

Fairfax India Holdings Corporation *News Release*

TSX Stock Symbol: FIH.U

TORONTO, July 12, 2016

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

FAIRFAX INDIA TO ACQUIRE SUBSTANTIAL STAKE IN PRIVI ORGANICS LIMITED

ADI FINECHEM LIMITED AND PRIVI ORGANICS LIMITED ANNOUNCE PROPOSED SCHEME OF ARRANGEMENT WHICH WILL RESULT IN THE CREATION OF FAIRCHEM SPECIALITY LIMITED

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

Fairfax India Holdings Corporation (TSX: FIH.U) is pleased to announce that, through its wholly-owned subsidiaries (collectively, “Fairfax India”), it has entered into a share subscription agreement with Privi Organics Limited (“Privi Organics”) and a share purchase agreement with existing shareholders of Privi Organics to acquire a total 51% equity ownership of Privi Organics for a consideration of approximately INR 3.7 billion (approximately \$55 million at current exchange rates). The transaction is subject to customary closing conditions and is expected to close in the third quarter of 2016.

Additionally, the boards of directors of Adi Finechem Limited (“Adi Finechem”) and Privi Organics have approved a scheme of arrangement involving the two companies to build an Indian speciality chemicals champion, with both companies converting renewable waste feedstocks into value-added speciality chemicals. The proposed scheme will bring significant diversification and synergies to both partners, with Adi Finechem gaining access to high quality research and development facilities, and Privi Organics benefiting from Adi Finechem’s focus on cost optimization and capital efficiency.

Fairfax India had acquired a 44.9% equity ownership in Adi Finechem in the first quarter of 2016. After the scheme is effective, Fairfax India would own approximately 49% in the merged business which the parties propose to rename Fairchem Speciality Limited (“Fairchem”). The proposed scheme is subject to customary regulatory approvals including a court approval process and is expected to close in first quarter of 2017. Adi Finechem and Privi Organics would continue to operate as distinct and independent business units of Fairchem.

“We are excited to partner with great entrepreneurs who have shown commitment to building great businesses over the long term. Mahesh Babani, D.B. Rao and their experienced management team have done a commendable job in building Privi Organics into a global leader in their product segments and will continue to grow its operations independently under their leadership” said Prem Watsa, Chairman of Fairfax India.

Utkarsh Shah, Chairman of Adi Finechem, said, “Privi Organics is a key supplier of aroma chemicals to many large fragrance and FMCG companies globally. Post merger, Fairchem, the resulting listed company, will be one of India’s largest speciality chemicals company and well positioned for growth and profitability.”

Nahoosh Jariwala, Managing Director of Adi Finechem, said, “Privi Organics is a well-managed company created on the back bone of research and development in the field of aroma chemistry. Adi Finechem will immensely benefit from the depth of experience and expertise of Privi Organics’ management team.”

Mahesh Babani, Managing Director of Privi Organics, welcoming this investment, said, “We are delighted to partner with Fairfax India as a committed long term investor and Adi Finechem, a leader in the field of speciality chemicals for the adhesive and nutraceutical industries. We see a strong alignment of values and interests of all stakeholders in this partnership.” Mr. Babani also emphasized that with strong financial support and commitment from Fairfax India, Privi’s Biotechnology initiatives in collaboration with Institute of Chemical Technology, Mumbai can scale greater heights.

About Fairfax India

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.

-30-

For further information, contact: John Varnell, Chief Financial Officer
(416) 367-4755