

Fairfax India Holdings Corporation

TSX Stock Symbol: *FIH.U*

News Release

TORONTO, October 31, 2019

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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 \$89.2 million in the third quarter of 2019 (\$0.58 net earnings per diluted share), compared to net earnings of \$94.2 million in the third quarter of 2018 (\$0.61 net earnings per diluted share), reflecting decreased net unrealized gains on investments, partially offset by decreased net foreign exchange losses.

Highlights in the third quarter of 2019 included the following:

- Net change in unrealized gains on investments of \$118.9 million, principally from an increase in the fair value of the company's investment in the private company Bangalore International Airport of \$188.1 million and an increase in the market price of the company's investment in the public company IIFL Wealth of \$22.7 million, partially offset by a decrease in the market price of the company's investments in the public companies IIFL Securities of \$53.5 million and IIFL Finance of \$17.2 million and a decrease in the fair value of the company's investment in the private company NCML of \$18.5 million.
- On September 11, 2019 the company invested an additional \$12.1 million (863.9 million Indian rupees) in Seven Islands. Upon the closing of this transaction the company had invested an aggregate of \$83.8 million (5,835.5 million Indian rupees) for a 48.5% equity interest in Seven Islands.
- On September 17, 2019 the company invested an additional \$14.0 million (1,002.7 million Indian rupees) in NCML to pre-fund an allotment of compulsorily convertible debentures, which were subsequently issued by NCML to the company on October 1, 2019.
- At September 30, 2019 common shareholders' equity was \$2,064.7 million, or book value per share of \$13.53, compared to \$2,117.9 million, or book value per share of \$13.86, at December 31, 2018, a decrease of 2.4%, primarily related to unrealized foreign currency translation losses as a result of the weakening of the Indian rupee relative to the U.S. dollar, and a net loss during the first nine months of 2019.

There were 152.6 million and 154.6 million weighted average common shares outstanding during the third quarters of 2019 and 2018 respectively. At September 30, 2019 there were 122,631,481 subordinate voting shares and 30,000,000 multiple voting shares outstanding.

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

In presenting the company's results in this news release, management has included book value per basic share. Book value per basic share is calculated by the company as common shareholders' equity divided by the number of common shares outstanding.

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 statements within the meaning of applicable securities legislation. Forward-looking statements may relate to the company's or an Indian Investment'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, an Indian Investment, 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 our opinions and estimates 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: oil price risk; geographic concentration of investments; foreign currency fluctuation; volatility of the Indian securities markets; investments may be made in foreign private businesses where information is unreliable or unavailable; valuation methodologies involve subjective judgments; financial market fluctuations; pace of completing investments; minority investments; reliance on key personnel and risks associated with the Investment Advisory Agreement; lawsuits; use of leverage; significant ownership by Fairfax may adversely affect the market price of the subordinate voting shares; weather risk; taxation risks; emerging markets; economic risk; and trading price of common shares relative to book value per share risk. Additional risks and uncertainties are described in the company's annual information form dated March 8, 2019 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.