

# Fairfax India Holdings Corporation *News Release*

*TSX Stock Symbol: FIH.U*

**TORONTO, February 18, 2016**

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## **FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2015**

*(Note: All dollar amounts in this news release are expressed in U.S. dollars except as otherwise noted. The financial results are prepared using International Financial Reporting Standards except as otherwise noted.)*

Fairfax India Holdings Corporation (TSX: FIH.U) announces fiscal year 2015 net earnings of \$40.9 million (\$0.42 per basic share), derived from interest income on its investment portfolio and unrealized gains on investments. Book value per share at December 31, 2015 was \$9.50 as a result of unrealized foreign currency translation losses, partially offset by the 2015 net earnings.

Highlights in the fourth quarter of 2015 included the following:

- On November 4, 2015 the company agreed with existing shareholders of ADI Finechem Limited (ADI) to acquire 45% of ADI. The acquisition was completed on February 8, 2016 for consideration of approximately \$19 million.
- On December 1, 2015 the company acquired 21.85% of IIFL Holdings Limited (formerly India Infoline Limited) for consideration of approximately \$202 million.
- At December 31, 2015, common shareholders' equity was \$1,013.3 million, or \$9.50 per share.

There were 106.7 million weighted average shares outstanding during the fourth quarter of 2015. At December 31, 2015 there were 76,678,879 subordinate voting shares and 30,000,000 multiple voting shares outstanding.

Unaudited consolidated balance sheet, earnings and comprehensive income information follow and form part of this news release.

Fairfax India Holdings Corporation 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 in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India.

For further information, contact:

John Varnell, Chief Financial Officer  
(416) 367-4755

*This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking statements may relate to the future Company's 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 30, 2015 which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.fairfaxindia.ca](http://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.*

**CONSOLIDATED BALANCE SHEETS***as at December 31, 2015 and December 31, 2014**(unaudited - US\$ '000)*

	<b>December 31, 2015</b>	December 31, 2014
<b>Assets</b>		
Cash and cash equivalents	12,464	235
Restricted cash	6,457	—
Interest receivable	27,680	—
Investments	978,569	—
Other assets	281	—
	<u>1,025,451</u>	<u>235</u>
Total assets	<u>1,025,451</u>	<u>235</u>
<b>Liabilities</b>		
Accrued expenses	743	—
Payable to related parties	1,993	235
Income taxes payable	9,386	—
Total liabilities	<u>12,122</u>	<u>235</u>
<b>Equity</b>		
Common shareholders' equity	<u>1,013,329</u>	—
Total equity	<u>1,013,329</u>	—
	<u>1,025,451</u>	<u>235</u>

**CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME**

for the three and twelve months ended December 31, 2015 and for the period of November 25, 2014 (date of incorporation) to December 31, 2014

(unaudited - US\$ '000 except per share amounts)

	<b>Fourth quarter</b>		<b>Year ended December 31,</b>	<b>Period ended December 31,</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Income</b>				
Interest income	11,983	—	44,699	—
Net realized gains on investments	994	—	83	—
Net unrealized gains on investments	16,619	—	17,675	—
Net foreign exchange gains	71	—	2,794	—
	<u>29,667</u>	<u>—</u>	<u>65,251</u>	<u>—</u>
<b>Expenses</b>				
Investment and advisory fees	1,886	—	5,393	—
General and administration expenses	673	—	5,515	—
	<u>2,559</u>	<u>—</u>	<u>10,908</u>	<u>—</u>
<b>Earnings before income taxes</b>	<u>27,108</u>	<u>—</u>	<u>54,343</u>	<u>—</u>
Provision for income taxes	6,317	—	13,404	—
<b>Net earnings attributable to common shareholders</b>	<u>20,791</u>	<u>—</u>	<u>40,939</u>	<u>—</u>
<b>Item that may be subsequently reclassified to net earnings</b>				
Unrealized foreign currency translation losses on foreign operations, net of income taxes of nil	(8,145)	—	(55,263)	—
<b>Comprehensive income (loss) attributable to common shareholders</b>	<u>12,646</u>	<u>—</u>	<u>(14,324)</u>	<u>—</u>
<b>Net earnings per share</b>	\$ 0.20	\$ —	\$ 0.42	\$ —
<b>Shares outstanding (weighted average)</b>	106,678,879	1	98,019,189	1