

Fairfax India Holdings Corporation

News Release

TSX Stock Symbol: FIH.U

TORONTO, December 16, 2019

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FAIRFAX INDIA SELLS MINORITY POSITION OF ANCHORAGE INFRASTRUCTURE

(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 entered into an agreement to sell an interest in Anchorage Infrastructure Investments Holdings Limited (“Anchorage”) of approximately 11.5% on a fully-diluted basis for gross proceeds of approximately INR 9.5 billion (approximately \$134 million at current exchange rates). The interest in Anchorage will be sold by way of a private investment agreement.

Anchorage is a subsidiary of Fairfax India and will be its flagship company for investing in companies, businesses and opportunities in the airport sector in India. Anchorage is also Fairfax India’s platform for bidding on airport privatization projects in India. Currently, Fairfax India, through its wholly-owned subsidiary, FIH Mauritius Investments Ltd, owns a 54.0% interest in Bangalore International Airport (“BIAL”). As part of the transaction, Fairfax India will restructure its interest in BIAL such that a portion of such interest will be held through Anchorage and, following closing of the transaction, Fairfax India’s effective ownership interest in BIAL will decrease to approximately 49.0% on a fully-diluted basis.

The transaction is subject to customary closing conditions, including various third-party consents, and is expected to close in the first half of 2020.

As a result of the transaction, Fairfax India will record investment gains of approximately \$506 million (approximately INR 35.6 billion at current exchange rates) implying an increase in book value per share of approximately \$3.30 per share. The investment gains are supported by positive operational developments at BIAL. For the 12-month period ending October 2019, total traffic at BIAL was approximately 33.7 million passengers. The second runway commenced operations in December 2019, making BIAL the first airport in India to operate independent parallel runways that enable aircraft to land or take-off simultaneously on both runways. In addition, the expansion project for a second terminal at BIAL is expected to be completed in 2021.

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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