The below text has been excerpted from the 2015 Pershing Square Holdings, Ltd. Interim Financial Statement which is available in its entirety here: https://d69c02121be004f69e4b-d3eb70633b48d4ed9d6a0a87ddf286a4.ssl.cf1.rackcdn.com/2015/09/PSH-Interim-Financials-06.30.15-FINALl1.pdf

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. You can register on the homepage to receive email alerts when new information is posted to the site.

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.