

# Fairfax India Holdings Corporation

TSX Stock Symbol: *FIH.U*

*News Release*

**TORONTO, November 2, 2017**

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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 a net loss of \$53.2 million in the third quarter of 2017 (\$0.36 net loss per basic and diluted share) compared to net earnings of \$66.4 million in the third quarter of 2016 (\$0.62 net earnings per basic and diluted share), reflecting lower net unrealized gains on investments. Book value per share of \$13.54 at September 30, 2017 increased from \$10.25 at December 31, 2016, an increase of 32.1%, principally related to net earnings of \$364.4 million in the first nine months of 2017.

Highlights in the third quarter of 2017 included the following:

- The third quarter of 2017 included a net change in unrealized losses on investments and other costs from Bangalore International Airport Limited ("BIAL") of \$67.7 million primarily related to the increased 10.0% equity interest in BIAL that was acquired on July 13, 2017 for purchase consideration of approximately \$200 million (12.9 billion Indian rupees). The cash consideration paid for the additional 10.0% equity interest in BIAL exceeded the fair value of those additional shares acquired and as a result approximately \$74 million (4.8 billion Indian rupees) of the cash consideration paid was attributable to costs incurred to successfully complete the acquisition of those shares, and was recorded in net change in unrealized losses on investments and other costs in the third quarter of 2017. The aggregate cash consideration paid by the company to acquire its 48.0% equity interest in BIAL (comprised of the initial 38.0% equity interest acquired on March 24, 2017 and the additional 10.0% equity interest) was approximately \$586 million (38.1 billion Indian rupees) compared to the fair value at September 30, 2017 of approximately \$592 million (38.7 billion Indian rupees). The net change in unrealized losses on investments and other costs from BIAL of \$67.7 million in the third quarter of 2017 was more than offset by the net change in unrealized gains on the investment of \$76.6 million recorded in the second quarter of 2017. BIAL owns and operates the Kempegowda International Airport Bengaluru under a concession agreement with the Government of India for a period of 30 years ending in the year 2038 (and the right to renew the agreement for an additional 30 years).
- On July 11, 2017 the company completed a \$400.0 million 1 year secured term loan with a Schedule 1 Canadian bank.
- At September 30, 2017 common shareholders' equity was \$1,996.7 million, or \$13.54 per share, compared to \$1,075.4 million, or \$10.25 per share, at December 31, 2016.

There were 147.4 million and 106.7 million weighted average shares outstanding during the third quarters of 2017 and 2016 respectively. At September 30, 2017 there were 117,434,531 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](http://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 30, 2017 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.*