PERSHING SQUARE HOLDINGS, LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Six Months Ended June 30, 2015

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Chairman's Statement

INTRODUCTION

This interim financial report covers the period from January 1, 2015 to June 30, 2015. During this period assets under management ("AUM")[1,2] of Pershing Square Holdings, Ltd. ("PSH" or the "Company") increased from $6.6 billion to $6.8 billion due to investment performance.

INVESTMENT PERFORMANCE

For the period January 1, 2015 through June 30, 2015, the Company returned 3.2% net of fees[3]. In July 2015 the Company returned 6.6% net of fees, bringing YTD performance through the end of July 2015 to 10.1% and AUM as of the end of July 2015 to $7.4 billion. However there has been significant volatility in the investment markets over the past few weeks, largely driven by the decline of the Chinese stock markets, and the fear that slowing growth in China will have repercussions for businesses around the world. At the date of this report, the year to date investment performance has been erased, and the Company is at a loss position for the year. For an up to date Net Asset Value ("NAV"), please refer to our website, www.pershingsquareholdings.com, where we publish our NAV on a weekly basis.

It is especially important in times of share price volatility to remember that PSH aims to invest in stable, cash-generative businesses that have limited exposure to macroeconomic events. The Investment Manager's Report contains an update on developments within the portfolio companies. We believe these portfolio companies are well positioned to increase their long term intrinsic value, and this is not reflected in the current volatility in their share prices.

The Investment Manager's Report also provides details on its Personal Investment Policies for employees. Employees are not permitted to invest in most publicly traded securities to avoid the potential for a conflict of interest between fund and personal investments. However occasionally investment overlaps can arise, as in the recent acquisition of Sprout Pharmaceuticals by Valeant. When a potential conflict of interest arises, it is brought to the attention of the Conflicts Committee. The Conflicts Committee determines a course of action to address and mitigate the conflict. The Board maintains oversight of all potential conflicts of interest between the Investment Manager, its employees, and PSH.

CAPITAL BASE

In our 2014 Annual Report issued in March of this year, we reported on the listing of PSH's shares on Euronext Amsterdam on October 13, 2014 in connection with the Company's IPO. At the time of the IPO, we raised $2.9 billion and the Company became a closed-ended investment holding company with AUM of $6.2 billion. By December 31, 2014, investment performance had increased the AUM to $6.6 billion and, as stated above, by July 31, 2015, investment performance had increased the AUM to $7.4 billion.

June 2015 Bond Offering. As mentioned in the 2014 Annual Report, the Board and Pershing Square Capital Management, L.P. ("Pershing Square" or the "Investment Manager") had been exploring options for the Company to issue low-cost, long-term, unsecured, covenant-light debt in order to reduce PSH's cost of capital. In June 2015, the Company received investment-grade ratings from Standard & Poor's and Fitch and subsequently closed $1 billion aggregate principal amount of its Senior Notes due 2022 at an interest rate 5.500% per annum. The proceeds from the offering were used to make investments and hold assets in accordance with the Company's investment policy. As of June 30, 2015, the Company's Total Indebtedness to Total Capital Ratio[4] was 12.9%. The Board and PSCM believe that a prudent amount of long-term, cost-effective leverage should enhance the long-term returns to PSH shareholders.

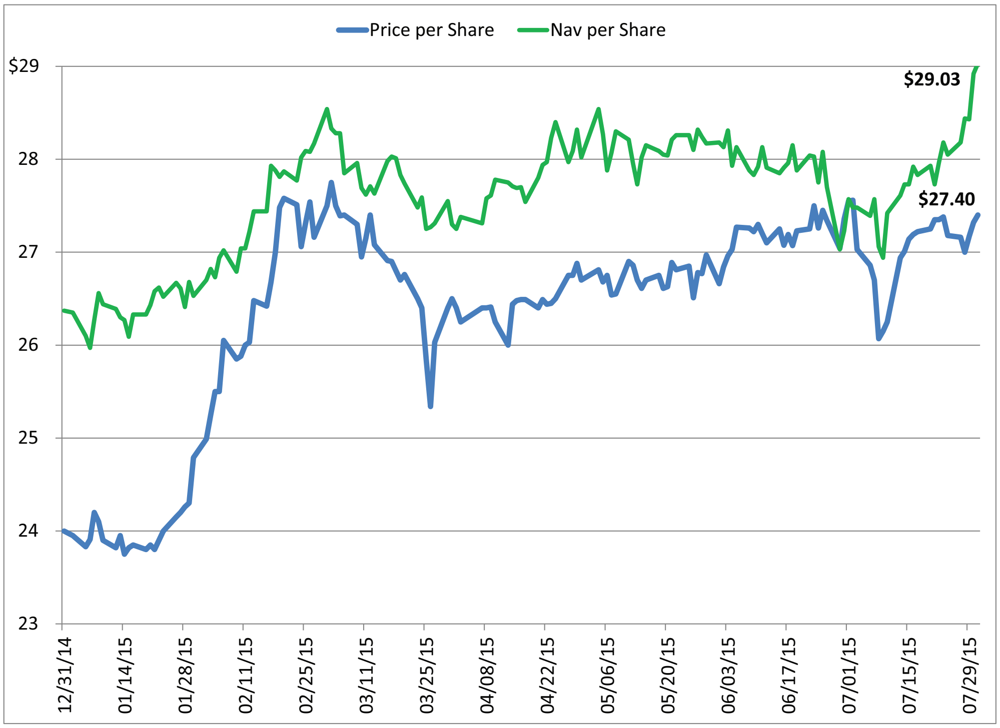
PREMIUM / DISCOUNT

The Board monitors the trading activity of the Company's shares on a regular basis. The Company publishes its NAV per share weekly on its website together with monthly performance reports and transparency reports disclosing certain information with respect to the Company's underlying positions, which are predominantly in large cap listed companies. The Board and the Investment Manager believe that this transparency should help the Company's shares trade (over the long term) at or above NAV.

Please see accompanying footnotes on page 12.

In the period following the IPO through January 31, 2015, the Company's shares traded at an average discount to NAV of 7.1%. During 2015, the Investment Manager organised a series of meetings to explain the Company's strategy to potential investors. We believe this increased demand for the shares and contributed to the narrowing of the discount to NAV. In the period from January 31, 2015 through July 31, 2015, the Company's shares traded at an average discount to NAV of 3.7%. The average discount to NAV in July 2015 was 2.8%. In August, the discount has widened modestly through the date of this report. The Board will continue to monitor the performance of the Company's share price versus NAV per share and the Investment Manager is committed to an ongoing, pro-active global investor relations effort.

PSH NAV vs. Trading Price (December 31, 2014 – July 31, 2015)



I look forward to reporting to you again in our 2015 Annual Report.

/s/ Anne Farlow
Anne Farlow
Chairman of the Board
August 26, 2015

Investment Manager's Report

Dear Pershing Square Holdings, Ltd. Shareholder:

Pershing Square Holdings, Ltd. ("PSH") outperformed the S&P 500 for the first half of 2015, and continues to outperform the market year-to-date and since inception as set forth below[5].

Pershing Square Holdings, Ltd. Performance vs. the S&P 500			
	PSH Gross Return [3,5]	PSH Net Return [3,5]	S&P 500[6]
2013	13.0%	9.6%	32.4%
2014	50.6%	40.4%	13.7%
YTD through June 2015	4.6%	3.2%	1.2%
July 2015	8.0%	6.6%	2.1%
YTD through July 2015	13.0%	10.1%	3.4%
January 2013 - July 2015			
Cumulative (Since Inception)	92.2%	69.3%	55.5%
Compound Annual Return	28.8%	22.6%	18.6%

While the data above reflect the state of play of only a few weeks ago, dramatic downward market volatility has caused all of the Pershing Square funds including Pershing Square Holdings as of today's close to be in a loss position for the year to date while still outperforming the market indexes over the same period. In light of recent market volatility, we thought it would be useful to summarize key Pershing Square investment principles and how we expect the portfolio to be affected by current market conditions.

PERSHING SQUARE INVESTMENT PRINCIPLES

We select investments in companies that meet our extremely high standards for business quality. We primarily invest in businesses that are simple, predictable, and free-cash-flow-generative with substantial barriers to competition and strong pricing power due to brands, unique assets, long-term contracts, and/or dominant market position. We vastly prefer businesses that have limited exposure to macroeconomic factors by generally avoiding companies that are highly exposed to commodity prices, material changes in interest rates, and other extrinsic factors we cannot control. We focus on large capitalization, North-American-domiciled businesses that earn the substantial majority of their profits in North America. We often hedge large non-U.S. currency exposures in the portfolio. We seek investments that trade at a discount to intrinsic value as is, and an even wider spread as optimized.

The result of this approach is a portfolio comprised of the highest quality collection of businesses that we have ever owned, managed by the strongest management teams that we have worked with, all trading at substantial discounts to intrinsic values. These businesses are generally conservatively financed, often investment grade or soon to be, generate substantial amounts of recurring free cash flow, typically don't need access to equity capital to survive or thrive, and often return capital to shareholders through buybacks or dividends. As a result of these characteristics, the intrinsic value of the businesses we own is not particularly correlated with equity or credit market volatility.

We may make occasional exceptions to the above principles if we believe the additional risks are compensated for by greater potential profitability. For example, we own a number of highly acquisitive businesses, namely – Valeant, Platform Specialty Products and Nomad – for whom access to capital is necessary to achieve accelerated growth. Even in these cases, however, if the capital markets were to shut, their growth would slow from their current extremely high levels, but their businesses would remain profitable and cash generative. In each case, the current valuations reflect no value for these companies' ability to make economically attractive acquisitions.

The long-term health of the businesses we own depends on demand for essential specialty pharmaceutical products (Valeant), cookies, biscuits, and chocolate (Mondelez), industrial gases (Air Products), the low-cost transportation of commodities and manufactured products (Canadian Pacific),

Please see accompanying footnotes on page 12.

companion and livestock pharmaceutical products (Zoetis), fast food, coffee and donuts (Restaurant Brands), well-located, principally urban residential, retail, and commercial real estate (Howard Hughes), specialty chemicals (Platform Specialty Products), branded frozen food (Nomad), and low-cost residential mortgages (Fannie/Freddie). In each of these cases, we believe that demand will remain recurring and robust over the long-term with relatively limited impact from technological substitution, commodity prices, all but substantial declines in GDP, or other extrinsic factors outside of our control.

We also short stocks on occasion (and, at times, for specific hedging purposes) and only if we believe that there is a ceiling on valuation, and the company is at risk of a substantial or total collapse in value due to bad business models, business or accounting fraud, and/or inadequate capital or reserves. We prefer shorting credit to equity, principally through the use of credit default swaps.

While we do not attempt to hedge the impact of short-term stock market declines, we own large notional currency hedges that should serve to protect the portfolio somewhat in the event of continued declines in certain currencies to which the funds are exposed directly or indirectly.

As a result of our investment principles and the resulting composition of the portfolio, we do not believe that stock market and commodity price declines, currency devaluation, and/or economic weakness in China will have a material impact on the intrinsic value of the portfolio. While stocks can trade at any price in the short term, because we do not use margin leverage, we will not be forced out of any investment at an inopportune time. As a result, we have made no meaningful recent changes to our current portfolio holdings other than the addition of greater notional short currency exposure principally through the purchase of put options.

PERFORMANCE ATTRIBUTION[7]

Below are the attributions to gross performance of the portfolio of the Company for January 2015 – June 2015.

Winners	
Allergan, Inc.	3.9%
Valeant Pharmaceuticals International, Inc.	2.8%
Nomad Foods Limited	2.1%
Mondelez International Inc.	1.4%
Zoetis Inc.	1.2%
The Howard Hughes Corporation	0.7%
Platform Specialty Products Corporation	0.6%
3 Other Positions	0.5%
Total Winners	13.2%
Total Winners and Losers 2015	**4.6%**

Losers	
Herbalife Ltd.	(3.7)%
Actavis Plc	(1.9)%
Canadian Pacific Railway Limited	(1.9)%
Air Products & Chemicals, Inc.	(0.6)%
4 Other Positions	(0.5)%
Total Losers	(8.6)%

PORTFOLIO UPDATE[8]

Mondelez (MDLZ)

On August 6, 2015, Pershing Square Capital Management, L.P. announced a 7.5% stake in Mondelez, which we acquired at approximately $40 per share. The investment is comprised of common shares, forward purchase contracts, and long-term, in-the-money call options.

Mondelez is one of the world's largest snack companies with over $30 billion in revenues and a market capitalization of approximately $70 billion. The company, which owns an extremely high quality stable of brands including Cadbury, Oreo, Nabisco and Trident, was created out of the break-up of Kraft Foods in 2012.

Mondelez is a classic Pershing Square investment— a high quality, simple, predictable, free-cash-flow-generative business with attractive growth prospects and an enormous opportunity for margin enhancement. We like the snacks business because of the high profit margins the category enjoys, the economic "moats" surrounding the established brands, and the opportunity to grow these brands over the long term in the emerging markets, which represent approximately 40% of Mondelez's sales. As a relatively low-priced luxury, emerging market sales for Mondelez continue to show high rates of growth despite recent economic deterioration in a number of these markets. Despite owning some of the best brands in the industry and participating in highly profitable categories, Mondelez has the lowest profit margins in its peer group, presenting a large opportunity to increase operational efficiency. We believe that the opportunity for substantially greater operating efficiency exists at Mondelez because it is effectively a new company created through the combination of Nabisco, LU Biscuit, and Cadbury – three acquisitions made by legacy Kraft that have never been fully integrated or optimized.

Pershing Square has a long history with the company and its predecessors. We first invested in Cadbury in 2007. We were a shareholder of Kraft when it acquired Cadbury in 2010, and publicly supported the acquisition. We were also a shareholder of Mondelez after the break-up of Kraft in 2012, and exited in 2013 when we needed capital for other opportunities. We know the company well and have developed a good, constructive relationship with CEO Irene Rosenfeld over the years.

We believe that now is an attractive time to invest in Mondelez because its profit margins are just beginning to expand after several years of limited improvement. In addition, we believe that 3G Capital, through its ownership of Heinz, and now Kraft, has established new benchmarks for operational efficiency, organizational design and management alignment which have allowed 3G companies to be more profitable, nimbler, and better positioned to grow over the long-term. We believe that 3G's higher standards for operating performance will catalyze a competitive response in the packaged food industry, leading to greater operating margins and profitability for Mondelez and other companies in the industry.

Valeant (VRX)

On April 1, 2015, Valeant closed the acquisition of Salix, the largest acquisition in its history. Valeant has rapidly integrated Salix. Highlights of the integration include the realization of $500 million of cost synergies, the restructuring of Salix's sales force, and an important FDA approval. Salix's financial results since the acquisition have substantially exceeded budget.

Valeant's second quarter organic revenue growth was 19%, marking the fourth consecutive quarter of greater than 15% organic growth. This quarter's results benefited from the successful launch of several new products, including a portfolio of dermatology products largely developed by Valeant scientists. The company has materially increased full year sales and earnings guidance.

On its quarterly conference call, management presented a detailed review of its capital allocation track record representing $40 billion of investments in more than 140 transactions. The results are impressive. Management has generated an estimated 37% unlevered, after-tax annual rate of return on these transactions. We believe that Valeant will continue to be able to make attractive acquisitions in light of the extraordinarily large, fragmented and inefficient pharmaceutical industry.

On August 20, 2015, Valeant announced the acquisition of Sprout Pharmaceuticals, a company which earlier last week received approval for a female sexual dysfunction drug. We believe that Sprout reflects the opportunistic nature of Valeant's business development program. Sprout's Addyi drug offers the potential for billions of dollars of future sales in treating a condition for which there are limited alternative medical treatments. Valeant structured the transaction in a manner which moderates its downside risk in the event that sales are below projections, while allowing the company to benefit materially if the drug is a blockbuster. As part of the transaction, Valeant hired the Sprout management team including its superb CEO Cindy Whitehead.

Certain Pershing Square employees including myself were pre-FDA approval investors in Sprout and provided strong references to Sprout management on the quality and character of the Valeant management team, which were helpful to Sprout as the outcome for Sprout shareholders and its employees is heavily dependent on how the company and the drug is managed going forward. We discuss Pershing Square's personal trading policies in detail below.

On July 1, 2015, Valeant hired a new Chief Financial Officer, Rob Rosiello. Rob comes to Valeant following a long career at McKinsey, where he led the firm's M&A advisory practice. Former CFO Howard Schiller leaves Valeant's executive team after nearly four years of service. Howard will remain with Valeant as a member of its board of directors and a major shareholder.

Despite a substantial increase from our purchase price earlier this year, we believe that Valeant shares remain undervalued. We believe that the stock price does not reflect the quality of Valeant's franchises and future cash flows, and the business development, capital allocation and operating abilities of its management team.

Air Products and Chemicals, Inc. (APD)

Air Products announced impressive fiscal third quarter results. APD is making substantial improvements as the transformation under CEO Seifi Ghasemi takes effect. During the quarter, revenue, operating income, unlevered return on capital, and earnings per share increased substantially despite meaningful foreign exchange headwinds.

Most of APD's volume growth was generated in Asia from new plants coming online. APD has made large capital expenditures in recent years which we expect, as new plants come online, to produce meaningful free cash flow and contribute substantially to intrinsic value over the coming years.

The quarter's operating margins reached 19.5%, the highest quarterly operating margin in over 25 years. While much of Air Products' recent margin improvement have been generated from its non-core Materials Technology business, this quarter's results showed broad improvements in both the Industrial Gas and Materials Technology businesses.

The Materials Technology segment continues to perform well with underlying revenue up 7% (4% volume, 3% price) and margins up by six percentage points to 24.4%. This drove a 36% increase in pre-tax profits. Materials Technology is being positioned for its eventual independence from APD which we expect will take place in a spinoff or similar transaction.

Seifi has set a goal to make Air Products the safest and most profitable industrial gas company in the world. To achieve this goal, Air Products intends to reduce its cost base by $600 million to close its historical performance gap with its competitor Praxair. The cost savings associated with selling and corporate expenses are expected to total $300 million of this opportunity, and will be fully achieved on a run-rate basis by fiscal second quarter 2016 as the company has already taken action to realize much of these savings. The remaining $300 million of savings will come from operational productivity which is expected to be realized over the coming four years. This is the first time Seifi has set a definitive timeline on closing the performance gap with Praxair.

APD is an extremely high quality business run by talented management. We continue to believe there is substantial upside for long-term shareholders.

Canadian Pacific (CP)

Canadian Pacific's second quarter earnings were strong despite a revenue decline of 2% due to reduced volumes reflecting lower grain and oil shipments as a result of lower commodity prices.

Despite the challenging short-term economic backdrop and broad railroad industry weakness, we remain confident in CP's long-term outlook under its exemplary management team. Management continues to identify opportunities for efficiency and fluidity improvements in the railroad, which will translate into greater long-term cash flows for the company. We continue to believe that CP is an attractive investment for Pershing Square.

Zoetis, Inc. (ZTS)

Second quarter earnings exceeded analyst expectations. Management raised 2015 earnings guidance modestly for the year. Revenue growth in the quarter was impressive. Organic revenue adjusted for foreign exchange was 9%. Approximately 80% of revenue growth in the quarter is attributable to volume growth of recently launched and existing products. Operating expenses, adjusted for foreign exchange, rose only 1%, despite an 11% increase in revenue. Management announced significant progress in its R&D portfolio, including advances in new product innovation and improvements to existing products.

In May, Zoetis announced a large cost restructuring program. Management has begun to take its first steps towards achieving this plan and believes it is on track to deliver its target of at least $300 million of savings, which will increase Zoetis' operating profit margin from 25% in 2014 to 34% in 2017 according to the company's second quarter conference call. Thereafter, management expects a combination of continued cost discipline, strong revenue growth, and execution of management's supply chain efficiency program will result in continuing improvements in operating profit margins.

Restaurant Brands International (QSR)

QSR delivered another strong quarter of earnings. The company's Burger King (BKW) division achieved substantial improvement in same store sales (SSS) in the U.S. SSS grew an industry-leading 8% during the quarter, the best result that BKW has delivered in nearly a decade. The company attributes its growth to a combination of factors, including recently remodeled stores, strong limited-time product offerings, an enhanced value menu, and improved service times.

This is BKW's second consecutive quarter of industry-leading SSS growth, which suggests that BKW is beginning to close the revenue gap with its peers, a gap which has persisted for more than a decade. BKW generates $1.3 million in revenue per store compared to $1.5 million for Wendy's and $2.4 million for McDonalds. Closing this revenue gap will be a significant driver of earnings growth over the coming years

The significant reduction in Tim Hortons' cost structure is an important highlight of QSR's recent results. Although QSR has owned Tim Hortons for only two quarters, it has decreased overhead by more than 30% and begun to reduce its core operating expenses. Importantly, QSR is improving the brand's operating efficiency while enhancing its strong growth profile.

Strong sales improvements at BKW's U.S. business and operational efficiencies at Tim Hortons, combined with strong unit growth, enabled QSR to increase quarterly earnings per share by 27%, despite the strengthening of the U.S. dollar, which negatively impacted results by more than 10%.

Howard Hughes Corp. (HHC)

HHC reported mixed results for the quarter with strong NOI growth from operating assets, continued sales of condominiums in Hawaii at record-setting prices, and reduced land sales at the company's Houston master planned communities (MPCs) due to lower demand as a result of uncertainty in the energy business.

We are not particularly focused on HHC's quarterly earnings results, nor on quarterly land sales at its MPCs. Rather, we track the company's long-term growth in intrinsic value driven by development progress at each of the company's assets. HHC continues to make remarkable progress converting non-income producing land into productive income-producing or saleable assets.

Herbalife (HLF) Short

Despite the substantial increase in HLF's share price year to date, we remain confident that HLF is an unlawful pyramid scheme that will eventually be shut down by regulators or collapse on its own.

The increase in the stock price appears to have been driven by HLF beating its recently reduced earnings guidance, and statements by some HLF analysts suggesting that the company has resolved its SEC issues and is close to settling with the FTC (supposedly later this summer). We believe the SEC, the FTC, Department of Justice, FBI, and State AGs continue to have active investigations of the company that are unlikely to be resolved favorably in the short term. In recent months, the Department of Justice has sought information from the company, distributors and third parties through the issuance of subpoenas.

The company's recent 10Q filing appears to confirm the ongoing regulatory actions, disclosing that expenses for "defending its business model" and "responding to regulatory inquiries" increased by approximately two-thirds to a total of $13 million. HLF has now spent approximately $90 million defending itself, costs which it adds back to its "Adjusted Earnings" as "non-recurring," but which we expect will continue until the company is shut down or collapses on its own.

In its 10Q filed on August 5, 2015, HLF disclosed that net sales year-over-year declined in every separately reported region except China. North America sales fell 8.2%, South and Central America fell 34.3%, and Europe Middle East and Africa fell 14.7%. Excluding the impact of China, consolidated net sales would have declined 19%. Most of HLF's markets also experienced declines on a currency-adjusted basis. For example, local currency sales declined 30% in South Korea, 33% in Malaysia, and 21% in the United Kingdom.

The rapid declines in nearly all of Herbalife's markets are consistent with a pyramid scheme's 'pop-and-drop' as markets become saturated. China continues to be the core driver of growth. Sales in China increased 38% and have now surpassed the U.S. as HLF's largest market. We believe that HLF's China business violates local anti-MLM laws, which are the strictest in the world. For more information on HLF's Chinese violations of law, we encourage you to review our March 2014 presentation on "Herbalife in China" available at www.FactsAboutHerbalife.com.

Herbalife is now guiding to adjusted earnings per share of $4.50-$4.70 for 2015, approximately 30% lower than analyst expectations a year ago. At its recent share price of ~$60, Herbalife trades at 13 times earnings multiple, above its approximate 12 times historical average. A $60 stock price effectively assigns no weight to the potential for regulatory intervention or market saturation and collapse. Furthermore, a substantial majority of Herbalife's sales are exposed to emerging markets around the world that are experiencing dramatic currency declines and economic deterioration due to falling oil and commodity prices. When this is considered along with Herbalife's dependence on China for growth, we find the current stock price substantially overvalued on a fundamental basis even if one were to assume the company is operating legally in all respects.

Platform Specialty Products (PAH)

PAH recently announced two acquisitions. We are not permitted to discuss these transactions due to the UK takeover rules. We expect PAH to focus on the integration of the companies it has acquired before acquiring any new businesses.

Nomad Foods Ltd. (NHL)

Nomad is a Special Purpose Acquisition Company ("SPAC") sponsored by Martin Franklin and Noam Gottesman. The SPAC originally raised $500 million in the spring of 2014. In the spring of 2015, Martin approached us with an opportunity to become an anchor shareholder in Nomad. At that time, Nomad was contemplating a $2.8 billion acquisition of Iglo Group. Given the size of the acquisition, it needed to raise substantial additional equity.

We have known Martin for many years, and his impressive track record of creating value for shareholders, including his extremely successful stewardship of Benson Eye Care and Jarden Corporation where he has generated, as of July 31, 2015, a greater than 48-fold gain for shareholders. We highlighted his success in our May 2015 Ira Sohn presentation.

In 2011, we partnered with Martin and Nicholas Berggruen in Justice Holdings, Ltd., a SPAC that eventually merged with 3G's Burger King Worldwide, which is now known as Restaurant Brands International since the 2014 acquisition of Tim Hortons.

After conducting diligence on Iglo Group, we invested $350 million in a private placement of Nomad's common stock contemporaneous with its acquisition of Iglo on June 1, 2015, giving us a 22% ownership stake in the company across Pershing Square funds. Brian Welch, a member of our investment team, joined Nomad's board of directors. We believe that Iglo is a great anchor investment that will allow Nomad to create value for shareholders over time as a consolidator in the packaged food industry.

Iglo is the leading branded frozen food business in Europe with €1.5 billion in sales. It is a stable, high margin (20% EBITDA margin), free-cash-flow-generative business. It has a leading share in European frozen foods at 2.2 times the size of the next largest competitor, with strong brand equity. Historical growth in the business has been flat, but management sees opportunities for organic growth by expanding the company's great brand names into adjacent frozen food categories.

Nomad's purchase of Iglo was completed at an attractive valuation. The $2.8 billion purchase price equated to 8.5 times 2014 EBITDA. Given the low capex requirements of the business (less than 2% of sales) and its modest cash tax rate (21%), the purchase price equated to 12 times unlevered free cash flow. By financing the acquisition with leverage of four times Debt / EBITDA, at our $10.50 purchase price, we paid approximately eight times levered free cash flow. The market quickly recognized the attractiveness of the transaction, causing the stock price to double after the transaction was announced.

Nomad intends to use Iglo as a platform for future food industry acquisitions. The first such acquisition was announced on August 13th, with Nomad agreeing to purchase Findus Group's Continental European Businesses for £500 million. These frozen food assets were purchased at an attractive valuation and are highly complementary as they fill out Iglo's existing European footprint.

The packaged food industry is large and fragmented and is currently undergoing significant change with the presence of 3G and many activist investors. We believe that the Nomad team, led by co-chairmen Martin Franklin and Noam Gottesman, and new CEO Stefan Descheemaeker (formerly of grocer Delhaize Group and ABInBev), has the experience and skills to make Nomad a very successful long-term investment.

Fannie Mae (FNMA) / Freddie Mac (FMCC)

Fannie and Freddie reported another strong quarter. These results further corroborate our thesis that both entities could recapitalize and safely exit conservatorship if the Net Worth Sweep (the U.S. Government's expropriation of each quarter's net worth by extraordinary dividends) is eliminated. During the quarter, there were a number of positive legal developments in the shareholder litigation against the U.S. Government expropriation.

In the D.C. Court of Appeals, the plaintiffs filed a strong appeal brief against the decision last September dismissing their claims that the Net Worth Sweep violated applicable statutory restrictions. Numerous amici (friends of the court) briefs were filed in support of the plaintiffs, two of which are worth highlighting.

One came from several parties including the Independent Community Bankers of America and William Isaacs, the former FDIC Chairman, who during his career personally oversaw the conservatorship or receivership of hundreds of banks during the S&L crisis. The brief argues that Fannie and Freddie's conservatorships were modeled word-for-word on FDIC conservatorships, and that the Net Worth Sweep is both unprecedented and inconsistent with the goals of conservatorship as understood and implemented for over 80 years. If allowed to stand, the brief argues, the Net Worth Sweep will cause providers of capital to financial institutions to question whether the rule of law and the established hierarchy of corporate claims can be preserved in conservatorship. Banks rely on low-cost debt and preferred stock financing in order to provide low-cost loans to consumers. If the courts allow assets of a private financial institution to be expropriated during conservatorship, there will be few if any lenders willing to provide financing to financial institutions, particularly during a time of stress.

In his amicus brief, former Fannie Mae CFO Tim Howard offered an accounting-based analysis that questioned the necessity and motives behind the Net Worth Sweep. During conservatorship, the FHFA changed the GSEs accounting policies, accelerating non-cash charges, generating paper losses, and leading to a substantial majority of the Treasury's $190 billion preferred stock investment. From 2008 to 2011, Mr. Howard shows, the GSEs' actual credit losses were exceeded by their cash profits, while the non-cash charges that necessitated the capital injections have largely been reversed, leading the Treasury to "sweep" away almost all of the GSEs' capital since 2012.

In the Court of Federal Claims, plaintiffs have filed redacted documents that suggest that their discovery process has uncovered evidence that contradicts the government's defense of the Net Worth Sweep and calls into question both its necessity and true purpose. Although these documents are filed under seal, Judge Sweeney has allowed them to be used in related cases in the District Court and Court of Appeals.

PERSHING SQUARE'S PERSONAL TRADING POLICIES

In light of the Sprout transaction, we thought it would be useful to review the personal trading policies for our employees and how we manage potential conflicts in this area. Pershing Square has an extremely restrictive personal investment policy. Employees are not permitted to invest in publicly traded equity or debt securities other than U.S. Treasurys, money market instruments, and municipal bonds. We also allow employees to invest in mutual funds and to retain publicly held securities they owned prior to joining Pershing Square, but they cannot buy more of these securities and need compliance approval if they wish to sell these investments.

As a result of our personal trading policy, in nearly all cases, employees have the substantial majority of their liquid net worth invested in the funds. We do not encourage employees to invest all of their liquid assets in the funds as we have always believed that good investment judgment requires peace of mind. Employees that are "overinvested" in the funds may lose the dispassionate economic rationality that is essential for sound investment judgment, particularly in times of market stress.

The Pershing Square funds are not permitted to make private investments. Employees are therefore permitted to invest in private equity, private real estate, venture capital, and funds that invest in these asset classes in addition to other hedge funds. These investments each require consent from our Chief Compliance Officer before they are made. This approach limits but does not eliminate the potential for conflicts of interest from personal investments.

The Valeant acquisition of Sprout is the second instance in our nearly 12-year history where a company in which Pershing Square is an investor acquired a private company in which an employee had an investment. The first example occurred in 2012 when Justice Holdings, a company in which Pershing Square was a more than 30% owner and had representation on the board merged with Burger King, then owned by a 3G private equity fund, taking the company public. Our personal relationship with 3G was helpful to the funds as we, on behalf of Justice Holdings and along with our co-sponsors, sourced and negotiated the Burger King transaction.

As I was an investor in the 3G fund that owned Burger King, we managed the potential conflict as follows: Prior to the completion of the transaction, 3G transferred to me my interest in Burger King stock. The cash from Justice Holdings was used to buy out the other 3G private equity investors. As a result of the transaction, my personal interest in Burger King increased (I was a buyer along with the funds, not a seller) as I continued to own my original stake plus a much larger stake through my indirect interest held through the Pershing Square funds. Furthermore, I and affiliates agreed to hold my stake in Burger King until such time as the funds exited their position in the company. Justice Holdings' stock price (now known as Restaurant Brands International) has increased by nearly three-fold since the transaction was announced in April 2012, and I continue to hold my stake in the company.

The facts in Sprout are different from those in the Justice/Burger King case. I and other Pershing Square employees own less than 2% of Sprout. We have no board representation or other position of influence at the company. The Pershing Square funds own 5.7% of Valeant and we do not have board representation or other meaningful influence over the company's affairs, although we do intend to assist Valeant in its business development efforts if possible, as in the Allergan transaction last year. We have not sought to influence Valeant's governance or operations because of our confidence in the company's management team led by Mike Pearson. In the case of Sprout we played no role in Valeant's decision to acquire the company.

Perella Weinberg represented Sprout in marketing the company for sale. The company negotiated with multiple bidders and ultimately selected Valeant. While we were not informed of the terms of the other offers, we did strongly advocate for the Valeant management team and its proposed transaction. We assume that the Sprout board and controlling shareholders chose the Valeant transaction because it offered the best economic and other terms. We believe that the Sprout acquisition will be a good one for Valeant as we believe in the drug's potential and the opportunity for additional expansion of Valeant's portfolio in the women's health sector.

BOND OFFERING

On June 26, 2015, PSH announced the closing of $1 billion aggregate principal amount of its Senior Notes due 2022 (the "Notes") at an interest rate of 5.500% per annum. As of July 31, 2015, PSH's Total Indebtedness to Total Capital Ratio was 12.2% after giving effect to the offering of the Notes. The principal covenants of the Notes limit the incurrence of debt or distributions to shareholders when this ratio is greater than or equal to one third. Unlike margin debt, the bonds do not have mark-to-market covenants which could require forced sales when equity prices decline. The net proceeds of the offering of the Notes were used to rebalance existing investments among the Pershing Square funds and to provide capital for our recent investment in Mondelez.

We view the recent offering of the Notes as an important milestone for PSH. We believe that the addition of a modest amount of long-term senior debt will enhance our long-term returns without a meaningful increase in the risk of a permanent loss of capital.

TRANSPARENCY/REPORTING

The PSH website www.pershingsquareholdings.com provides access to weekly postings of NAV, monthly performance and transparency reports, press releases, and letters to investors, as well as access to our quarterly investor calls and general corporate documents. <u>You can register on the homepage to receive email alerts when new information is posted to the site.</u>

Please feel free to contact the Investor Relations team or me if you have questions about any of the above.

Sincerely,

William A. Ackman

FOOTNOTES TO CHAIRMAN'S STATEMENT AND INVESTMENT MANAGER'S REPORT

1 "AUM" is the NAV of the Company without taking into effect accrued and/or crystallized performance fees and any accrued portion of the Offset Amount as of the end of a period. The "Offset Amount" is equal to the fees and other costs of the placing and admission of the shares in the IPO, commissions paid to placement agents and other formation and offering expenses incurred during the private phase of the Company plus accrued interest of 4.25% per annum.

2 "NAV" means the value of the Company's portfolio securities, cash and other assets less its liabilities (including any accrued performance fees and the accrued portion of the Offset Amount), as determined by Pershing Square in accordance with its valuation policy and procedures, and in accordance with applicable accounting principles (except that the net asset value of the Company attributable to Management Shares issued from time to time will not be classified as liabilities for purposes of calculating NAV).

3 Performance results are presented on a gross and net basis. Net returns reflect the deduction of, among other expenses: management fees, brokerage commissions, administrative fees, and accrued and/or crystallized performance fee, if any. Net returns also include the reinvestment of all dividends, interest, and capital gains. Depending on the timing of a specific investment, net performance for an individual investor may vary from the net performance as stated herein. Performance data for 2015 and other information contained herein are estimated and unaudited. **Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal.**

4 For purposes of this report, "Total Indebtedness", "Total Capital" and "Total Indebtedness to Total Capital Ratio" have the meaning given to these terms under the Indenture, dated June 26, 2015, between, among others, Pershing Square Holdings, Ltd., as the Issuer, and The Bank of New York Mellon, as Trustee, Paying Agent, Registrar and Transfer Agent (the "Indenture"). As defined in the Indenture, "Indebtedness" reflects indebtedness (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof), (iii) representing capital lease obligations, (iv) representing the balance deferred and unpaid of the purchase price of any property or services (excluding accrued expenses and trade payables in the ordinary course of business) due more than one year after such property is acquired or such services are completed or (v) in respect of PSH's capital stock that is repayable or redeemable, pursuant to a sinking fund obligation or otherwise, or preferred stock of any of PSH's future subsidiaries. "Indebtedness" does not include, among other things, PSH's NAV attributable to any Management Shares (whether or not the Management Shares are accounted for as liabilities) or hedging obligations or other derivative transactions and any obligation to return collateral posted by counterparties in respect thereto. Under the Indenture, the amount of any Indebtedness outstanding as of any date is the principal amount thereof. "Total Indebtedness" reflects the total amount of Indebtedness of PSH and its consolidated subsidiaries (if any), plus, in respect of unconsolidated subsidiaries and affiliated special investment vehicles ("SPVs") (if any), the amount of Indebtedness of the relevant subsidiary or affiliated SPV on a proportionate basis. Under the Indenture, Total Indebtedness excludes margin debt that does not exceed 10% of PSH's Total Capital. "Total Capital" reflects the sum of PSH's NAV and its Total Indebtedness.

5 The inception date for PSH is December 31, 2012. The performance data presented on page 3 of this letter for the market index under "since inception" is calculated from December 31, 2012.

6 The S&P 500 ("index") has been selected for purposes of comparing the performance of an investment in the Company with a well-known, broad-based equity benchmark. The statistical data regarding the index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses the Company is subject. The Company is not restricted to investing in those securities which comprise this index, its performance may or may not correlate to this index and it should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Company's portfolio. The S&P 500 is comprised of a representative sample of 500 U.S. large cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poor's. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, among other famous marks, are registered trademarks of Standard & Poor's Financial Services LLC. © 2014 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.

7 The data presented herein reflects the attributions to performance of the portfolio of the Company. Positions with performance attributions of at least 50 basis points are listed above separately, while positions with performance attributions of 50 basis points or less are aggregated.

The attributions presented herein are based on gross returns which do not reflect deduction of certain fees or expenses charged to the Company, including, without limitation, management fees and accrued performance fee. Inclusion of such fees and expenses would produce lower returns than presented here. In addition, at times, Pershing Square may engage in hedging transactions to seek to reduce risk in the portfolio, including investment specific hedges that do not relate to the underlying securities of an issuer in which the Company is invested. The gross returns reflected herein: (i) include only returns on the investment in the underlying issuer and the hedge positions that directly relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and also purchased puts on Issuer A stock, the gross return reflects the profit/loss on the stock and the profit/loss on the put); (ii) do not reflect the cost/benefit of hedges that do not relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and short Issuer B stock, the profit/loss on the Issuer B stock is not included in the gross returns attributable to the investment in Issuer A); and (iii) do not reflect the cost/benefit of portfolio hedges. Performance with respect to currency hedging related to a specific issuer is included in the overall performance attribution of such issuer.

The performance attributions to the gross returns provided herein are for illustrative purposes only. The securities on this list may not have been held by the Company for the entire period. All investments involve risk including the loss of principal. It should not be assumed that investments made in the future will be profitable or will equal the performance of the securities on this list.

8 This letter contains information and analyses relating to all publicly disclosed positions above 50 basis points in the Company's portfolio during the period reflected on the first page of the Investment Manager's Report. Pershing Square may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this letter for any reason. Pershing Square hereby disclaims any duty to provide any updates or changes to the information contained here including, without limitation, the manner or type of any Pershing Square investment.

Independent Review Report to Pershing Square Holdings, Ltd.

INTRODUCTION

We have been engaged by Pershing Square Holdings, Ltd. to review the condensed set of financial statements in the interim financial report for the six months ended June 30, 2015 which comprises the Condensed Interim Statement of Financial Position, Condensed Interim Statement of Comprehensive Income, Condensed Interim Statement of Changes in Net Assets Attributable to Non-Equity Shareholders, Condensed Interim Statement of Changes in Equity, Condensed Interim Statement of Cash Flows and the related notes 1 to 12. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

DIRECTORS' RESPONSIBILITY

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with International Accounting Standards 34, "Interim Financial Reporting".

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standards 34, "Interim Financial Reporting".

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended June 30, 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34.

/s/ Ernst & Young LLP
Ernst & Young LLP
Guernsey
August 26, 2015

Condensed Interim Statement of Financial Position

(Stated in United States Dollars)

	Notes	June 30, 2015 Unaudited	December 31, 2014 Audited
Assets			
Cash and cash equivalents		$ 1,752,264,874	$ 565,809,913
Due from brokers		617,678,314	515,560,923
Trade and other receivables		5,804,728	4,786,430
Financial assets at fair value through profit or loss			
Investments in securities	4	5,534,157,215	5,791,187,783
Derivative financial instruments	4	242,800,032	289,114,933
Total assets		**$ 8,152,705,163**	**$ 7,166,459,982**
Liabilities			
Due to brokers		$ 6,255,847	$ 68,450,144
Trade and other payables		52,746,016	119,212,022
Financial liabilities at fair value through profit or loss			
Securities sold, not yet purchased	4	310,082,438	391,285,125
Derivative financial instruments	4	21,272,358	27,139,624
Bonds	11	986,611,653	-
Liabilities excluding net assets attributable to management shareholders		1,376,968,312	606,086,915
Net assets attributable to management shareholders(1)	6	237,697,969	227,226,260
Total liabilities		**1,614,666,281**	**833,313,175**
Equity			
Share capital	6	6,003,372,824	6,003,372,824
Retained earnings		534,666,058	329,773,983
Total equity(2)		**6,538,038,882**	**6,333,146,807**
Total liabilities and equity		**$ 8,152,705,163**	**$ 7,166,459,982**
Net assets attributable to Public Shares		$ 6,537,865,532	$ 6,332,978,890
Public Shares in issue		240,128,546	240,128,546
Net assets per Public Share		$ 27.23	$ 26.37
Net assets attributable to Management Shares		$ 237,697,969	$ 227,226,260
Management Shares in issue		8,500,796	8,500,796
Net assets per Management Share		$ 27.96	$ 26.73
Net assets attributable to Class B Shares		$ 173,350	$ 167,917
Class B Shares in issue		5,000,000,000	5,000,000,000
Net assets per Class B Share		$ 0.00003	$ 0.00003

(1) Net assets attributable to management shareholders are comprised of the aggregate net asset values of all non-redeemable Management Shares as of June 30, 2015 and December 31, 2014.

(2) Total equity of the Company is comprised of the aggregate net asset values of all Public Shares and Class B Shares as of June 30, 2015 and December 31, 2014. Under IFRS, non-redeemable Management Shares are classified as financial liabilities rather than equity as discussed in Note 2.

The accompanying notes form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Comprehensive Income

(Stated in United States Dollars)

	Notes	2015 Unaudited	2014 Unaudited
Investment gains and losses			
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		$ 313,225,056	$ 762,840,411
Net realized gain (loss) on commodity interests		(1,062,782)	(2,091,560)
Net change in unrealized gain (loss) on commodity interests (net of brokerage commissions of (2015: $350,480, 2014: $31,510))		(1,747,612)	(56,161)
	4	310,414,662	760,692,690
Income			
Dividend income		17,314,215	9,288,190
Interest income		71,400	7,567
		17,385,615	9,295,757
Expense			
Management fees	8	(48,490,289)	(18,399,558)
Incentive fees	8	(39,027,062)	(115,144,100)
Professional fees		(12,783,737)	(6,265,927)
Interest expense		(7,348,666)	(2,430,974)
Other expenses		(750,803)	(557,005)
Dividend expense		-	(844,628)
		(108,400,557)	(143,642,192)
Profit before tax and amounts attributable to equity, non-equity and management shareholders		**219,399,720**	**626,346,255**
Withholding tax (on dividends)		(4,035,936)	(2,534,472)
Profit for the period attributable to equity, non-equity and management shareholders(1),(2),(3)		**215,363,784**	**623,811,783**
Amounts attributable to non-equity shareholders(1)		**-**	604,543,062
Amounts attributable to management shareholders(2)		10,471,709	19,268,721
Profit for the period attributable to equity shareholders(3)		**$ 204,892,075**	**$ -**
Earnings Per Share (Basic & Diluted)			
Public Shares		$ 0.85	
Class B Shares		$ 0.00	

All the items in the above statement are derived from continuing operations.

There is no other comprehensive income for the periods ended June 30, 2015 and June 30, 2014.

(1) Amounts attributable to non-equity shareholders are comprised of the profits earned by all shareholders of Private Shares and VoteCo Shares for the period from January 1, 2014 to June 30, 2014.

(2) Amounts attributable to management shareholders are comprised of the profits earned by all shareholders of non-redeemable and redeemable Management Shares for the period from January 1, 2015 to June 30, 2015 and January 1, 2014 to June 30, 2014, respectively.

(3) Profit attributable to equity shareholders is comprised of the net profits earned by shareholders of Public Shares and Class B Shares for the period from January 1, 2015 to June 30, 2015.

The accompanying notes form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Net Assets Attributable to Non-Equity Shareholders

(Stated in United States Dollars)

	Net Assets Attributable to Management Shareholders
As at December 31, 2014	**$ 227,226,260**
Amounts attributable to management shareholders[(1)]	10,471,709
As at June 30, 2015 (Unaudited)	**$ 237,697,969**

	Notes	Net Assets Attributable to Non-Equity and Management Shareholders
As at December 31, 2013		**$ 2,373,347,015**
Amounts attributable to all shareholders		623,811,783
Issuance of non-equity shares[(2)]	6	66,195,000
Redemption of non-equity shares[(3)]	6	(196,116,048)
As at June 30, 2014 (Unaudited)		**$ 2,867,237,750**

(1) Amounts attributable to management shareholders are comprised of the profits earned by all shareholders of non-redeemable Management Shares for the period from January 1, 2015 to June 30, 2015, respectively.

(2) Issuance of non-equity shares represents subscriptions for Private Shares for the period from January 1, 2014 to June 30, 2014.

(3) Redemption of non-equity shares represents redemptions for Private Shares for the period from January 1, 2014 to June 30, 2014.

The accompanying notes form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Equity

(Stated in United States Dollars)

	Share Capital	Retained Earnings	Total Equity
As at December 31, 2014[(1)]	**$ 6,003,372,824**	**$ 329,773,983**	**$ 6,333,146,807**
Total profit for the period attributable to equity shareholders[(2)]	-	204,892,075	204,892,075
As at June 30, 2015 (Unaudited)[(1)]	**$ 6,003,372,824**	**$ 534,666,058**	**$ 6,538,038,882**

For the period from January 1, 2014 to June 30, 2014, the Company had no equity balances and/or changes to equity.

(1) Total equity of the Company is comprised of the aggregate net asset values of all Public Shares and Class B Shares as of June 30, 2015 and December 31, 2014. Under IFRS, non-redeemable Management Shares are classified as financial liabilities rather than equity as discussed in Note 2.

(2) Profit attributable to equity shareholders is comprised of the net profits earned by shareholders of Public Shares and Class B Shares for the period from January 1, 2015 to June 30, 2015.

The accompanying notes form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Cash Flows

(Stated in United States Dollars)

	Notes	2015 Unaudited	2014 Unaudited
Cash flows from operating activities			
Profit for the period attributable to equity, non-equity and management shareholders(1),(2),(3)		$ 215,363,784	$ 623,811,783
Adjustments to reconcile changes in profit for the period to net cash flows:			
Bond interest expense	11	786,925	-
(Increase)/decrease in operating assets:			
Due from brokers		(102,117,391)	88,556,442
Trade and other receivables		(1,018,298)	600,115
Investments in securities	4	257,030,568	(919,392,909)
Derivative financial instruments	4	46,314,901	124,191,425
Increase/(decrease) in operating liabilities:			
Due to brokers		(62,194,297)	(4,974,106)
Trade and other payables		(69,777,668)	92,511,312
Securities sold, not yet purchased	4	(81,202,687)	(75,629,697)
Derivative financial instruments	4	(5,867,266)	(83,891,951)
Net cash from/(used in) operating activities		**197,318,571**	**(154,217,586)**
Cash flows from financing activities			
Proceeds from issuance of non-equity shares	6	-	96,295,000
Payment on redemption of non-equity shares	6	-	(180,037,431)
Proceeds from issuance of bonds	11	1,000,000,000	-
Expenses relating to issuance of bonds	11	(10,863,610)	-
Net cash from/(used in) financing activities		**989,136,390**	**(83,742,431)**
Net change in cash and cash equivalents		1,186,454,961	(237,960,017)
Cash and cash equivalents at beginning of period		565,809,913	389,656,631
Cash and cash equivalents at end of period		**$ 1,752,264,874**	**$ 151,696,614**
Supplemental disclosure of cash flow information			
Cash paid during the period for interest		$ 6,538,490	$ 2,070,525
Cash received during the period for interest		$ 53,659	$ 6,733
Cash paid during the period for dividends		$ -	$ 844,628
Cash received during the period for dividends		$ 15,738,937	$ 11,999,464
Cash deducted during the period for withholding taxes		$ 3,631,022	$ 3,227,275

(1) Amounts attributable to non-equity shareholders are comprised of the profits earned by all shareholders of Private Shares and VoteCo Shares for the period from January 1, 2014 to June 30, 2014.
(2) Amounts attributable to management shareholders are comprised of the profits earned by all shareholders of non-redeemable and redeemable Management Shares for the period from January 1, 2015 to June 30, 2015 and January 1, 2014 to June 30, 2014, respectively.
(3) Profit attributable to equity shareholders is comprised of the net profits earned by shareholders of Public Shares and Class B Shares for the period from January 1, 2015 to June 30, 2015.

The accompanying notes form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

1. CORPORATE INFORMATION

Organization

The Company was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It became a registered open-ended investment scheme, under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Registered Collective Investment Scheme Rules 2008 (issued by the Guernsey Financial Services Commission, the “GFSC”), on June 27, 2012, and commenced operations on December 31, 2012.

The Company’s registered office is at 1st Floor, Royal Chambers, St Julian’s Avenue, St Peter Port, Guernsey, Channel Islands.

Initial Public Offering

On October 2, 2014, the GFSC approved the conversion of the Company into a registered closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Registered Collective Investment Scheme Rules 2008. On October 2, 2014, the Netherlands Authority for the Financial Markets (the “AFM”) approved the application for admission of the Company’s non-redeemable shares (the “Public Shares”) on Euronext Amsterdam. The Placing (as defined in the prospectus dated October 2, 2014) and Admission (as defined below) of the Company qualified as a “Qualified Public Offering” (herein and after referenced to as the “IPO”) as set forth in the Company’s Articles of Incorporation (the “Articles of Incorporation”). The Public Shares commenced trading on October 13, 2014 with a trading symbol of PSH (the “Admission”).

On October 1, 2014, the number of Public Shares issued was 109,090,909 at an issue price of $25 per Public Share (the “Issue Price”) for total proceeds of $2,727,272,725. William A. Ackman, as well as other members and officers of the Investment Manager invested an aggregate amount of $128,573,665, which represented 5,142,945 Management Shares of the Company. The Company’s Private Shares, Management Shares and VoteCo Shares held as of September 30, 2014 were converted to 121,753,991 Public Shares, 3,357,851 Management Shares and 5,000,000,000 Class B Shares, respectively.

The Company granted Deutsche Bank AG, London Branch (the “Stabilising Manager”) an option (the “Option”), pursuant to which the Stabilising Manager was entitled to purchase, or procure purchasers for, additional Public Shares at the Issue Price for up to 10,909,091 Public Shares for stabilisation purposes or effect other transactions in order to support the market price of the Public Shares at a higher level than that which might otherwise prevail in the open market. Under its terms, the Option could be exercised in whole or in part upon notice by the Stabilising Manager at any time commencing from October 13, 2014 and ending 30 calendar days thereafter. On November 10, 2014, the Option was exercised for 784,286 Public Shares (the “Over-Allotment Shares”) with total proceeds of $19,607,150.

Investment Objective

The Company’s investment objective is to preserve capital and to seek maximum, long-term capital appreciation commensurate with reasonable risk. The Company seeks to achieve its investment objective through long and short positions in equity or debt securities of public U.S. and non-U.S. issuers (including securities convertible into equity or debt securities), derivative instruments and any other financial instruments that the Investment Manager believes will achieve the Company’s investment objective.

Investment Manager

The Company has appointed Pershing Square Capital Management, L.P. (“PSCM” or the “Investment Manager”), as its investment manager pursuant to an agreement between the Company and the Investment Manager. The Investment Manager has responsibility, subject to the overall supervision of the Board of Directors, for the investment of the Company’s assets in accordance with the strategy set forth in the Prospectus.

The Company delegates certain administrative functions relating to the management of the Company to PSCM. William A. Ackman is the managing member of PS Management GP, LLC, the general partner of PSCM.

Board of Directors

The Company’s Board of Directors is comprised of Nicholas Botta, a partner of the Investment Manager, and Anne Farlow, Richard Battey, Jonathan Kestenbaum and William Scott, all of whom are independent non-executive Directors.

Notes to the Condensed Interim Financial Statements (continued)

1. CORPORATE INFORMATION (continued)

On October 6, 2014, Anne Farlow was appointed Chairman of the Board.

Audit Committee

The Company has established an audit committee (the "Audit Committee") effective on the Admission date that is comprised of Ms Farlow and Messrs Battey, Kestenbaum and Scott. Mr Battey was appointed as Chairman of the Audit Committee on September 10, 2014. The Audit Committee's responsibilities may include, but are not limited to, the appointment of external auditors, discussion and agreement with the external auditors as to the nature and scope of the audit, review of the scope, results and cost effectiveness of the audit and the independence and objectivity of the external auditor, review of the external auditors' letter of engagement and management letter and review of the key procedures adopted by the Company's service providers. The Audit Committee reports regularly and makes such recommendations as it deems appropriate to the Board on any matter within its remit.

Prime Brokers

Pursuant to prime broker agreements, Goldman Sachs & Co. and UBS Securities LLC (the "Prime Brokers") both serve as custodians and primary clearing brokers for the Company.

Administrator and Sub-Administrator

Pursuant to an administration and sub-administration agreement dated April 2, 2012, Elysium Fund Management Limited (the "Administrator") and Morgan Stanley Fund Services (Bermuda) Ltd. (the "Sub-Administrator") have been appointed as administrator and sub-administrator, respectively, to the Company. The Administrator provides certain administrative and accounting services including the maintenance of the Company's accounting and statutory records. The Administrator delegates certain of these services to the Sub-Administrator. The Administrator and Sub-Administrator receive customary fees, plus out of pocket expenses, based on the nature and extent of services provided.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The condensed interim financial statements of the Company for the six months ended June 30, 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles used to prepare these unaudited condensed interim financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are consistent with those set out in the notes to the annual financial statements for the year ended December 31, 2014. The condensed interim financial statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities designated as at fair value through profit or loss that have been measured at fair value. The unaudited condensed interim financial statements do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2014.

The Company's investment activities, together with factors likely to affect its future development, performance and position, are set out in Note 1 and Note 13 to the annual financial statements. After making reasonable inquiries and assessing all data relating to the Company's liquidity, particularly its holding of cash and Level 1 investments, the Investment Manager and the Directors believe that the Company is well placed to manage its business risks, has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For these reasons, they have adopted the going concern basis in preparing the condensed interim financial statements.

Functional and Presentation Currency

The Company's functional currency is the United States Dollar ("USD"), which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in USD. Therefore, USD is considered the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company's financial statements presentation currency is USD. The Company's stock is traded in USD and the price is quoted in USD.

Notes to the Condensed Interim Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets Attributable to Non-Equity Shareholders and Management Shareholders

From the Company's commencement date to September 30, 2014, the Private Shares, Management Shares and VoteCo Shares were redeemable at the shareholders' option and were classified as financial liabilities. The liabilities arising from the redeemable shares are carried at the redemption amount which is the net asset value calculated in accordance with IFRS. Effective October 1, 2014, the Company converted into a registered closed-ended investment scheme in connection with the IPO and all Private Shares and VoteCo Shares were converted into non-redeemable Public Shares and Class B Shares, respectively. In accordance with IAS 32, the Company classifies its Public Shares and Class B Shares as equity as shareholders do not have any rights of redemption.

Effective October 1, 2014, all redeemable Management Shares were converted into non-redeemable Management Shares. Non-redeemable Management Shares can be converted into a variable number of Public Shares based upon the net asset values as of the last day of each calendar month and are therefore classified as financial liabilities in accordance with IFRS. At no time can non-redeemable Management Shares be redeemed in cash at the option of the management shareholders. Net assets attributable to Management Shares are accounted for on an amortized cost basis at the net asset value calculated in accordance with IFRS. The change in the net assets attributable to Management Shares, other than that arising from share issuances or conversions, is recognized in the condensed interim statement of comprehensive income.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Company has not early adopted any accounting standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IAS 19: Employee Defined Benefit Plans, the Annual Improvements Cycle 2010 – 2012 and the Annual Improvements Cycle 2011-2013 became effective as of January 1, 2015. These amendments do not have a material impact on the condensed interim financial statements nor are they expected to have an impact on the annual financial statements.

Related Party Disclosures – Amendments to IAS 24

These amendments are applied retrospectively and clarify that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The Company disclosed in these condensed interim financial statements and on all of its previous annual and interim financial statements the expenses incurred for management services. These amendments have been adopted and have no material impact on the condensed interim financial statements nor are they expected to have a material impact on the annual financial statements.

Fair Value Measurement (Portfolio Exception) – Amendments to IFRS 13

IFRS 13 includes a "portfolio exception" which allows for a specified level of grouping when a portfolio of financial assets and financial liabilities are managed together with offsetting market risks or counterparty credit risk (i.e. certain financial assets and financial liabilities with offsetting positions may be grouped together as a unit of account for purposes of determining a fair value measurement of that portfolio). These amendments are applied prospectively and clarify that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). These amendments have no impact on the condensed interim financial statements nor are they expected to have an impact on the annual financial statements.

Notes to the Condensed Interim Financial Statements (continued)

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss

	June 30, 2015	December 31, 2014
Financial assets at fair value through profit or loss		
Investment in securities	$5,534,157,215	$ 5,791,187,783
Derivative financial instruments	242,800,032	289,114,933
Financial assets at fair value through profit or loss	**$5,776,957,247**	**$ 6,080,302,716**

Financial liabilities at fair value through profit or loss

	June 30, 2015	December 31, 2014
Financial liabilities at fair value through profit or loss		
Securities sold, not yet purchased	$ 310,082,438	$ 391,285,125
Derivative financial instruments	21,272,358	27,139,624
Financial liabilities at fair value through profit or loss	**$ 331,354,796**	**$ 418,424,749**

Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss

	6 months ended June 30, 2015			6 months ended June 30, 2014		
	Realized	Unrealized	Total Gains/(Losses)	Realized	Unrealized	Total Gains/(Losses)
Financial assets						
Designated at fair value through profit or loss	$ 779,276,893	$ (323,109,722)	**$ 456,167,171**	$ 140,947,468	$ 557,422,789	**$ 698,370,257**
Financial liabilities						
Designated at fair value through profit or loss	(56,291,848)	(111,653,361)	**(167,945,209)**	(21,831,689)	48,214,228	**26,382,539**
Derivative financial instruments	6,242,340	15,950,360	**22,192,700**	17,757,662	18,182,232	**35,939,894**
Net changes in fair value	$ 729,227,385	$ (418,812,723)	**$ 310,414,662**	$ 136,873,441	$ 623,819,249	**$ 760,692,690**

5. FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgment and considers factors specific to the asset or liability. Financial instruments are recognized at fair value and categorized in the following table based on:

Level 1 – Inputs are unadjusted quoted prices in active markets at the measurement date. The assets and liabilities in this category will generally include equities listed in active markets, treasuries (on the run) and listed options.

Level 2 – Inputs (other than quoted prices included in Level 1) are obtained directly or indirectly from observable market data at the measurement date. The assets and liabilities in this category will generally include fixed income securities, OTC options, total return swaps, credit default swaps, foreign currency forward contracts and certain other derivatives. Also, included in this category are the Company's investments in affiliated entities valued at the net asset value, which can be redeemed by the Company as of the measurement date, or within 90 days of the measurement date.

Level 3 – Inputs reflect the Company's best estimate of what market participants would use in pricing the assets and liabilities at the measurement date. The assets and liabilities in this category will generally include private investments and certain other derivatives.

Notes to the Condensed Interim Financial Statements (continued)

5. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

Recurring Fair Value Measurement of Assets and Liabilities

	June 30, 2015				December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	$000	$000	$000	$000	$000	$000	$000	$000
Financial Assets:								
Equity Securities:								
Common Stock	$5,443,394	$ -	$ -	$5,443,394	$3,597,105	$ -	$ -	$ 3,597,105
Preferred Stock	4,767	-	-	4,767	3,694	206	-	3,900
Investment in Affiliated Entities	-	85,996 ④	-	85,996	-	2,190,183 ④	-	2,190,183
Derivative Contracts:								
Currency Call/Put Options	-	18,989 ①	-	18,989	-	5,944 ①	-	5,944
Equity Forwards	-	93,075 ①	-	93,075	-	-	-	-
Equity Options	9,474	11,418 ①	-	20,892	42,204	98,371 ①	-	140,575
Foreign Currency Forward Contracts	-	885 ①	-	885	-	23,822 ①	-	23,822
Total Return Swaps	-	16,411 ②	-	16,411	-	7,824 ②	-	7,824
Warrants	26,955	-	65,593 ③	92,548	53,298	-	57,652 ③	110,950
Total	$5,484,590	$ 226,774	$ 65,593	$5,776,957	$3,696,301	$2,326,350	$ 57,652	$6,080,303
Financial Liabilities:								
Equity Securities:								
Common Stock	$ 310,082	$ -	$ -	$ 310,082	$ 391,285	$ -	$ -	$ 391,285
Derivative Contracts:								
Credit Default Swaps	-	618 ①	-	618	-	822 ①	-	822
Equity Options	-	18,584 ①	-	18,584	-	16,071 ①	-	16,071
Total Return Swaps	-	2,070 ②	-	2,070	-	10,247 ②	-	10,247
Total	$ 310,082	$ 21,272	$ -	$ 331,354	$ 391,285	$ 27,140	$ -	$ 418,425

① Level 2 securities include OTC currency call/put options, equity options, equity forwards, foreign currency forward contracts and credit default swap contracts that are fair valued by the Investment Manager using prices received from an independent third-party valuation agent. The fair values of these securities may consider, but are not limited to, the following inputs by the independent third-party valuation agent: current market and contractual prices from market makers or dealers, market standard pricing models that consider the time value of money, volatilities of the underlying financial instruments and/or current foreign exchange forward and spot rates. The independent third-party valuation agent uses widely recognized valuation models for determining fair values of OTC derivatives. The most frequently applied valuation techniques include forward pricing, option models and swap models, using present value calculations. The significant inputs into their valuation models are market observable and are included within Level 2.

② Level 2 securities include total return swap contracts that are fair valued by the Investment Manager using counterparty prices. The fair values of these securities by the counterparty may consider, but are not limited to, the following inputs: market price of the underlying security, notional amount, expiration date, fixed and floating interest rates, payment schedules and/or dividends declared.

③ Level 3 investments include warrants that are fair valued by the Investment Manager using prices obtained from an independent third-party valuation agent. The independent third-party valuation agent utilizes proprietary models to determine fair value. The valuation agent's modelling may consider, but is not limited to, the following inputs: amount and timing of cash flows, current and projected financial performance, volatility of the underlying securities' stock price, dividend yields and/or interest rates. The valuation committee of the Investment Manager considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods be applied to support the valuation arising from the method discussed. Any material changes in valuation methods are discussed and agreed with the Board of Directors.

④ This relates to the Company's investments in PS V and PSF1 as discussed in Note 9. The Company's investment in PS V includes 99.55% and 99.50% of Level 1 securities and 0.45% and 0.50% of other assets and liabilities that are outside the scope of IFRS 13 as of June 30, 2015 and December 31, 2014, respectively. The Company's investment in PSF1 includes net exposure of 87.29% of Level 1 securities (representing 99.16% of long common stock and (11.87)% of short common stock) and 12.71% of other assets and liabilities that are outside the scope of IFRS 13 as of December 31, 2014

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Notes to the Condensed Interim Financial Statements (continued)

5. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The Company's cash and cash equivalents and short-term receivables and payables are recorded at carrying value which approximates fair value.

Some of the Company's investments in Level 1 securities represent a significant proportion of the Company's portfolio. If such investments were sold or covered in their entirety, it might not be possible to sell them at the quoted market price which IFRS requires to be used in determining their fair value. Many factors affect the price that could be realized for large investments. The Investment Manager believes that it is difficult to accurately estimate the potential discount or premium to the quoted market prices that the Company would receive or realize if investments that represent a significant proportion of the Company's portfolio were sold or covered.

Transfers Between Levels

Transfers between levels during the period are determined at each financial statement reporting date. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements of material significance since the last financial statement reporting date.

Level 3 Reconciliation

The following table summarizes the change in the carrying amounts associated with Level 3 investments for the six month period ended June 30, 2015 and the full year ended December 31, 2014. The Company's warrants in Platform Specialty Products Corporation were exercised, resulting in their derecognition from Level 3 investments. The resulting shares acquired from the exercise of these warrants have been recognized in Level 1 investments as of the exercise date.

		Warrants
Balance at January 1, 2014	**$**	**33,519,319**
Purchases		28,620,071
Derecognition for exercise of warrants		(11,184,084)
Total gains and losses in profit or loss		6,696,766
Balance at December 31, 2014		**57,652,072**
Total gains and losses in profit or loss		7,941,350
Balance at June 30, 2015	**$**	**65,593,422**
Total unrealized gains and losses for the year included in profit or loss for assets held at June 30, 2015	$	7,941,350
Total unrealized gains and losses for the year included in profit or loss for assets held at June 30, 2014	$	15,000,954

All gains and losses from Level 3 securities during the year/period are recognized in the net gain (loss) on financial assets and liabilities at fair value through profit or loss in the condensed interim statement of comprehensive income.

6. SHARE CAPITAL

Authorized and Issued Capital – Private Phase

Prior to the IPO, the Company was authorized to issue an unlimited number of Private Shares, Management Shares, VoteCo Shares (discussed below) and other shares or classes of shares determined by the Board of Directors. Each new series of Private Shares issued during the year was issued at a price of $1,000 per share. The Private Shares, Management Shares and VoteCo Shares carried voting rights and participated in the profits and losses of the Company. Each series of shares earned their ownership percentage of the Company's profits and losses beginning from the subscription date of their shares. The Private Shares were issued as either restricted shares or non-restricted shares, each having the same rights and privileges, except that the non-restricted shares participated in the gains and losses arising from the Company's trading of securities that are classified as "new issues" as defined by Rule 5130 and Rule 5131 of the Financial Industry Regulatory Authority as any public offering of equity securities ("New Issues"). For the six month periods ended 2015 and 2014, the Company did not have any security transactions in New Issues.

Shares were issued, redeemed and converted in accordance with the terms of the Offering Memorandum. Different series of shares were issued in order to equitably reflect the differing incentive fee amounts payable with respect to each series, due to the differing issue dates throughout the fiscal year. At December 31, 2013, each series of Private Shares was redesignated and converted to the initial offering series for their respective share class after an accrual or payment to the Investment Manager was made for any applicable incentive fee. Such redesignation or conversion occurred with respect to a series of Private Shares unless, at the end of such fiscal year, no incentive fee was incurred with respect to such series for the fiscal year.

Notes to the Condensed Interim Financial Statements (continued)

6. SHARE CAPITAL (continued)

Management Shares held by the Investment Manager and its affiliates were generally subject to the same redemption schedule as the Private Shares, except that the Investment Manager and/or its affiliates were able to redeem all or a portion of their interests in the Company as of the last day of any quarter to satisfy their tax obligations with respect to their respective interests in the Company.

PS Holdings Independent Voting Company Limited ("VoteCo") was established as a limited liability company with the sole objective to hold issued shares (the "VoteCo Shares") that require it to vote in the interest of the Company's shareholders as a whole. The VoteCo Shares would at all times carry 50.1% of the aggregate voting power in the Company. The Investment Manager had and continues to have no affiliation with VoteCo. VoteCo is wholly owned by a trust established for the benefit of one or more charitable organizations. VoteCo Shares carried the same economic rights as those carried by Private Shares.

The Investment Manager waived the management fee and/or the incentive fee with respect to shares issued to certain shareholders, including the Investment Manager itself and certain members, partners, officers, managers, employees or affiliates of the Investment Manager or certain other shareholders. Such shares are referred to as Management Shares and form a separate class of shares.

Authorized and Issued Capital – Public Phase

On October 1, 2014, all existing Private Shares (the "Existing Shares") converted into Public Shares that were no longer redeemable at the shareholder's option, redeemable Management Shares converted into non-redeemable Management Shares and VoteCo Shares converted into non-redeemable Class B voting shares. All Existing Shares and Management Shares were converted at the Issue Price using their aggregate net asset values as of September 30, 2014.

Post IPO, the Board of the Company is authorized to issue an unlimited number of Public Shares, Class B Shares, Management Shares, and such other shares, classes of shares or series as determined by the Board. All of the Company's share classes participate pro rata in the profits and losses of the Company based upon the share class's ownership of the Company at the time of such allocation.

Shareholders in Pershing Square International, Ltd. ("PSINTL"), an affiliated fund managed by the Investment Manager, were provided with the opportunity to rollover all or part of their respective investment in exchange for Public Shares in the Company at the Issue Price (the "Rollover Shares") at the time of the IPO. The Rollover Shares represented 8,499,360 of the Public Shares for total proceeds of $212,484,000. The proceeds were treated as capital redemptions from PSINTL as of September 30, 2014. PSCM designated a bank account to act as the nominee for the rollover shareholders whereby the proceeds were deposited into PSCM's bank account and PSCM transferred, the next day, the proceeds to the Company's bank account.

As of October 1, 2014, the total Public Shares outstanding were 239,344,260, 109,090,909 of which were issued in the Placing, 121,753,991 of which were converted from Existing Shares and 8,499,360 of which were issued in connection with the Rollover Shares. The VoteCo Shares converted into 5,000,000,000 Class B Shares.

Effective October 1, 2014, William A. Ackman, as well as other members and officers of the Investment Manager invested an aggregate amount of approximately $128.6 million, which represented 5,142,945 additional Management Shares. As of June 30, 2015, total Management Shares outstanding were 8,500,796 with a value of $237,697,969.

The over-allotment Option of up to 10,909,091 Public Shares, granted by the Company to the Stabilising Manager (as discussed in Note 1), was exercised on November 10, 2014 in the amount of 784,286 Public Shares. After the Option exercise, the Company's Public Shares issued and outstanding were 240,128,546.

Lock-up

Shareholders holding Public Shares representing the Existing Shares and the Rollover Shares were subject to a lock-up of 90 days from October 1, 2014 whereby such Shareholders and/or any of their affiliates, were prohibited from offering, selling, contracting to sell, pledging or otherwise disposing of any Public Shares held or owned through the end of the lock-up period. This lock-up did not apply to any other Public Shares acquired in the Placing or in the secondary market.

Notes to the Condensed Interim Financial Statements (continued)

6. SHARE CAPITAL (continued)

Mr. Ackman and other members of the management team and officers of the Investment Manager have each agreed with the Company to a lock-up of ten years commencing from October 1, 2014, of their aggregate Management Shares, less amounts (i) attributable to any sales required to pay taxes on income generated by the Company; (ii) required to be sold due to regulatory constraints, including, without limitation, sales required due to ownership limits; or (iii) attributable to sales following separation of employment from the Investment Manager. Under the terms of the lock-up arrangement, shares subject to lock up may from time to time be transfered to affiliates, provided that the transferee agrees to be subject to the remaining lock-up period.

Share Conversion

Subject to the terms of the lock-up agreements, holders of Management Shares will be entitled to convert into Public Shares at the current NAV as of the last day of each calendar month upon such days' prior written notice to the Company as the Board may determine.

Voting Rights

The holders of Public Shares have the right to receive notice of, attend and vote at general meetings of the Company.

Each Public Share and Management Share carries such voting power so that the aggregate issued number of Public Shares and Management Shares carries 49.9% of the total voting power of the aggregate number of voting shares in issue. Each Public Share carries one vote and each Management Share carries such voting power so that the total voting power of the Public Shares and Management Shares are pro-rated in accordance with their respective net asset values. Each Class B Shares carries such voting power so that the aggregate issued number of Class B Shares carries 50.1% of the aggregate voting power in the Company.

Distributions

The Board may at any time declare and pay dividends (or interim dividends) based upon the financial position of the Company. No dividends shall be paid in excess of the amounts permitted by the Companies (Guernsey) Law, 2008 and the prior consent of the Board and the Investment Manager. No dividends have been declared or paid for the six month period ended June 30, 2015.

The transactions for Public Shares, Management Shares and Class B Shares for the six month period ended June 30, 2015 and the Public Shares, Management Shares and Class B Shares transactions for the year ended December 31, 2014, were as follows:

	Private Series Non-Restricted	Private Series Restricted	Management Shares	VoteCo Shares	Public Shares	Class B Shares
Shares as of December 31, 2014	-	**-**	**8,500,796.00**	**-**	**240,128,546.00**	**5,000,000,000.00**
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Shares as of June 30, 2015	-	**-**	**8,500,796.00**	**-**	**240,128,546.00**	**5,000,000,000.00**

	Private Series Non-Restricted	Private Series Restricted	Management Shares	VoteCo Shares	Public Shares	Class B Shares
Shares as of December 31, 2013	**1,830,129.93**	**292,770.02**	**52,738.76**	**100.00**	**-**	**-**
Period from January 1, 2014 - September 30, 2014						
Transfers (1)	14,280.74	(19,395.07)	-	-	-	-
Subscriptions	144,376.82	26,497.50	-	-	-	-
Redemptions	(124,516.27)	(25,829.50)	-	-	-	-
Period from October 1, 2014 - December 31, 2014						
Conversion Out	(1,864,271.22)	(274,042.95)	(52,738.76)	(100.00)	-	-
Conversion In	-	-	3,357,851.00	-	121,753,991.00	5,000,000,000.00
Issuance of Shares	-	-	5,142,945.00	-	109,875,195.00	-
Rollover from Pershing Square International, Ltd	-	-	-	-	8,499,360.00	-
Shares as of December 31, 2014	-	**-**	**8,500,796.00**	**-**	**240,128,546.00**	**5,000,000,000.00**

(1) This adjustment accounted for transfers between series when such series had different NAVs per share (i.e., a series roll-up).

7. COMMITMENTS AND CONTINGENCIES

On October 1, 2014, PSCM entered into an agreement with Sachem Head Capital Management, L.P. ("SHCM") whereby SHCM would receive 10% of the net profits from the Company and three affiliated funds of PSCM (collectively, the "PS Entities"), based on a $500 million investment in Zoetis Inc. ("Zoetis"). The net profits of the PS Entities will be calculated based on the PS Entities' weighted average cost in purchasing Zoetis and weighted average sale price in selling Zoetis. In the event that the PS Entities still hold their investment in Zoetis as of December 28, 2015, the weighted average sale price will be calculated using 98% of the volume-weighted average trading price of Zoetis shares during the ten consecutive trading days ending on December 28,

Notes to the Condensed Interim Financial Statements (continued)

7. COMMITMENTS AND CONTINGENCIES (continued)

2015, after which time SHCM will no longer be entitled to any additional profits from the PS Entities.

The net profits will reflect all third-party fees, financing costs and expenses incurred by the PS Entities relating to its Zoetis investment. As of June 30, 2015 and December 31, 2014, the Company's liability to SHCM under this arrangement was $5,535,665 and $2,881,901, respectively, which has been reflected in trade and other payables in the condensed interim statement of financial position.

There were no other commitments or contingencies as of June 30, 2015 and December 31, 2014.

8. INVESTMENT MANAGEMENT AND INCENTIVE FEES

Management Fee

During the Private Phase and after the IPO, the Investment Manager received a quarterly management fee payable in advance in an amount equal to 0.375% (1.5% per annum) of the net asset value attributable to all fee-paying shares in issue as of the last business day of the previous calendar quarter (excluding any such shares redeemed on that day) and all fee-paying shares subscribed as of the first business day of such calendar quarter. During the Private Phase, the fee-paying shares of the Company comprised Private Shares and the VoteCo Shares and effective October 1, 2014, the fee-paying shares of the Company comprised of Public Shares and the Class B Shares.

Incentive Fee

During the Private Phase, the Investment Manager received an annual incentive fee in an amount equal to 16% of the net profits attributable to the fee-paying shares of the Company, subject to a loss carryforward.

After October 1, 2014, the Investment Manager agreed to a further reduction of the 16% incentive fee (the "Variable Incentive Fee") to all fee-paying shareholders by way of an additional reduction (the "Additional Reduction"). The Additional Reduction is calculated based on 20% of the aggregate performance allocation and incentive fees earned by the Investment Manager and its affiliates on the gains of all other current and certain future funds managed by the Investment Manager or any of its affiliates.

The Variable Incentive Fee will equal (i) the 16% incentive fee per the Investment Manager agreement minus (ii) the Additional Reduction. The Variable Incentive Fee for any period cannot be less than zero, but any negative amount due to the Additional Reduction will be carried forward and available to reduce the Variable Incentive Fee for future periods. In the event that any such carried-forward amount is still available after offsetting any incentive fee crystallized upon the dissolution of the Company or the termination of the Investment Management Agreement, such amount will be forfeited. The Additional Reduction will not begin to reduce the Variable Incentive Fee until the "Offset Amount" (described further in Note 9) is fully reduced to zero.

During the Private Phase, the Investment Manager, in its sole discretion, waived the management fee and/or incentive fee with respect to shares issued to certain shareholders, including the Investment Manager itself and certain members, partners, officers, managers, employees or affiliates of the Investment Manager or certain other shareholders.

For the six month period ended June 30, 2015, the Investment Manager earned $48,490,289 of management fees and had an incentive fee accrual of $39,027,062. For the six month period ended June 30, 2014, the Investment Manager earned $18,399,558 of management fees and had an incentive fee accrual of $115,144,100.

9. RELATED PARTY DISCLOSURES

The relationship between the Company and the Investment Manager and the fees earned are disclosed in Note 8. In addition, the related parties to the Investment Manager hold Management Shares, the rights of which are disclosed in Note 6.

The Investment Manager bore the fees and other costs of the Placing and Admission of the Public Shares, commissions paid to placement agents and other formation and offering expenses incurred during the Private Phase of the Company (the "Placing Fees"). Under the Investment Management Agreement, the Investment Manager is entitled to recoup an amount over time that is equal to the aggregate Placing Fees and includes a yield of 4.25% per annum (the "Offset Amount"). The Offset Amount will be received by the Investment Manager by way of the Additional Reduction. Once the Offset Amount has been reduced to zero, the Variable Incentive Fee will take effect for shareholders, as described in Note 8.

Notes to the Condensed Interim Financial Statements (continued)

9. RELATED PARTY DISCLOSURES (continued)

As of June 30, 2015, the outstanding Offset Amount to be paid to the Investment Manager was approximately $88.3 million. This amount reflects $120 million of Placing Fees, less the Additional Reduction for the period from October 1, 2014 to June 30, 2015 of $35.1 million (of which $20.2 million has been crystallized as of June 30, 2015) and includes accrued interest of approximately $3.4 million.

The Investment Manager may seek to effect rebalancing transactions from time to time pursuant to policies that are intended to result in the Company and the affiliated entities managed by the Investment Manager generally holding investment positions on a proportionate basis relating to their respective adjusted net asset values, which in the case of the Company, includes the net proceeds from the bond offering (as further discussed below in Note 11). Rebalancing transactions involve either the Company purchasing securities or other financial instruments held by one or more affiliated entities or selling securities or other financial instruments to one or more affiliated entities. These transactions are subject to a number of considerations including, but not limited to, cash balances and liquidity needs, tax, regulatory, risk and other considerations, which may preclude these transactions from occurring or limit their scope at the time of the transactions.

As of June 30, 2015 and December 31, 2014, the Company held an investment in PS V International, Ltd. ("PS V") and as of December 31, 2014, the Company also held an investment in PS Fund 1, LLC ("PSF1"). PS V and PSF1 are affiliated investment funds managed by the Investment Manager. The investment objective of PS V is to create significant capital appreciation by investing in securities of Air Products and Chemicals, Inc. The investment objective of PSF1 was to create significant capital appreciation by investing in the securities of Allergan, Inc. in connection with a potential business combination transaction with Allergan, Inc. as further discussed in Note 10.

At June 30, 2015 and December 31, 2014, the Company had a capital balance of $85,995,536 and $90,621,451, respectively, in PS V representing an ownership in PS V of 12.49% and 12.50%, respectively, which are included in investments in securities in the condensed interim statement of financial position and classified as Level 2 securities in the fair value hierarchy in Note 5.

At June 30, 2015 and December 31, 2014, PS V distributed capital of $336,822 and $337,015, respectively, to the Company and are recorded in the condensed interim statement of financial position as receivables. These distributions of capital relate to dividend income from PS V's investment in Air Products and Chemicals, Inc. common shares.

As of December 31, 2014, the Company had an investment in PSF1. The Company's capital balance of $2,099,561,215 in PSF1 represented an ownership of 36.77% which is included in investments in securities in the condensed interim statement of financial position and classified as Level 2 securities in the fair value hierarchy in Note 5. As of June 30, 2015, PSF1 terminated operations, see Note 10 for further discussion.

As of December 31, 2014, trade and other payables included a payable to PSF1 of $49,259,207. This payable was in relation to a rebalancing transaction in the common stock of Allergan and Actavis plc (through the Company's investment in PSF1) between Pershing Square, L.P., an affiliated entity managed by PSCM, PSINTL and the Company (collectively, the "PS Rebalancing Entities"). This rebalancing transaction was intended to result in a proportionate ownership of the investment in PSF1, among the PS Rebalancing Entities, based on the relative adjusted net asset values of the PS Rebalancing Entities.

The Investment Manager has determined that the investments in PS V and PSF1 are fair valued in accordance with IFRS and the Company's accounting policy. No fair value adjustments need to be made for trading restrictions. The Company is not charged a management fee or incentive fee in relation to its investments in PS V and PSF1.

In the normal course of business, the Company and its affiliates make concentrated investments in portfolio companies where the aggregate beneficial holdings of the Company and its affiliates may be in excess of 10% of one or more portfolio companies' classes of outstanding securities. At such ownership levels, a variety of securities laws may, under certain circumstances, restrict or otherwise limit the timing, manner and volume of disposition of such securities. In addition, with respect to such securities, the Company and its affiliates may have disclosures or other public reporting obligations with respect to acquisitions and/or dispositions of such securities.

At June 30, 2015 and December 31, 2014, the Company and its affiliates had beneficial ownership in excess of 10% of the outstanding

Notes to the Condensed Interim Financial Statements (continued)

9. RELATED PARTY DISCLOSURES (continued)

common equity securities of Platform Specialty Products Corporation, Restaurant Brands International Inc., and The Howard Hughes Corporation. Also, at June 30, 2015, the Company and its affiliates had beneficial ownership in excess of 10% of the outstanding common equity securities of Nomad Foods Limited. William A. Ackman is a director of Canadian Pacific Railway Ltd. and the Chairman of the Board of The Howard Hughes Corporation. Paul Hilal, a member of the Investment Manager, is also a director of Canadian Pacific Railway Ltd. Ryan Israel, a member of the Investment Manager is a board member of Platform Specialty Products Corporation. William F. Doyle, a member of PSCM's investment team, is a board member of Zoetis. Brian Welch, a member of the Investment Manager is a board member of Nomad Foods Limited.

For the six month period ended June 30, 2015, the independent Directors' fees in relation to their services for the Company were $186,245 of which $89,094 were payable as of June 30, 2015. For the six month period ended June 30, 2014, the Directors' fees in relation to their services for the Company were $48,638 of which $24,923 were payable as of June 30, 2014.

10. PS FUND 1, LLC

On February 25, 2014, PSCM entered into a letter agreement (the "Letter Agreement") with Valeant Pharmaceuticals International, Inc. ("Valeant") to become members in a jointly owned entity, PSF1. The investment objective of PSF1 was to create significant capital appreciation by investing in stock of Allergan, Inc. ("Allergan") and proposing a potential business combination transaction between Allergan and Valeant (the "Company Transaction"). Valeant contributed $75.9 million in value (or the equivalent of 597,431 shares of Allergan common stock) to PSF1 and Valeant, together with the PS Entities, became members in PSF1. The members of PSF1 had economic ownership, through their investment in PSF1 and as per the Letter Agreement, of Allergan common stock and derivatives referencing Allergan common stock.

On November 17, 2014, Allergan announced a merger with Actavis plc ("Actavis" and the "Third Party Transaction") for cash and stock. Under the terms of this transaction, Allergan shareholders received $129.22 in cash and 0.3683 shares of Actavis for each share of Allergan. Valeant withdrew its exchange offer to acquire all of the outstanding shares of Allergan and did not continue to seek a merger or other business combination with Allergan. PSCM decided to support the merger between Allergan and Actavis.

Based on the terms of the Letter Agreement, the Third Party Transaction triggered a clause that entitled Valeant to an amount equal to 15% of the net transaction profits (the "Net Transaction Profits") in respect of Allergan securities other than Valeant's $75.9 million contribution. The Net Transaction Profits consist of the net profits after deducting any third party expenses for commissions and fees and expenses from financing and derivatives, without deducting any legal, investment banking or other advisory fees incurred by the PS Entities.

On November 20, 2014, PSCM and Valeant agreed, in an amended letter agreement, that the original Letter Agreement had terminated and agreed that the Net Transaction Profits would be calculated using the Allergan closing stock price on November 17, 2014 (the "Amended Letter Agreement"). The 15% of Net Transaction Profits owed to Valeant totalled $344,160,930 representing 1,645,129 shares of Allergan (inclusive of dividends in respect of the shares), and the shares were allocated to Valeant's capital account in PSF1. Based on the Amended Letter Agreement, upon this allocation Valeant was no longer a member of PSF1 and instructed PSCM to sell Valeant's total Allergan shares on its behalf. The PS Entities became the sole members in PSF1.

Prior to the merger transaction between Allergan and Actavis, the Company held an aggregate 8,705,475 of Allergan shares directly and through its investment in PSF1. Once the merger transaction was completed on March 17, 2015, the Company received total cash of $1,124,921,491 and, in aggregate, held 3,206,226 of Actavis shares directly and through its investment in PSF1.

Prior to the merger closing, the Company held 2,709,863 short stock of Actavis directly and through its investment in PSF1 to hedge a substantial portion of the Actavis shares received from the merger. After giving effect to this hedge position, the Company held 496,363 shares of Actavis. PSF1 distributed the remaining shares of Actavis and cash to the PS Entities based on their ownership percentages. Upon these distributions to the PS Entities, which were made prior to June 30, 2015, PSF1 terminated operations and the PS Entities were no longer members in PSF1.

Notes to the Condensed Interim Financial Statements (continued)

11. BONDS

On June 26, 2015, the Company issued at par $1,000,000,000 in Senior Notes at 5.5% due 2022 (the "Bonds"). The Bonds will mature at par on July 15, 2022 and pay a fixed rate interest coupon of 5.500% per annum, which is paid semi-annually. The Bonds are listed on the Irish Stock Exchange. The proceeds from the offering were in US Dollars and are expected to be used to make investments or hold assets in accordance with the Company's investment policy. The issuer has the option to redeem the Bonds prior to maturity at a pre-determined redemption price. The fair value of the Bonds as of June 30, 2015, based upon market value at that time, was $1,005,000,000. In accordance with IAS 39, the transaction costs of the Bonds issued in the amount of $14,175,272 were capitalized and are to be amortized over the life of the Bonds using the effective interest method.

	2015
At December 31, 2014:	$ -
Bonds issued	1,000,000,000
Bond issue costs	(14,175,272)
Finance costs for the period	786,925
At June 30, 2015	**$ 986,611,653**
Split:	
Bond capital net of issue costs	$ 985,847,764
Bond interest payable	763,889
Total amortized cost in accordance with IAS 39	**$ 986,611,653**
Finance Costs for the period:	
Bond interest expense	$ 759,182
Amortization of Bond issue costs incurred as finance costs	27,743
Total	**$ 786,925**

12. EVENTS AFTER THE REPORTING PERIOD

The Investment Manager has evaluated the need for disclosures and/or adjustments resulting from subsequent events during the period between the end of the reporting period and the date of authorization of the condensed interim financial statements. This evaluation together with the Directors' review thereof did not result in any additional subsequent events that necessitated disclosures and/or adjustments.

September 3, 2015

Pershing Square Holdings, Ltd.

Addendum to the Unaudited Condensed Interim Financial Statements
Six Months Ended June 30, 2015

This addendum (the "**Addendum**") forms part of, and shall be read in the context of, and together with, the unaudited condensed interim financial statements of Pershing Square Holdings, Ltd. (the "**Company**") for the six months ended June 30, 2015.

This Addendum has been approved by the directors of the Company.

True and Fair View

The directors confirm that, to the best of their knowledge, the interim financial statements, which have been prepared in accordance with International Accounting Standards 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the period ended June 30, 2015 as required by Section 5:25d(2)(c) of the Dutch Financial Supervision Act; and the interim financial statements give a true and fair view of the information required pursuant to article 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act regarding the Company.

/s/ Anne Farlow
Anne Farlow
Chairman of the Board
September 3, 2015