

Fairfax India Holdings Corporation *News Release*

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FAIRFAX INDIA AND FAIRFAX TO ACQUIRE 33% OF THE EQUITY OF BANGALORE INTERNATIONAL AIRPORT 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**) and Fairfax Financial Holdings Limited (**TSX: FFH**) are pleased to announce that, through their wholly-owned subsidiaries in Mauritius, they will collectively acquire 33% of the equity of Bangalore International Airport Limited from Bangalore Airport & Infrastructure Developers Private Limited, a wholly-owned subsidiary of GVK Power and Infrastructure Limited (**NSE:GVKPIL, BOM:532708**) for an aggregate investment of approximately INR 21.49 billion (approximately \$321 million at current exchange rates). The transaction is subject to customary closing conditions and third party consents, including lender consents, and is expected to be completed by the middle of 2016.

Bangalore International Airport Limited (“BIAL”) owns and operates the Kempegowda International Airport Bengaluru (“KIAB”), under a 30+30 year concession agreement from the Government of India. KIAB has the distinction of being the first airport in India that was built to the highest international standards by the private sector under a public-private partnership.

Bangalore is often referred to as the Silicon Valley of India and has grown from a relatively small city in the 1960s to become the third largest city in India. As the technology capital of India, it is the home to virtually every major multinational technology, consulting and software company in the world. In a recent poll it was voted the most liveable city in India.

“We have great admiration for GVK, led by Dr. GVK Reddy and G V Sanjay Reddy, in the outstanding work that they have done to develop Kempegowda International Airport to its current stature. This is a partnership between Fairfax and GVK. Going forward, we will work closely with all stakeholders to manage our stake in BIAL and will support G V Sanjay Reddy to continue to lead the management team as Managing Director (MD) of BIAL”, said Prem Watsa, Chairman of Fairfax India, and Chairman and CEO of Fairfax. “While it is already a great facility, we are looking forward to its long-term expansion, to make it a vital infrastructure resource that will help drive India’s economic growth. The state of Karnataka is a major hub for

tourism and commerce, and this airport serves as the gateway for leisure and business travellers alike.”

We also look forward to working with the esteemed governments of India and Karnataka and our other new partners, Zurich International Airport and Siemens under the able supervision of the Indian Ministry of Civil Aviation and the Indian Regulator, Airports Economic Regulatory Authority (“AERA”).”

Dr. GVK Reddy commenting on this development said, “This is an important and successful milestone in deleveraging our balance sheet and all proceeds from this stake sale shall be used to bring down our debt obligations to our lenders. We chose Fairfax as a partner in BIAL as we have a long standing relationship with Mr. Prem Watsa and we would look forward to partnering with them in developing Kempegowda International Airport through its next stage of expansion as we develop a new world-class Terminal 2 and a new runway”.

About Fairfax India

Fairfax India Holdings Corporation (“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.

About Fairfax

Fairfax Financial Holdings Limited (“Fairfax”) is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and investment management. Fairfax, through its subsidiaries, controls 95.1% of the voting shares of Fairfax India.

About GVK

GVK is a leading Indian conglomerate with presence across energy, resources, airports, transportation, hospitality and life sciences sectors. GVK set up India’s first independent power plant and has over 2600 MW projects under generation and development. It is the first company in India to develop a six-lane road project under the PPP model and has around 1500 lane km expressway projects under operations and development. As one of India’s largest private sector airport operators, GVK handles around 60 million passengers per annum through India’s first brownfield airport - Chhatrapati Shivaji International Airport, Mumbai and the greenfield Kempegowda International Airport, Bengaluru and is developing two airports in Indonesia. In addition GVK continues to grow in the life sciences and hospitality businesses.

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