

Fairfax India Holdings Corporation

News Release

TSX Stock Symbol: FIH.U

TORONTO, December 23, 2019

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FAIRFAX INDIA COMPLETES TRANSACTION WITH SANMAR CHEMICALS GROUP

(Note: All dollar amounts in this news release are expressed in U.S. dollars, except as otherwise noted).

Fairfax India Holdings Corporation (“Fairfax India”) (TSX: FIH.U) announces that it has completed its previously announced transaction with Sanmar Chemicals Group (“Sanmar”).

As part of the transaction, Sanmar purchased \$300 million (approximately INR 19.9 billion) principal amount of Sanmar bonds held by Fairfax India, plus accrued interest at an effective annual interest rate of 13.0%, for net cash consideration of approximately \$425 million (approximately INR 30.2 billion). Fairfax India re-invested approximately \$200 million (approximately INR 14.2 billion) of the cash consideration received from the bond sale in the purchase of Sanmar common shares. Following this equity investment, Fairfax India’s equity interest in Sanmar increased to approximately 43%.

Fairfax India will retain approximately \$225 million (approximately INR 16.0 billion) of the cash consideration for future Indian investments.

During the period since announcing the transaction in the third quarter of 2018 through September 30, 2019, Fairfax India recorded investment gains from the Sanmar common shares and bonds of approximately \$210 million and \$100 million, respectively.

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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