

Fairfax India Holdings Corporation *News Release*

TSX Stock Symbol: FIH.U

TORONTO, April 8, 2016

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FAIRFAX INDIA AGREES TO INVEST IN 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 (TSX: FIH.U, “Fairfax India”) announces that, through its wholly-owned subsidiaries, it has agreed to invest \$300 million into the Sanmar Chemicals Group (“Sanmar”), through a combination of equity and fixed income securities. As a result of this investment, Fairfax India will acquire a 30% equity ownership in Sanmar and also generate a fixed return on its investment. As Fairfax India is limited to investing no more than 25% of its total assets in any single investment (this currently limits any single investment to approximately \$250 million), Fairfax India will fund an initial tranche of \$250 million upon the closing of the transaction, and the second tranche of \$50 million will be funded within 90 days thereafter by Fairfax Financial Holdings Limited (“Fairfax”) or another investor. The first tranche is expected to be completed in Q2 of 2016 upon the satisfaction of certain conditions precedent, including the establishment of a term loan facility for \$280 million between TCI Sanmar Chemicals Egypt, the Egyptian subsidiary of Sanmar, and its lenders.

Sanmar is one of the largest suspension PVC manufacturers in India with an installed capacity of almost 300,000 tons per annum, apart from being the largest speciality PVC company in India. Sanmar is in the process of expanding its PVC capacity in Egypt from 200,000 tons per annum to 400,000 tons per annum. Once the expansion is completed, Sanmar will have a total PVC capacity of over 700,000 tons per annum, making it among the largest PVC companies in the world. In addition, Sanmar also manufactures caustic soda, chloromethanes, refrigerant gases, industrial salt and speciality chemical intermediates.

“Sanmar, under the leadership of N. Sankar, one of the pioneers of the Indian PVC industry, and his son, Vijay Sankar, and their highly experienced management team, is well placed to cater to the growing demand for PVC in the emerging markets of India, the Middle East and Europe,” said Prem Watsa, Chairman of Fairfax India. “We look forward to our partnership with this distinguished South India group which, in addition to its technical and business expertise, is well known for its integrity and corporate social responsibility.”

N. Sankar, welcoming this investment, said, “We are excited at having Fairfax as a long-term partner. Sanmar will benefit by having a financially strong shareholder with a global footprint. We look forward to the expansion of our capacities in Egypt and India creating value for all stakeholders.”

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.

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