India.

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This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking statements may relate to the company's future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of the company. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of the company or the Indian market are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on the opinions and estimates of the company as of the date of this press release, and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors: taxation of the company and its subsidiaries; substantial loss of capital; long-term nature of investment; limited number of investments; geographic concentration of investments; potential lack of diversification; financial market fluctuations; pace of completing investments; control or significant influence position risk; minority investments; ranking of company investments and structural subordination; follow-on investments; prepayments of debt investments; risks upon dispositions of investments; bridge financings; reliance on key personnel; effect of fees; performance fee could induce Fairfax to make speculative investments; operating and financial risks of investments; allocation of personnel; potential conflicts of interest; employee misconduct at the portfolio advisor could harm the company; valuation methodologies involve subjective judgments; lawsuits; foreign currency fluctuation; derivative risks; unknown merits and risks of future investments; resources could be wasted in researching investment opportunities that are not ultimately completed; investments may be made in foreign private businesses where information is unreliable or unavailable; illiquidity of investments; competitive market for investment opportunities; use of leverage; investing in leveraged businesses; regulation; investment and repatriation restrictions; aggregation restrictions; restrictions relating to debt securities; pricing guidelines; emerging markets; corporate disclosure, governance and regulatory requirements; legal and regulatory risks; volatility of the Indian securities markets; political, economic, social and other factors; governance issues risk; Indian tax law; changes in law; exposure to permanent establishment; enforcement of rights; smaller company risk; due diligence and conduct of potential investment entities; Asian economic risk; reliance on trading partners risk; natural disaster risks; government debt risk; and economic risk. Additional risks and uncertainties are described in the company's annual information form dated March 9, 2018 which is available on SEDAR at www.sedar.com and on the company's website at www.fairfaxindia.ca. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the company. These factors and assumptions, however, should be considered carefully.

Although the company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The company does not undertake to update any forward-looking statements contained herein, except as required by applicable securities laws.