

# Fairfax India Holdings Corporation

News Release

TSX Stock Symbol: *FIH.U*

TORONTO, October 29, 2020

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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 \$77.7 million in the third quarter of 2020 (\$0.52 net earnings per diluted share), compared to net earnings of \$89.2 million in the third quarter of 2019 (\$0.58 net earnings per diluted share), reflecting decreased net unrealized gains on investments, partially offset by increased net foreign exchange gains and dividend income.

Highlights for third quarter of 2020 included the following:

- Net change in unrealized gains on investments of \$74.4 million, principally from increases in market prices of the company's investments in the public companies CSB Bank (\$39.4 million), Privi Speciality (formerly Fairchem Speciality) (\$34.9 million), 5paisa (\$11.2 million), IIFL Finance (\$6.1 million) and an increase in the fair value of the company's investment in the private company NSE (\$12.8 million), partially offset by decreases in market prices of the company's investments in the public companies IIFL Wealth (\$9.5 million), IIFL Securities (\$5.2 million) and a decrease in the fair value of the company's investment in private company NCML (\$14.7 million).
- On August 12, 2020 Fairchem Speciality completed the spin off of its wholly-owned subsidiary Fairchem Organics Limited ("Fairchem Organics") in a non-cash transaction. Fairfax India recorded the cost of its investment in Fairchem Organics at its estimated fair value of \$34.9 million (approximately 2.6 billion Indian rupees). Subsequent to the spin off of Fairchem Organics, the remaining business (primarily Privi Organics) was renamed Privi Speciality Chemicals Limited ("Privi Speciality") and continued to trade on the BSE and NSE of India. The shares of Fairchem Organics are expected to be listed on the BSE and NSE of India in the fourth quarter of 2020, subject to applicable regulatory conditions.
- At September 30, 2020 common shareholders' equity was \$2,346.8 million, or book value per share of \$15.63, compared to \$2,577.9 million, or book value per share of \$16.89, at December 31, 2019, a decrease of 7.5%, primarily related to a net loss during the first nine months of 2020 and unrealized foreign currency translation losses as a result of the weakening of the Indian rupee relative to the U.S. dollar.

During this period of uncertainty, Fairfax India remains in strong financial health, with undeployed cash and marketable securities of approximately \$185 million.

The company is continuing to buyback shares under its normal course issuer bid and during the first nine months of 2020 purchased for cancellation 2,492,546 subordinate voting shares at a net cost of \$22.5 million (\$9.04 per subordinate voting share).

There were 150.4 million and 152.6 million weighted average common shares outstanding during the third quarters of 2020 and 2019 respectively. At September 30, 2020 there were 120,138,935 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).

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 HOLDINGS CORPORATION

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Fairfax India Holdings Corporation 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: taxation of the company, its shareholders and subsidiaries; risk of substantial loss of capital; geographic concentration of investments; risks associated with the global pandemic caused by COVID-19, and the related global reduction in commerce and substantial downturns in stock markets worldwide; financial market fluctuations; control or significant influence position risk; minority investments; risks upon dispositions of investments; bridge financings; reliance on key personnel and risks associated with the Investment Advisory Agreement; effect of fees; operating and financial risks of investments; valuation methodologies involve subjective judgments; lawsuits; foreign currency fluctuation; unknown merits and risks of future investments; illiquidity of investments; competitive market for investment opportunities; use of leverage; significant ownership by Fairfax may adversely affect the market price of the subordinate voting shares; trading price of subordinate voting shares relative to book value per share; emerging markets; volatility of the Indian securities markets; political, economic, social and other factors; natural disaster risks; sovereign debt risk; economic risk; weather risk, oil price risk and adverse consequences to the company's business, investments and personnel resulting from or related to the COVID-19 pandemic. Additional risks and uncertainties are described in the company's annual information form dated March 6, 2020 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.*