

Pershing Square Holdings, Ltd. Provides Update Regarding Potential Dutch Tender Offer for PSH Shares by Affiliates of Pershing Square Capital Management

Revised Price Range Increased to a 16% to 10% Discount to NAV

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Further to the announcements on 3 January and 4 January 2018 (the "Potential Tender Offer Announcements"), the Board of Directors of Pershing Square Holdings, Ltd. (the "Company" or "PSH") (LN:PSH) (NA:PSH) announces that PSCM Acquisition Company LLC ("PSCMAC") has agreed to increase the price range for its potential Dutch tender offer (the "Potential Tender Offer") for up to \$300 million of the Company's public shares (the "Public Shares") from a 24% to 16% discount to net asset value ("NAV") to a revised range of a 16% to 10% discount to NAV. The revised range, which represents an 8.1% to 15.8% premium to the average 22.3% discount to NAV at which PSH traded for the 120 calendar days prior to the announcement of the Potential Tender Offer, has been agreed to after discussions between the Board of PSH and PSCMAC.

In addition, the Board proposes to give holders of the Public Shares ("Shareholders") an opportunity to vote on the removal of the restriction in the Company's articles of incorporation that no person may own Public Shares in excess of 4.99% of the value of the Public Shares (the "Ownership Limit") at its forthcoming annual general meeting scheduled to be held on 24 April 2018 (the "AGM"). The Ownership Limit is in place because of tax issues relating to the United States Real Property Holding Company ("USRPHC") rules under the Foreign Investment in Real Property Tax Act ("FIRPTA") provisions of the US Internal Revenue Code.

If Shareholders vote to remove the Ownership Limit, PSH will no longer invest in the common and preferred stocks of USRPHCs without potentially incurring adverse tax consequences, but will still be able to obtain economic exposure to USRPHCs by investing in swaps and similar instruments, which do not have voting rights. Removal of the Ownership Limit will provide the Company with more flexibility to return capital to Shareholders as there would no longer be any limitation on any resulting increase in the percentage holding of any individual Shareholder exceeding 4.99% of the Public Shares in issue. The vote to remove the Ownership Limit will be put as a special resolution at the AGM. Further details regarding the vote to remove the Ownership Limit will be set out in the documents accompanying the notice of the AGM.

The Board and its independent financial advisers believe that the amendment to the price range of the Potential Tender Offer and the opportunity to vote on the Ownership Limit are in the best interests of all PSH Shareholders. The Board is

supportive of the Potential Tender Offer as: (1) it gives Shareholders who wish to sell their Public Shares the option to do so at a narrower discount to NAV than the discount at which the Public Shares have traded over the last six months, (2) it preserves the ability of the Company to recommence its buyback programme after the Potential Tender Offer is completed, and (3) it represents a substantial additional investment in the Company by affiliates of Pershing Square Capital Management, L.P. (the "Investment Manager"). However, the Board will make no recommendation as to whether individual holders of the Public Shares should participate in the Potential Tender Offer.

Following feedback and questions from Shareholders, the Board of PSH also wishes to issue the clarifying comments below:

Buyback Programme: On 2 January 2018, PSH announced it was suspending its Public Share buyback programme with immediate effect until the conclusion of the Potential Tender Offer. Following completion of the Potential Tender Offer, the Company intends to recommence its Public Share buyback programme. Between 2 May 2017 and 12 January 2018, the Company invested \$77.2 million to purchase 5,474,173 Public Shares at an average discount of 20.1% per Public Share, and has remaining capacity under the current buyback programme to purchase an additional 6,525,827 (2.78%) of the Public Shares remaining in issue. The Company will seek shareholder approval to renew the programme at the AGM.

Other Corporate Actions: The Board and its independent advisers have undertaken a detailed review of the discount management options available to the Company following feedback from Shareholders. Whilst the Board of PSH is committed to addressing the discount to NAV at which the Public Shares currently trade, it is mindful of the following factors which are particular to the Company's investment strategy and current capital structure:

- a tender offer by the Company would require the Company to announce the sale of portfolio positions, which, in a concentrated portfolio are small in number and well-publicised, potentially leading to a further decline in NAV. It could also have a negative impact on the ability of the Investment Manager to execute its investment strategy as a result of the premature reduction in the percentage ownership interests in certain of its portfolio companies.

- a return of a significant percentage of capital by the Company would result in an increase in PSH's leverage as a result of the Company's outstanding bonds and could be viewed negatively by the bond market and rating agencies. The Board believes there is a value in maintaining an investment grade rating, and a downgrade could have a negative impact on the Public Share price.

- whilst a tender offer by the Company to purchase Public Shares at a discount to NAV would be accretive to NAV, the Directors believe the benefit of any NAV accretion, particularly at the discount range of the current Potential Tender Offer, could be offset by the decline in NAV or price of the Public Shares due to the considerations above.

Howard Hughes: As announced on 3 January 2018, the Company has sold its common stock in The Howard Hughes Corporation ("HHC") (NYSE: HHC). However, PSH retains a 10.3% economic exposure to HHC through the ownership of total return swaps. In addition, Bill Ackman is Chairman of the board of directors of HHC. As such, the Company has retained its economic exposure to Howard Hughes and the ability to influence the company's strategy and management.

Exemption to Ownership Limit: Unless and until shareholders have approved a waiver for all holders, the Board will grant an exemption from the Ownership Limit to any Shareholder who is able to give the necessary representations and undertakings. PSCMAC and its members have agreed to give the Company an undertaking that if PSH provides notice that it intends to invest in the equity of a USRPHC, PSCMAC and its members will dispose of any interests they may hold in such USRPHC, or reduce their aggregate ownership of PSH to below 5%. This would remove any potential adverse impact on the Company otherwise arising from the Ownership Limit being exceeded.

Further announcements regarding the launch of the Potential Tender Offer, which is subject to the receipt of relevant regulatory permissions, will be made by PSCMAC as soon as possible.

About Pershing Square Holdings, Ltd.

Pershing Square Holdings, Ltd. (LN:PSH) (NA:PSH) is an investment holding company structured as a closed ended fund that makes concentrated investments principally in North American companies.

This is a press release by Pershing Square Holdings, Ltd pursuant to the provisions of Section 17 paragraph 1 of the Market Abuse Regulation and Section 4 paragraph 2 of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft*) in connection with a potential tender offer by PSCMAC for PSH public shares. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

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