

Cara Announces Closing of Secondary Offering of Subordinate Voting Shares by Cara Holdings Limited

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VAUGHAN, ONTARIO - Cara Operations Limited ("Cara") (TSX:CAO) announced today the completion of the previously announced secondary offering (the "Offering") of 3,000,000 subordinate voting shares of Cara by Cara Holdings Limited ("CHL"). CHL is a holding company that owns the Phelan family's interest in Cara. CHL sold the shares for diversification of family investments and to facilitate financial planning amongst the family group. Following the closing of the Offering, CHL holds 14,492,906 multiple voting shares, representing approximately 29.5% of Cara's total issued and outstanding shares. Fairfax Financial Holdings Limited and its subsidiaries (collectively, "Fairfax") did not sell any shares in the Offering. As a result of the conversion of multiple voting shares by CHL in connection with the Offering, Fairfax's percentage holdings of the outstanding multiple voting shares has increased from approximately 53% to approximately 58%. Fairfax continues to hold 19,903,378 multiple voting shares, which represents approximately 40.5% of Cara's total issued and outstanding shares and approximately 57% of the voting rights in Cara.

The subordinate voting shares were sold by CHL at a price of \$34.75 per share, for total gross proceeds of approximately \$104,250,000. Cara did not receive any of the proceeds from the sale of subordinate voting shares by CHL.

The Offering was made through a syndicate of underwriters led by Scotia Capital Inc. (acting as sole bookrunner) and included BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Genuity Corp., Laurentian Bank Securities Inc. and Raymond James Ltd.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold in the United States unless pursuant to an exemption therefrom. This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of Cara Operations Limited in any jurisdiction.

Forward-Looking Information

Certain information in this news release relating to Cara and CHL is forward-looking within the meaning of Canadian securities laws as it relates to the Offering. When used in this context, words such as "will", "anticipate", "believe", "plan", "intend", "target" and "expect" or similar words suggest future outcomes. The purpose of forward-looking information is to provide investors with management's assessment of future plans and possible outcomes and may not be appropriate for other purposes.

Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, each of Cara and CHL disclaims any intention and assumes no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

About Cara

Founded in 1883, Cara is Canada's oldest and largest full-service restaurant company. The Company franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, Milestones, Montana's, Kelsey's, East Side Mario's, Casey's, New York Fries, Prime Pubs, Bier Markt and Landing restaurants. As at September 27, 2015, Cara had 828 restaurants across Canada, 88% of which are operated by franchisees. Cara's restaurants are located across Canada with 72% of Cara's locations based in Ontario. Cara's shares trade on the Toronto Stock Exchange under the ticker symbol CAO. More information about the Company is available at www.cara.com.

SOURCE Cara Operations Limited

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