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2016 Performance Review

Current Portfolio Update

Business & Organizational Update
2016 Performance Review
Pershing Square Holdings, Ltd. Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Returns</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-13.5%</td>
<td>11.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2015 Net Returns</td>
</tr>
<tr>
<td></td>
<td>-20.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014 Net Returns</td>
</tr>
<tr>
<td></td>
<td>40.4%</td>
<td>13.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2013 Net Returns</td>
</tr>
<tr>
<td></td>
<td>9.6%</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

Past performance is not necessarily indicative of future results. All investments involve the possibility of profit and the risk of loss, including the loss of principal. Please see the additional disclaimers and notes to performance results at the end of this presentation.
Cumulative Net Returns Since Inception of the Strategy (January 1, 2004)

Pershing Square, L.P. Net Returns vs. Indexes
through December 31, 2016

S&P 500: 163.4%
Pershing Square, L.P.: 503.1%

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Long-Term Performance in Up & Down Markets

Pershing Square, L.P.
Net Returns vs. S&P 500 (1/1/2004 through 12/31/2016)\(^{(1)}\)

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\(^{(1)}\) Data represents performance of PSLP, the fund managed by Pershing Square with the longest track record. “Up” months and “down” months are defined as months in which the closing price of the S&P 500 on the last business day of the relevant month was higher and lower, respectively, than the closing price of the S&P 500 on the last business day of the immediately preceding month.
### 2016 Winners and Losers (gross returns)

**Past performance is not necessarily indicative of future results. All investments involve the possibility of profit and the risk of loss, including the loss of principal. Each position contributing or detracting 50 basis points or more from returns when rounded to the nearest tenth is shown separately. Positions contributing or detracting less than 50 basis points are aggregated. The returns (and attributions) set forth above do not reflect certain fund expenses (e.g., administrative expenses). Please see the additional disclaimers and notes to performance results at the end of this presentation.**

<table>
<thead>
<tr>
<th>Winners</th>
<th>PSH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant Brands International</td>
<td>3.3%</td>
</tr>
<tr>
<td>Air Products &amp; Chemicals Inc &amp; Versum Materials</td>
<td>3.1%</td>
</tr>
<tr>
<td>Fannie Mae</td>
<td>3.1%</td>
</tr>
<tr>
<td>Freddie Mac</td>
<td>1.7%</td>
</tr>
<tr>
<td>Canadian Pacific Railway</td>
<td>1.2%</td>
</tr>
<tr>
<td>Undisclosed Position</td>
<td>1.0%</td>
</tr>
<tr>
<td>All Other Positions</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Losers</th>
<th>PSH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valeant Pharmaceuticals</td>
<td>(19.2%)</td>
</tr>
<tr>
<td>Currency Options</td>
<td>(1.4%)</td>
</tr>
<tr>
<td>Mondelez International</td>
<td>(1.4%)</td>
</tr>
<tr>
<td>Platform Specialty Products</td>
<td>(1.0%)</td>
</tr>
<tr>
<td>Chipotle Mexican Grill</td>
<td>(0.8%)</td>
</tr>
<tr>
<td>Nomad Foods Limited</td>
<td>(0.6%)</td>
</tr>
<tr>
<td>All Other Positions</td>
<td>(1.7%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(26.1%)</td>
</tr>
</tbody>
</table>
Long and Short Attribution (Gross Returns)

Because of a change in reporting methodology, HKD call options are included in short attributions from 2010 through 2014 and are included in long attribution for 2015 and 2016.

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<table>
<thead>
<tr>
<th>Year</th>
<th>Long</th>
<th>Short/Hedge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>61.6%</td>
<td>(5.9%)</td>
</tr>
<tr>
<td>2005</td>
<td>53.7%</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>2006</td>
<td>36.9%</td>
<td>(6.9%)</td>
</tr>
<tr>
<td>2007</td>
<td>(5.6%)</td>
<td>34.9%</td>
</tr>
<tr>
<td>2008</td>
<td>(23.2%)</td>
<td>11.6%</td>
</tr>
<tr>
<td>2009</td>
<td>60.5%</td>
<td>(11.4%)</td>
</tr>
<tr>
<td>2010</td>
<td>43.8%</td>
<td>(4.7%)</td>
</tr>
<tr>
<td>2011</td>
<td>2.5%</td>
<td>(2.1%)</td>
</tr>
<tr>
<td>2012</td>
<td>16.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2013</td>
<td>25.8%</td>
<td>(12.0%)</td>
</tr>
<tr>
<td>2014</td>
<td>42.4%</td>
<td>5.8%</td>
</tr>
<tr>
<td>2015</td>
<td>(9.3%)</td>
<td>(5.6%)</td>
</tr>
<tr>
<td>2016</td>
<td>(7.1%)</td>
<td>(1.1%)</td>
</tr>
</tbody>
</table>
### Total Assets Under Management

$ in millions

<table>
<thead>
<tr>
<th>12/31/2016 AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pershing Square, L.P.</td>
</tr>
<tr>
<td>Pershing Square International, Ltd.</td>
</tr>
<tr>
<td>Pershing Square Holdings, Ltd.</td>
</tr>
<tr>
<td>Pershing Square II, L.P.</td>
</tr>
<tr>
<td><strong>Total Strategy AUM</strong></td>
</tr>
</tbody>
</table>

Assets under management are net of any capital redemptions (including crystallized performance fee/allocation, if any). No deductions are made for any capital redemptions if such redemption amounts are to be immediately re-subscribed into the same Pershing Square fund.
Current Portfolio Update
Quarterly Returns Since Inception of the Strategy

Net Returns by Quarter (PSLP)

Past performance is not necessarily indicative of future results. All investments involve the possibility of profit and the risk of loss, including the loss of principal. Please see the additional disclaimers and notes to performance results at the end of this presentation.
Quarterly Returns – 2015 to 2016

Net Returns by Quarter (PSH)

- We generated substantial negative returns from Q3 2015 to Q1 2016 driven largely by our Valeant investment, and positive returns thereafter.

2015 Annual Return: -21%
2016 Annual Return: -13%

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Progress Made in 2016

Throughout the year, we achieved a number of key business objectives to improve both short-term and long-term performance:

- Exited certain portfolio investments to free up capital for new opportunities
- Identified new investments
- Assisted our portfolio companies in executing their strategies
- Obtained board representation at Valeant to assist the company in a turnaround
- Entered into long-term compensation arrangement for long-standing Pershing Square employees

Our progress is partially reflected in 16% appreciation from March 31, 2016 through year end, but more significantly in the business progress and developments in the balance of the portfolio.

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## What We Own Today

<table>
<thead>
<tr>
<th>Approximate % of Capital</th>
<th>Sizable investments in high-quality businesses with catalysts for further value creation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>~80%</td>
<td>- Mondelez</td>
</tr>
<tr>
<td></td>
<td>- Air Products</td>
</tr>
<tr>
<td></td>
<td>- Restaurant Brands</td>
</tr>
<tr>
<td></td>
<td>- Howard Hughes</td>
</tr>
<tr>
<td></td>
<td>- Chipotle</td>
</tr>
<tr>
<td></td>
<td>- Two Undisclosed Positions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>~20%</th>
<th>Smaller investments with higher risk-adjusted returns but smaller portfolio allocations in light of the investments’ added risks:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Fannie &amp; Freddie</td>
</tr>
<tr>
<td></td>
<td>- Valeant</td>
</tr>
<tr>
<td></td>
<td>- Platform Specialty Products</td>
</tr>
<tr>
<td></td>
<td>- Nomad</td>
</tr>
</tbody>
</table>

| ~-9%                     | Herbalife (short)                                                                        |
(≈16% of Capital)
Mondelez ("MDLZ"): A Leader in Global Snacking

Mondelez has the most attractive stable of sweet snack brands of any packaged food company.

- Oreo: Introduced in 1912
- Cadbury: Introduced Easter Egg in 1875
- Nabisco: Founded in 1901
- Milka: Introduced in 1901
- LU: Founded in 1846
- Trident: Founded in 1964
Snacks is One of the Best Food Categories

**Strong global growth and scale**
- ~$1 trillion global market
- Significant future growth opportunity in international markets
- Category responds well to advertising and in-store merchandising

**High category margins**
- Low private-label penetration
- Strong sales in highly profitable immediate consumption channels

**Secular winner in global packaged foods**
- Well-aligned with consumer trends of eating more frequent, smaller meals and convenience
- “Small treats” significantly better positioned than processed meals and other center store products

(1) Source: Mondelez February 2015 CAGNY conference transcript.
Mondelez made meaningful progress on its business transformation in 2016

- Delivered three straight quarters of positive underlying volume growth\(^{(1)}\)
- Expanded operating profit margins by over 250 bps to approximately 15.5\(^{(2)}\)
- Unveiled a 2018 margin target of 17-18% with further upside beyond 2018

Progress has been achieved despite global macroeconomic challenges including continued foreign currency headwinds

We continue to believe that the opportunity for productivity improvements and margin expansion at Mondelez is significant even beyond 2018

---

\(^{(1)}\) Excludes the impact of SKU reductions as identified by management.

\(^{(2)}\) For the nine months ended September 30, 2016.
While the company has made steady progress in boosting margins, we believe that optimized margins are far higher.

Mondelez EBIT Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>11%</td>
</tr>
<tr>
<td>2014</td>
<td>12%</td>
</tr>
<tr>
<td>2015</td>
<td>13%</td>
</tr>
<tr>
<td>2016 Guidance</td>
<td>15-16%</td>
</tr>
<tr>
<td>2018 Target</td>
<td>17-18%</td>
</tr>
<tr>
<td>Optimized</td>
<td></td>
</tr>
</tbody>
</table>

*Source: MDLZ public filings, Pershing Square estimates. 2013-2015 margins are pro forma for the coffee JV transactions and the deconsolidation of MDLZ’s Venezuelan operations.*
Margins Remain Well Below Best-in-Class Levels

CY 2016E Consensus EBIT Margin

Source: Analyst consensus estimates for calendar year 2016 per Capital IQ.
MDLZ: Share Price Performance in 2016

MDLZ’s share price including dividends was approximately flat in 2016*

Note: The performance of Mondelez’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.

*Return includes dividends.

Source: Bloomberg.

2/3/16: MDLZ reports Q4’15 results and raises long-term margin target to 17-18% by 2018, up from 15-16% by 2016

6/30/16: Press reports reveal MDLZ had made an offer to acquire Hershey for $107 per share; Hershey board unanimously rejects the offer

8/29/16: MDLZ announces it has ended merger discussions with Hershey
MDLZ: Share Price Performance Since Inception

MDLZ’s share price including dividends has increased 18% from our average cost at announcement date to January 20, 2017*

Note: The performance of Mondelez’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.

*Return includes dividends.
Source: Bloomberg.
(~13% of Capital)
Air Products ("APD"): Investment Thesis

- High-quality, simple, predictable, free-cash-flow generative business
  - Global oligopoly which enjoys attractive returns due to local incumbency advantages driven by high transportation costs for distributing the product
  - Buffered from macro: diversified; contracted; low-cost, critical and consumable input
  - GAAP earnings meaningfully understate cash flow as the useful life of APD’s assets far exceeds GAAP depreciable life (which is set by initial contract length)

- Substantial untapped potential, cheap “as-fixed”
  - Decades of underperformance, but shortfalls were fixable
  - Historical 650 bps+ operating margin gap to comparable Praxair could be closed
  - Potential to substantially improve the earnings base in medium term; APD’s shares did not reflect this latent opportunity at the time of our purchases

CEO Seifi Ghasemi has begun a transformation of Air Products, which we expect will continue to create meaningful value for shareholders
APD’s Transformation Continues

CEO Seifi Ghasemi continues his impressive progress transforming Air Products

✔ FY 2016 EPS of $7.55 up 14%, despite 3% foreign exchange headwind
  ▪ Exceeded the high-end of initial guidance despite unforeseen macroeconomic and foreign exchange headwinds

✔ Operating margins improved 400 bps to 23.1%

✔ Capex brought on-stream and producing

✔ Announced high-quality project wins, which will fuel growth

✔ Focus on the core Industrial Gas business complete
  ▪ Completed spin-off of Versum Materials
  ▪ Sold Performance Materials division to Evonik for $3.8bn
  ▪ Announced exit from Waste-to-Energy project

✔ Nine consecutive quarters of double-digit EPS growth, every quarter since Seifi became CEO, despite significant f/x headwinds

Source: Company Filings and Disclosures.
APD’s Upside Remains Significant

- FY 2017 guidance calls for $6.25 to $6.50 of EPS (+9% to 13%)
  - Driven by continued operating productivity and growth capex contribution

- Operating potential remains significant
  - $225mm of operating productivity potential remains
    - $100mm to be realized in FY 2017

- Significant opportunity to deploy capital to create value for shareholders
  - Strong balance sheet, including $2.6bn of capital from sale and spin of non-core businesses, to be deployed in value enhancing initiatives
    - Purchase of insourced assets from customers
    - Potential small acquisitions
    - Potential divestitures from proposed Praxair / Linde merger

We believe that the upside in APD remains significant as it continues its transformation under a great CEO and management team

Source: Company Filings and Disclosures.
APD: Share Price Performance in 2016

APD’s share price including dividends and the spinoff of Versum increased 24% in 2016

Stock price performance of APD from 1/1/2016 to 12/31/2016

- 1/29/16: FY Q1 EPS +15% despite 5% f/x headwind; operating margins +460bps to 22%; reaffirmed FY guidance despite $0.25 f/x headwind
- 5/6/16: APD announces sale of PMD division to Evonik for $3.8bn
- 10/1/16: APD spins off Versum
- 10/27/16: FY ‘16 and guidance:
  - FY 2016: EPS of $7.55 +14%, despite -3% f/x; EBIT margins +400 bps to 23.1%
  - FY ‘16 EPS guidance of $6.25 to $6.50 (+9-13%), excluding allocation of excess capital

Note: The performance of APD’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: Bloomberg.
APD: Share Price Performance Since Inception

APD’s share price including dividends and the spinoff of Versum increased by 76% from our average cost at announcement date to January 20, 2017.

Note: The performance of APD’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. 
Source: Bloomberg.
(\sim 17\% \text{ of Capital})
Restaurant Brands International

Franchised business model is a capital-light, high-growth annuity

- Brand royalty franchise fees (4-5% of unit sales) generate high margins
- Significant unit growth opportunity requires little capital
- Same-store sales are relatively insulated from economic cycles

Control shareholder 3G is ideal operating partner and sponsor

- Excellent management team
- Unique and impactful culture, compensation system, and business processes

Highly scalable and replicable operating strategy

- Track record of successful acquisition integration and value creation
- Unique business processes and culture can be applied to potential acquisition opportunities
QSR’s intrinsic value continued to meaningfully increase in 2016, with organic EBITDA growth of 16%

- Positive SSS growth at both Burger King (+2%) and Tim Hortons (+3%) despite a tougher industry backdrop
  - Historically large price gap between grocery and fast food
  - Increased promotional competitive activity
- Continued cost and capital efficiencies at Tim Hortons
  - EBITDA margins improved by 600 bps at Tim Hortons
  - >75% reduction in QSR total capex
- Net unit growth of 2% at both Burger King and Tim Hortons
  - Management expects acceleration of net unit growth in Q4
  - New master franchise agreements in Philippines and U.K. will bolster future Tim Hortons overseas expansion

Despite QSR’s significant share price appreciation, we believe it remains a compelling long-term investment.

Note: Financial results for 2016 represent YTD results for the nine months ended 9/30/16.
QSR: Share Price Performance in 2016

QSR’s share price including dividends increased 29% in 2016

Stock price performance of QSR from 1/1/2016 to 12/31/2016

Note: The performance of Restaurant Brands International’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: CapIQ.
As of January 20, 2017, QSR’s share price including dividends has increased 214% (3.14x) from our average cost since it merged with Justice Holdings*

Stock price performance of QSR/BKW from 6/19/2012 to 1/20/2017

Note: The performance of Restaurant Brands International’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.

*Share price performance based on close price of Burger King when-issued shares on 6/19/2012. Return includes dividends.

Source: CapIQ.
(~10% of Capital)
Howard Hughes Corporation

- HHC was formed so that certain GGP assets could receive appropriate management attention and recognition in the public markets
- HHC’s mission is to be the preeminent developer of master planned communities (MPCs) and mixed-use properties
- Majority of value is focused around a handful of diverse trophy assets
- Historically a consumer of cash, HHC will transition to a cash generator as assets reach stabilization and its Hawaii condo towers are completed
- Over the past five years, HHC has completed the construction of over 3.3 million SF of office and retail properties, 1,084 multifamily units and 913 hotel rooms and has 1,400 condo units under construction

We believe that HHC trades at a substantial discount to the value of its assets
Howard Hughes Corporation (Continued)

HHC continued to enhance the value of its key assets and business

- Significant progress at the Seaport District
  - Construction on the Pier 17 building is expected to be substantially completed in late 2017, which will include a 1.5 acre rooftop entertainment venue and upscale tenants
  - Received approval for its Pier 17 Minor Modification, which will allow HHC to move and reconstruct the Tin Building

- Contracted to sell over 1,100 condo units in four condo towers in Ward Village (Hawaii) totaling nearly $1.5bn in projected development cost
  - Completed construction on Waiea (first tower) in Q4 2016 and expect to complete one tower per year from 2017 - 2019

- Continued to invest in its five MPCs, which reflect nearly $5bn of undiscounted / uninflated value

Share price stagnation reflects ongoing concerns about the impact of low oil prices on HHC’s Houston assets

- Substantial majority of HHC’s business and asset value is outside of Houston (including greater than 45% of its remaining MPC inventory)

- Projected annual stabilized NOI for HHC’s commercial operating assets held steady at approximately $215mm (excluding Seaport)
HHC: Share Price Performance in 2016

HHC’s share price increased 1% in 2016

Stock price performance of HHC from 1/1/2016 to 12/31/2016

Note: The performance of HHC’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: Bloomberg.
As of January 20, 2017, HHC’s share price increased 190% (2.90x) since the spinoff from GGP in November 2010

Note: The performance of HHC’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.

Source: CapIQ.
(~11% of Capital)
Superb restaurant brand that pioneered the “fast casual” category with the success of its outstanding product offering, unique culture, and powerful economic model.

Founded by Chairman and CEO Steve Ells in 1993.

High quality, simple, predictable, unlevered, free-cash-flow-generative business.

Recovering from food safety issues beginning in the fourth quarter of 2015 which caused a peak decline in average unit sales of 36% (1).

We are currently Chipotle’s largest shareholder with a ~10% ownership stake in the company.

(1) Based on the January 2016 year-over-year decline in same-store sales.
Recent Events Create Opportunity for Long-Term Investor

We believe that a good time to buy a great business is when it is in temporary trouble

- While Chipotle’s reputation has been bruised, we believe that the business will ultimately recover and become stronger aided by:
  - Improved governance
  - Increased focus on operations
  - Appropriate marketing and technology initiatives
  - Passage of time

- Exact timing of the recovery will be difficult to predict

- Despite the nearer term uncertainty and volatility, we believe that long-term focused investors will be rewarded
Attractive Investment

Despite recent events, we believe that all of the key drivers of Chipotle’s powerful economic moat and long-term success remain intact:

- Strong and relevant brand built by visionary leadership
- Differentiated product offering with a highly attractive value proposition
- Substantial scale in fast casual and first-mover advantage in real estate
- Strong unit economics and extremely high returns on capital, driven by a well-honed model that facilitates best-in-class throughput
- Significant growth opportunities including new units and operating enhancements
Strong Brand

- Ambition to change the way the world thinks about and eats fast food centered around Food With Integrity

- Loyal customer following enabled Chipotle to grow from one restaurant in 1993 to more than 2,100 today

- We believe that Chipotle is currently one of the most compelling and authentic large-scale food brands in the U.S.

<table>
<thead>
<tr>
<th>Recipe Comparison: Chipotle vs. Competitors (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STEAK</strong></td>
</tr>
<tr>
<td><strong>Grilled Steak</strong></td>
</tr>
<tr>
<td><strong>USDA Select Marinated Grilled Steak</strong></td>
</tr>
</tbody>
</table>

(1) Sources: Chipotle website, Qdoba Ingredient Statement (US), Taco Bell Ingredient Statement.
**Differentiated Product Offering**

CMG’s winning value proposition is that it successfully competes in all the desirable attributes of out-of-home fast eating.

<table>
<thead>
<tr>
<th>Key Value Proposition</th>
<th>Traditional Fast Food</th>
<th>Illustrative Mom &amp; Pop</th>
<th>Casual Dining</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Quality Food</td>
<td>🟢 Fresh, non-processed, stringent sourcing reqs</td>
<td>🟢 Often processed</td>
<td></td>
</tr>
<tr>
<td>Taste</td>
<td>🟢 Delicious (chef-quality)</td>
<td>🟢 Not chef-quality</td>
<td></td>
</tr>
<tr>
<td>Customizable</td>
<td>🟢 Individual creation</td>
<td>🟢 Not chef-quality</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>🟢 High customer engagement</td>
<td></td>
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<tr>
<td>Speed</td>
<td>🟢 Quick throughput</td>
<td>🟢 Slower throughput</td>
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<tr>
<td>Value</td>
<td>🟢 Good value for quality / quantity</td>
<td>🟢 Portion size smaller</td>
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</table>

**Fast Casual Competitors**

- **Illustrative Mom & Pop**
  - Fresh, non-processed, stringent sourcing reqs
  - Delicious (chef-quality)
  - Individual creation
  - High customer engagement
  - Quick throughput
  - Good value for quality / quantity

- **Casual Dining**
  - Often processed
We believe that the Chipotle brand is still in its growth phase with significant opportunity to increase its unit count and its average unit volume. The drivers of this growth include:

- **“Fast Casual” category growth**
- **Mobile and online opportunity**
- **Catering opportunity**
- **Unit growth opportunity**
  - Potential for 5,000 U.S. units or 2.3x current store base
  - Compelling returns on capital for new units even at today’s lower sales levels
Fast Casual Will Continue to Grow Share in the U.S.

- **Searching for healthier, convenient hot meals**
- **Lacking “generational relevance”**

- **Searching for better value and more convenience without sacrificing food quality**

- **Slowing family formations**
- **More women in workforce**
- **Smaller kitchens / urbanization trends**

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**“Fast Casual”**

- Panera Bread
- Qdoba Mexican Grill
- Noodles & Company
- Pollo Loco
- Chipotle Mexican Grill

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Digital and Catering Opportunity

Mobile and Online Ordering

- Digital ordering ideal for Chipotle customer demographic
- Hired former Starbucks CIO Curt Garner in November 2015 to advance digital capabilities
- 100% company-owned store base allows for common technology platform

Catering

- Strong growth opportunity for Chipotle
- Generally incremental sales
- Typically higher margin
- Product offering well suited to catering
While food safety risk can never be completely eliminated, we think Chipotle has done an excellent job of significantly reducing the risk of another incident while maintaining the freshness and taste of its food.

1. SUPPLIER INTERVENTIONS
2. ADVANCED TECHNOLOGY
3. FARMER SUPPORT & TRAINING
4. ENHANCED RESTAURANT PROCEDURES
5. FOOD SAFETY CERTIFICATION
6. RESTAURANT INSPECTIONS
7. INGREDIENT TRACEABILITY
8. ADVISORY COUNCIL

Source: https://chipotle.com/foodsafety
Chipotle has a number of other attractive attributes that help to mitigate investment risk

- Limited global macroeconomic sensitivity and foreign currency exposure
- Simple business model with limited non-GAAP earnings adjustments
- High effective tax rate of nearly 40%
  - We would expect Chipotle to be a big beneficiary of U.S. corporate tax reform
- Unlevered balance sheet with a strong net cash position
Timeline of Events

**September 6**
- Pershing Square files 13D announcing ~10% stake in Chipotle

**Mid-September**
- Constructive dialogue begins between Pershing Square and Chipotle management and board

**October 25**
- Chipotle reports Q3 earnings and outlines several new initiatives to help the business recover

**December 12**
- Chipotle names Steve Ells sole CEO on December 12 concurrent with the resignation of former co-CEO Monty Moran
  - Announces expanded company mission and renewed focus on the guest experience and reducing complexity in operations

**December 16**
- Chipotle announces a board refresh in which four new directors are named to its now 12-person board, including Ali Namvar and Matthew Paull
Recent Sales Trends

CMG Monthly Same-Store Sales Change (YoY)

Source: CMG filings, CDC press releases.
CMG’s share price declined 7% from our average cost to year end 2016, and is approximately flat from our average cost through January 20, 2017.
(~9% of Capital)
Fannie Mae (“FNMA”) and Freddie Mac (“FMCC”)

Despite significant share price appreciation in 2016, we believe the shares of a reformed Fannie and Freddie will be worth a multiple of their current price.

Investment thesis as first presented at Annual Dinner in 2014:

- Fannie and Freddie are essential for widespread access to a prepayable 30-yr fixed rate mortgage at a reasonable cost.
- The 30-yr fixed rate mortgage is a unique feature of the US mortgage market that significantly improves affordability and is key to maintaining current home prices.
- We believe Fannie and Freddie can be reformed to reduce risk to the taxpayer.
- We do not believe there is a viable alternative to Fannie and Freddie.
- If Fannie and Freddie can be reformed, we believe the taxpayer will be a huge winner – US Treasury owns warrants for ~80% of the common stock.
We continue to believe that a reformed Fannie and Freddie is the only viable solution for mortgage finance reform.

**Our key principles for reform as presented at Ira Sohn in 2014:**

**Key elements to reform the GSEs:**

- Significantly increase the GSEs’ capital requirements
- Eliminate the GSEs’ fixed-income arbitrage business
- Subject the GSEs to substantially increased regulatory oversight
- Develop appropriate compensation and governance policies

*If the GSEs increase their capital levels and become pure mortgage guarantors, they can be a simple, low-risk, and effective solution for housing finance reform.*
Steve Mnuchin, Treasury Secretary nominee, on Nov. 30, 2016:

“We gotta get Fannie and Freddie out of government ownership. It makes no sense that these are owned by the government and have been controlled by the government for as long as they have. In many cases this displaces private lending in the mortgage markets and we need these entities that will be safe. So let me just be clear we’ll make sure that when they’re restructured they’re absolutely safe and they don’t get taken over again but we gotta get them out of government control.”

“[… ] it’s right up there in the top 10 list of things that we’re going to get done and we’ll get it done reasonably fast.”
We believe the new administration will successfully reform Fannie and Freddie (cont.)

Steve Mnuchin, Treasury Secretary nominee, on Jan. 19, 2017:

“For very long periods of time, I think that Fannie and Freddie have been well run without creating risk to the government, as well as they’ve played an important role...I believe these are very important entities to provide the necessary liquidity for housing finance and what I’ve committed to is that I will work with both of the Democrats and Republicans. What I’ve said and I believe, we need housing finance reform, so we shouldn’t just leave Fannie and Freddie as is for the next 4 or 8 years under government control, without a fix. I believe we can find a bipartisan fix for these so on the one hand we don’t end up with a giant bailout, on the other hand that we don’t run the risk of completely limiting housing finance.”
FNMA and FMCC: Share Price Performance in 2016

FNMA and FMCC share prices increased 138% (2.38x) and 131% (2.31x), respectively, in 2016

Stock price performance of Fannie and Freddie from 1/1/2016 to 12/31/2016

Note: The performance of Fannie Mae and Freddie Mac’s share prices is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: Bloomberg.
FNMA and FMCC share prices have increased 66% and 73%, respectively, from our average cost at announcement date to January 20, 2017.

Note: The performance of Fannie Mae and Freddie Mac’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: CapIQ.
(~-9% of Capital)
On July 15th, 2016 the FTC filed a Complaint for Permanent Injunction and Other Equitable Relief (the “Complaint”)\(^{(1)}\) against Herbalife.\(^{(2)}\) The same day, Herbalife filed an 8-K, which included a Stipulation to Entry of Order for Permanent Injunction and Monetary Judgment (the “Permanent Injunction”)\(^{(3)}\)

The FTC alleged that Herbalife operates illegally and alleged violations of Section 5(a) of the FTC Act

The Permanent Injunction represents Herbalife’s agreement to engage in a “top to bottom”\(^{(4)}\) restructuring of its business model in the United States to “start complying with the law.”\(^{(5)}\)

On January 10th, 2017 the FTC announced it is mailing $200 million of checks to ~350,000 Herbalife victims

- This represents one of the largest redress distributions the agency has made in any consumer protection action to date\(^{(6)}\)

We believe injunctive relief demanded by the FTC will pressure Herbalife’s earnings

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\(^{(1)}\) FTC v. Herbalife International of America, Inc., et al. (July 15, 2016). Case No.2:16-cv-05217, Complaint for Permanent Injunction and Other Equitable Relief.


\(^{(3)}\) FTC v. Herbalife International of America, Inc., et al. (July 15, 2016). Stipulation to Entry of Order for Permanent Injunction and Monetary Judgement.


\(^{(5)}\) Id.

The FTC Weighs in...

A detailed presentation reviewing the Complaint and Permanent Injunction is available here, however it is clear –

- The findings of the FTC substantially agree with our assertion that Herbalife operates as a pyramid scheme:

  “[Herbalife] does not offer participants a viable retail-based business opportunity.” (1)

  “Herbalife’s business model primarily compensated members for recruiting new distributors to purchase product, not for selling product at retail...” (2)

  “[P]articipants’ wholesale purchases from Herbalife are primarily a payment to participate in a business opportunity that rewards recruiting at the expense of retail sales.” (3)

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(1) FTC v. Herbalife International of America, Inc., et al. (July 15, 2016). Case No.2:16-cv-05217, Complaint for Permanent Injunction and Other Equitable Relief, at 4.
(3) FTC v. Herbalife International of America, Inc., et al. (July 15, 2016). Case No.2:16-cv-05217, Complaint for Permanent Injunction and Other Equitable Relief, at p.38.
The FTC Isn’t Herbalife’s Only Problem

► Decelerating International Growth
  ▪ Growth in China – Herbalife’s 2nd largest market – has decelerated in recent quarters

► SEC probing HLF’s anti-corruption compliance in China; DOJ involved

► Management Turnover
  ▪ Michael Johnson is slated to become Executive Chairman in June 2017 (The FTC injunction takes effect in May 2017); Rich Goudis, HLF’s COO, to succeed Johnson as CEO

► Evolving Consumer Sentiment Towards MLMs and Herbalife in Particular
  ▪ On November 6th, John Oliver’s Last Week Tonight aired a scathing 32-minute segment on MLMs with a specific focus on Herbalife
  ▪ Independent Herbalife documentary “Betting on Zero” slated for multi-city theatrical release in March 2017 with online video-on-demand dissemination thereafter

► Ongoing FX Headwinds
  ▪ ~80% of Herbalife sales are in ~93 international markets
Herbalife: Share Price Performance in 2016

HLF’s share price declined 10% in 2016

Note: The performance of HLF’s stock price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: Bloomberg.
Recent events have caused Herbalife’s shares to appreciate; we expect shares to remain volatile given technical factors

- Perception of a more lenient MLM regulatory regime under the new administration
- Credit Suisse marketing $1.325bn credit facility to support refinancing / share buyback

*Partially offset by recent disclosure:*

- Q4 top-line results below guidance driven by both weak volume and FX headwinds
- Reduced 2017 guidance ($4.20 - $4.60)
- New SEC China investigation

We remain short Herbalife because we believe intrinsic value is meaningfully below the current share price; a buyback is likely to be value destructive on a fundamental basis

Herbalife is currently trading at ~13x the midpoint of management’s revised 2017 guidance. On a pro forma basis\(^1\) we estimate Herbalife is trading at 14x to 16x

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\(^1\) Giving consideration for FX headwinds and assuming a modest decline in the U.S. business and expensing certain add-backs which we view as normal course expenses.
HLF’s share price has increased 18% including dividends from our average cost at announcement date to January 20, 2017.

**Stock price performance of HLF from 5/1/2012 to 1/20/2017**

*Note: The performance of HLF’s stock price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: Bloomberg.*
PLATFORM SPECIALTY PRODUCTS CORPORATION
(~4% of Capital)
2016 was a year of stabilization and positive progress for Platform

- **Solidified core leadership team**
  - Rakesh Sachdev, CEO (Former Sigma Aldrich CEO) started in Jan.
  - Diego Casanello, Ag President (Former Ag exec. at BASF) started in Feb.

- **Regained momentum in operating results**
  - Returned to positive organic revenue growth, despite end market softness
  - Successfully integrated Alent acquisition and gained market share
  - Continued to deliver on synergy commitments

- **Improved capital structure**
  - Reduced leverage by issuing $400mm of equity in Sept. and resolved Permira preferred stock liability in Dec.
  - Refinanced more than $3bn of debt to lower interest rates and extend maturity profile

Despite positive progress, Platform trades at discount to its publicly traded segment peers and private-market transaction values

Note: Financial results for 2016 represent YTD results for the nine months ended 9/30/16.
PAH: Share Price Performance in 2016

PAH’s share price declined 24% in 2016

Stock price performance of Platform from 1/1/2016 to 12/31/2016

Note: The performance of Platform’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: CapIQ.
PAH: Share Price Performance Since Inception

Since the IPO on the London Stock Exchange in May 2013 to January 20, 2017, PAH’s share price has increased 11%

Stock price performance of Platform from 5/16/2013 to 1/20/2017

10/3/14: Pershing Square purchases 9.4mm additional PAH shares at $25.59 increasing average cost to $13.63

5/17/13: Pershing Square purchases 25mm PAH shares at $10

Note: The performance of Platform’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.
Source: Bloomberg.
2016: Creating the New Valeant

Following a substantial decline in Valeant’s share price in Q1 2016, Bill Ackman and Steve Fraidin joined Valeant’s Board of Directors in March 2016 as part of Pershing Square’s effort to stabilize the company and protect our investment.

Valeant has achieved significant tangible progress over the course of the year:

- Refreshed Board of Directors
- Built new leadership team around new CEO Joe Papa
- Launched asset sale program to simplify portfolio and strengthen balance sheet
- Announced transactions (CeraVe, Dendreon, Ruconest, etc.) to generate ~$2.35bn in up-front proceeds with additional future milestones of up to ~$0.35bn
- Improved investor transparency, implemented new segment reporting
- Refocused the business to invest for growth (e.g. Xifaxan PCP salesforce initiative)
- Continued R&D investment; achieved major new product approvals
- Formed Patient Access and Pricing Committee to deal with legacy Valeant issues

Despite significant operational progress throughout the year creating the “New Valeant,” share price performance continues to disappoint.
In effect, Valeant is three diverse businesses, with unique opportunities and challenges and divergent growth profiles.

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<th>Segment</th>
<th>Financial Profile&lt;sup&gt;(1)&lt;/sup&gt;</th>
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| Bausch + Lomb / International | - Higher relative durability  
                                |  - Robust growth opportunities  
                                |  - Lower relative profitability                                                                 |
| Branded Rx                     | - IP-driven growth assets; robust growth opportunities  
                                |  - Higher relative R&D intensity  
                                |  - New launch products  
                                |  - Attractive relative profitability                                                                 |
| US Diversified Products        | - Lower relative durability  
                                |  - Declining legacy portfolio  
                                |  - Cash generative; higher relative profitability                                                                 |

A Business in Transformation

Strong operational execution and new product launches coupled with deleveraging should drive equity returns from current levels

Near Term

- Operational turnaround / business execution
- Asset divestitures
- Deleveraging
- New product launches

Longer Term

- Revenue and earnings mix-shift into higher quality, higher growth and more valuable businesses
- Expectation for a combination of (1) deleveraging, (2) earnings growth, and (3) multiple expansion to drive equity returns from current levels
Valeant: Share Price Performance in 2016

VRX’s share price declined 86% in 2016 driven by significant business disruption exacerbated by high absolute leverage levels.

Stock price performance of VRX from 1/1/2016 to 12/31/2016

2/28/16: VRX withdraws 2016 guidance, announces return of Pearson as CEO
3/15/16: VRX delays filing of 10-K and publishes reduced 2016 guidance
4/05/16: VRX ad hoc committee announces completion of its review of Philidor and related accounting matters
4/25/16: VRX’s board names Joe Papa as incoming Chairman and CEO; broader board refresh announced in the following days
6/07/16: VRX provides Q1 financials, reduces full year guidance
8/09/16: VRX provides Q2 financials, affirms full year guidance
8/22/16: VRX hires Paul Herendeen as CFO
11/08/16: VRX provides Q3 financials, reduces full year guidance

Note: The performance of VRX’s stock price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.
Source: Bloomberg.
Valeant: Price Performance Since Inception

VRX’s share price has declined 93% from our average cost at announcement through January 20, 2017

Note: The performance of VRX’s stock price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: Bloomberg.
Nomad Foods
(~3% of Capital)
Nomad Foods ("NOMD")

Nomad’s acquisitions of Iglo and Findus give it the leading branded frozen foods business in Europe

- Leading positions in UK, Italy, Germany, France, Spain, and Nordic region
- Stable, high-margin, cash-flow generative with low capex and cash taxes
- Purchase price for both assets of €3.2bn or ~8x EBITDA post-synergies
- PF ‘15 (ex. synergies): €2.1bn revenue, €345mm EBITDA, €0.95 EPS ($1.02)
  ✓ Synergies estimated at €43-48mm

Recent performance has shown weak top-line trends

- Historically, Iglo disproportionately invested behind new frozen food categories, at the expense of core offerings, to drive incremental growth
- Nomad has shifted its focus back to its core offerings; shift will take time to fully impact the Company’s financial performance but early results are encouraging
  ✓ Improving sequential sales declines for four straight quarters and encouraging results in the Must Win Battles where the new strategy has been activated

Near-term focus on stabilizing business and integrating Findus acquisition and delivering on synergy targets; longer-term potential as consolidator of global packaged food sector
NOMD: Share Price Performance in 2016

NOMD’s share price declined 19% in 2016

Stock price performance of NOMD from 1/1/2016 to 12/31/2016

Note: The performance of NOMD’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds. Source: Bloomberg.
NOMD share price has declined 2% from our average cost to January 20, 2017*

Stock price performance of NOMD from 1/1/2015 to 1/20/2017

- 6/1/15: Pershing Square invests $350mm in private placement of Nomad shares at $10.50 per share
- 4/20/15: Nomad closes Iglo transaction
- 6/1/15: Nomad closes Iglo transaction
- 8/13/15: Nomad announces acquisition of non-UK assets of Findus
- 1/12/16: Nomad converts listing from LSE to NYSE; begins trading under ticker NOMD

Note: The performance of Nomad Food’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.
Source: Bloomberg.
New Undisclosed Positions
New Undisclosed Positions

New Undisclosed Position #1 (late 2016): ~4% of Capital

- High quality business that generates predictable, recurring cash flow
- Global business with best-in-class management team
- Buying opportunity presented due to cyclical and macroeconomic concerns despite strong long-term growth potential
- ~22% return on average cost through January 24, 2017
- We believe investment is still attractive at current price

New Undisclosed Position #2 (early 2017): ~9% of Capital
Exited Positions
Positions Exited in 2016

CP

zoetis
CP: Share Price Performance Since Inception

CP’s share price including dividends increased 244\% (3.44x) from our average cost at announcement date to August 4, 2016*

Stock price performance of CP from 9/22/2011 to 8/4/2016 (CAD)

- 10/2/14: Analyst Day details new four-year targets:
  - 10.5\% revenue CAGR
  - Operating ratio of 58-63\%
  - EPS of $17, before further buybacks

- 5/21/12: All seven Pershing Square nominees elected to Board with 90\% of the vote

- 2/4/13: Keith Creel named Pres. & COO

- 10/23/13: CP announces strong earnings results while management emphasizes that 65\% OR target (35\% EBIT margin) is expected by 2014 (two years ahead of four-year timeline)

- 10/28/11: Pershing Square 13D Filed

- 12/4/12: CP Analyst Day details mid-30s margin target by ‘16

- 4/28/14: Pershing Square sale of 3 million shares

- 10/24/13: Pershing Square sale of 6 million shares

- 11/13/15: CP’s engages in discussions with Norfolk Southern

- 10/2/15: Q4 earnings call:
  - Record 59.8\% OR
  - Guidance: ‘15 EPS growth of >25\%

- 4/11/16: CP terminates efforts to merge with NS

- 1/22/15: Q4 earnings call:
  - Record 59.8\% OR
  - Guidance: ‘15 EPS growth of >25\%

- 4/22/16: Pershing Square sale of 4 million shares

- 8/4/16: Pershing Square sale of remaining 10 million shares

Note: The performance of CP’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.

*Return includes dividends.

Source: Bloomberg.
Zoetis: Share Price Performance Since Inception

ZTS share price including dividends increased 40% from our average cost at announcement date to November 9, 2016*

Stock price performance of Zoetis from 7/22/2014 to 11/9/2016

7/22/14: Pershing Square purchases first Zoetis shares at ~$33 per share

2/4/15: ZTS agrees to name Pershing Square team member to Board

4/13/15: ZTS and Pershing Square agree to name AGN Executive Chairman Paul Bisaro to Board

11/12/14: Pershing Square and Sachem Head group file 13-D with 10.1% combined economic ownership

5/9/16 – 11/9/16: Pershing Square sells 42mm shares

5/5/15: Announces comprehensive operational efficiency initiative; outlined plan to increase operating margins from 25% in 2014 to ~34% in 2017

2/16/16: ZTS reaffirms guidance projecting:
- 2016: 7% organic growth and 31% EBIT margins
- 2017: 7% organic growth and 34% EBIT margins

Note: The performance of Zoetis’s share price is provided for illustrative purposes only and is not an indication of future returns of the Pershing Square funds.
*Return includes dividends.
Source: Capital IQ.
Business & Organizational Update
Personnel Updates in 2016 and 2017

2016: Employee count reduced from 72 to 60

- 12 operational personnel
  - Administration, Finance, Investor Relations, Public Relations, Shareholder Services, and Technology teams

- 3 investment team analysts
  - Paul Hilal in February 2016
  - Bill Doyle in May 2016
  - Jordan Rubin in August 2016

2017: Departure of one employee

- Joe Sutton, CTO in January 2017
Investment Team Analyst Additions in 2017

► Bharath Alamanda
  ▪ Joining Pershing Square in September 2017
  ▪ KKR & Co.
  ▪ Goldman, Sachs & Co.
  ▪ B.S.E., Princeton University

► Feroz Qayyum
  ▪ Joining Pershing Square in September 2017
  ▪ Hellman & Friedman
  ▪ Evercore
  ▪ B.A., Richard Ivey School of Business, University of Western Ontario
Organizational Updates in March 2017

Tim Barefield, COO to retire

► Over 10 years at the firm Tim has been responsible for building out a best-in-class operation

► Tim plans on returning to academia

Nicholas Botta, CFO, will assume the title of President and will be responsible for non-investment team related operations including overseeing technology

► Nick has worked with Bill since 2000 and has been integral to managing firm operations since inception

Michael Gonnella, Senior Controller, will assume the title of CFO

► Mike has been with the firm for 11 years responsible for day-to-day management of the finance team

Amy Szeto and Adam Rapp will assume Senior Controller roles

► Amy and Adam have been members of the finance team for over 10 years
Long-Term Incentive Plan ("LTIP")

- A new form of compensation and long-term incentives for long-standing employees

- Pershing Square previously had two forms of compensation
  - Base salary and bonus compensation
  - Profits interest in management and incentive fees – behaves like equity but terminates when employee departs firm

- Profits interest partners are eligible to be a member of the LTIP
  - Vests over 10 years of partnership tenure
  - Retiring employees continue to receive a reduced percentage of their profit interest on a permanent basis
  - Contains a non-compete clause

- New compensation structure aligns with the firm’s and investors’ interests
  - Reinforces our focus on long-term performance and value creation
  - Encourages long-term retention, with minimal, but healthy, levels of turnover after long tenures
Additional Disclaimers and Notes to Performance Results

Presentation of Performance Results and Other Data

The performance results of PSH and Pershing Square, L.P., the Pershing Square fund with the longest performance track record, included in this presentation are presented on a gross and net-of-fees basis. Gross and net performance include all dividends, interest, and capital gains, reduced by all expenses. Net performance is after deduction of all fees and accrued performance fee/allocation, if any. All performance provided herein assumes an investor has been invested in PSH or Pershing Square, L.P. since their respective inception dates and participated in any “new issues,” as such term is defined on pages 40 and 53 of FINRA.

Depending on timing of a specific investment and participation in “new issues,” net performance for an individual investor may vary from the net performance as stated herein. Performance data for 2015 is estimated and unaudited.

Pershing Square, L.P.’s net returns for 2004 were calculated net of a $1.5 million (approximately 3.9%) annual management fee and performance allocation equal to 20% above a 6% hurdle, in accordance with the terms of the limited partnership agreement of PSLP then in effect. That limited partnership agreement was later amended to provide for a 1.5% annual management fee and 20% performance allocation effective January 1, 2005. The net returns for Pershing Square, L.P. from this document reflect the different fee arrangements in 2004, and subsequently, in addition, pursuant to a separate agreement, in 2004 the sole unaffiliated limited partner paid PSCM an additional $840,000 for voted expenses in connection with services provided unrelated to Pershing Square, L.P. which have not been taken into account in determining Pershing Square, L.P.’s net returns. To the extent such overhead expenses had been included in fund expenses, net returns would have been lower.

The market index shown in this presentation, the S&P 500, has been selected for purposes of comparing the performance of an investment in the Pershing Square funds with a well-known, broad-based equity benchmark. The statistical data regarding the index has been obtained from Bloomberg and are calculated assuming all dividends are reinvested. The index is subject to change and is not maintained for the purpose of insuring the accuracy of the calculation. The index is a capitalization weighted index and is not intended to be an accurate representation of the performance of the Pershing Square funds. The index is calculated, distributed and marketed by S&P Dow Jones Indices LLC. The index is a proprietary index calculated and distributed by S&P Dow Jones Indices LLC.

The performance attributions to the gross returns provided on pages 8 and 9 are for illustrative purposes only. On page 8, each position contributing to or detracting from returns of at least 50 basis points (whenever rounded to the nearest tenth) is shown separately. Positions with smaller contributions are aggregated. Returns were calculated taking into account currency hedges, if any. 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 the company in which the Pershing Square funds are invested. Unless otherwise noted herein, gross returns include (i) only returns on the investment in the underlying company and the hedge positions that directly relate to the securities that reference the underlying company (e.g., if Pershing Square, L.P. was long Company A stock and also purchased puts on Company 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 company (e.g., if Pershing Square, L.P. was long Company B stock and also purchased puts on Company B stock, the gross return reflects the profit/loss on Company B stock and the profit/loss on the put); and (iii) do not reflect the cost/benefit of portfolio hedges. These gross returns do not reflect deduction of management fees and accrued performance fee/allocation. These returns (and attributions) do not reflect certain other fund expenses (e.g., administrative expenses), inclusion of such fees/allocations and expenses would produce lower returns than presented here. Please refer to the net performance figures presented on page 5 of this presentation.

Share price performance data takes into account the issuer’s dividends, if any. Share price performance data is provided for illustrative purposes only and is not an indication of actual returns to the Pershing Square funds over the periods presented or future returns of the funds. Additionally, it should not be assumed that any of the changes in shares prices of the investments listed herein indicate that the investment recommendations or decisions that Pershing Square makes in the future will be profitable or will generate values equal to those of the companies discussed herein. All share price performance data calculated “to date” is calculated through January 22, 2016.

Average cost is determined using a methodology that takes into account not only the cost of outright purchases of stock (typically over a period of time) but also a per share cost of the shares underlying certain derivative instruments acquired by Pershing Square to build a long position. “Average Cost” reflects the average cost of the position that has been invested in PSH or Pershing Square, L.P. since the announcement of the transaction.

The average cost basis for long positions has been calculated based on the following methodology:

(a) the cost of outright purchase of shares of common stock is the price paid for the shares on the date of acquisition divided by the number of shares purchased;
(b) the cost of an equity swap is the price of the underlying share on the date of acquisition divided by the number of underlying shares;
(c) the cost of an equity forward is the reference price of the forward on the date of acquisition divided by the number of underlying shares;
(d) the cost of call options that were in the money at the time of announcement is (except when otherwise noted) (i) the option price plus the strike price less any rebates the Pershing Square funds would receive upon exercise divided by (ii) the number of shares underlying the call options;
(e) call options that are out of the money at the time of announcement are disregarded for purposes of the calculation (i.e., the cost of the options acquired are not included in the numerator of the calculation and the underlying shares are not included in the denominator of the calculation);
(f) the cost of shares acquired pursuant to put options sold by the Pershing Square funds, where the underlying stock was put to the Pershing Square funds prior to the time of announcement, is (i) the strike price of the put options when the shares were put to the Pershing Square funds less the premium received by the Pershing Square funds when the put was sold divided by (ii) the number of shares received upon exercise of the put options; and
(g) premium received from put options written by the Pershing Square funds where the underlying stock was not put to the Pershing Square funds, and the option was out-of-the-money at the time of announcement are included in the numerator of the calculation.

With respect to APD, “average cost” accounts for positions in both the Pershing Square funds and the PS V, LP and PS V International, Ltd., co-investment vehicles formed to invest in the securities of (or otherwise seek to be exposed to the value of securities issued by) APD.

With respect to MDLZ, “average cost” does not account for the unwinds of certain of the equity forwards and subsequent purchases of call options on July 29, 2015 and August 5, 2015 (see trading exhibit in our August 6, 2015 13D filing).

In relation to Herbalife, the average basis of the short position established by Pershing Square has been calculated based on (i) the proceeds received from the shares sold short divided by (ii) the number of such shares before announcement of the transaction.

Percentages of capital provided herein are as of January 24, 2017 and are calculated using market values of the positions across all Pershing Square funds.

Past performance is not necessarily indicative of future results. All investments involve the possibility of profit and the risk of loss, including the loss of principal. This presentation does not constitute a recommendation, an offer to sell or a solicitation of an offer to purchase any security or investment product. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision. All information is current as of the date hereof and is subject to change in the future.

Forward-Looking Statements

This presentation also contains forward-looking statements, which reflect Pershing Square’s views. These forward-looking statements can be identified by reference to words such as “believe,” “expect,” “potential,” “continue,” “may,” “will,” “anticipate,” “intend,” “plan,” or similar words. Forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Should any assumptions underlying the forward-looking statements contained herein prove to be incorrect, the actual outcome or results may differ materially from outcomes or results projected in these statements. None of the Pershing Square funds, Pershing Square or any of their respective affiliates undertakes any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law or regulation.
Additional Disclaimers and Notes to Performance Results

**Risk Factors**

Investors in PSH may lose all, or substantially all, of their investment in PSH. Any person acquiring shares in PSH must be able to bear the risks involved. These include, among other things, the following:

- PSH is exposed to a concentration of investments, which could exacerbate volatility and investment risk;
- Activist investment strategies may not be successful and may result in significant costs and expenses;
- Pershing Square may fail to identify suitable investment opportunities. In addition, the due diligence performed by Pershing Square before investing may not reveal all relevant facts in connection with an investment;
- While Pershing Square may use litigation in pursuit of activist investment strategies, Pershing Square itself and PSH may be the subject of litigation or regulatory investigation;
- Pershing Square may participate substantially in the affairs of portfolio companies, which may result in PSH’s inability to purchase or sell the securities of such companies;
- PSH may invest in derivative instruments or maintain positions that carry particular risks. Short selling exposes PSH to the risk of theoretically unlimited losses;
- PSH’s non-U.S. currency investments may be affected by fluctuations in currency exchange rates;
- Adverse changes affecting the global financial markets and economy may have a material negative impact on the performance of PSH’s investments;
- Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect PSH’s business, investments and results of operations;
- Pershing Square is dependent on William A. Ackman;
- PS Holdings Independent Voting Company Limited controls a majority of the voting power of all of PSH’s shares;
- PSH shares may trade at a discount to NAV and their price may fluctuate significantly and potential investors could lose all or part of their investment;
- The ability of potential investors to transfer their PSH shares may be limited by the impact on the liquidity of the PSH shares resulting from restrictions imposed by ERISA and similar regulations, as well as a 4.75 per cent. ownership limit;
- PSH is exposed to changes in tax laws or regulations, or their interpretation; and
- PSH may invest in United States real property holding corporations which could cause PSH to be subject to tax under the United States Foreign Investment in Real Property Tax Act.