THIRD POINT

THIRD POINT OFFSHORE INVESTORS LIMITED

UNAUDITED CONDENSED INTERIM REPORT AND FINANCIAL STATEMENTS

For the period ended 30 June 2014

Contents

Chairman's Statement

I am pleased to present the seventh Unaudited Semi-Annual Financials for Third Point Offshore Investors ("the Company").

The Company was established as a closed-end investment company, registered and incorporated in Guernsey on 19 July 2007. The Company invests its assets in Third Point Offshore Master Fund L.P. (the "Master Partnership") via Third Point Offshore Fund, Ltd. (the "Master Fund"), which pursues an opportunistic investment approach based on event-driven fundamental value analysis.

During the first half of 2014, the Company's net asset value (the "NAV") appreciated approximately 7% across both share classes. Performance was driven by Third Point LLC's (the "Investment Manager") investment process and opportunistic approach. The Investment Manager continued to search globally for compelling event-driven equity and credit opportunities as well as select macro investments. Top down macroeconomic insight coupled with diligent and thoughtful individual security selection utilising the Investment Manager's bottom-up, fundamental investment policy has led to an increase in equity exposure and a corresponding decrease in the number of corporate credit investments in the Investment Manager's portfolio. Returns for the year have been driven by strong performance in corporate, government and structured credit positions as well as U.S.-based equity investments.

The Investment Manager has initiated several new, significant investments during the first half of the year amidst a continued attractive environment for event-driven investing. Portfolio construction has been influenced by the Investment Manager's view that the global economy is relatively healthy and portfolio exposure has increased accordingly. The Investment Manager will continue to monitor macroeconomic trends and adjust exposures and portfolio hedges accordingly.

Following strong investment performance, a series of corporate actions taken in the Fourth Quarter of 2012 and a proactive approach to communications, the Board has been pleased to see a significantly decreased discount in each of the share classes relative to the year prior. We are committed to continuing to review discount-control mechanisms, employing an ongoing annual dividend policy where performance permits, and regular communication in an effort to further reduce the discount. We believe in the importance of transparent communications with shareholders and aim to be responsive to your inquiries. To this end, the Company's website (thirdpointpublic.com) publishes monthly NAVs, a monthly shareholder report, a narrative quarterly letter from the Investment Manager and other relevant information about the Company.

In corporate governance matters, the independent Board of Directors and Audit Committee have met regularly.

My fellow Directors and I are honoured to serve our shareholders.

Marc Antoine Autheman

26 August 2014

Directors' Report

The Directors submit their Report together with the Company's Statements of Assets and Liabilities, Unaudited Statements of Operations, Statements of Changes in Net Assets, Unaudited Statements of Cash Flows and the related notes for the period ended 30 June 2014, "Unaudited Condensed Interim Financial Statements". These Unaudited Condensed Interim Financial Statements have been properly prepared, in accordance with accounting principles generally accepted in the United States of America, any relevant enactment for the time being in force, are in agreement with the accounting records and have been properly prepared in all material aspects.

The Company

The Company was incorporated in Guernsey on 19 June 2007 as an authorised closed-ended investment scheme and was admitted to a secondary listing (Chapter 14) on the Official List of the London Stock Exchange on 23 July 2007. The proceeds from the initial issue of shares on listing amounted to approximately US$523 million. Following changes to the Listing Rules on 6 April 2010, the secondary listing became a standard listing.

The Company is a member of the Association of Investment Companies ("AIC").

Investment Objective and Policy

The Company's investment objective is to provide its Shareholders with consistent long term capital appreciation utilising the investment skills of Third Point LLC (the "Investment Manager") through investment of all of its capital (net of short term working capital requirements) in Class E Shares of Third Point Offshore Fund, Ltd (the "Master Fund"), an exempted company formed under the laws of the Cayman Islands on 21 October 1996.

The Master Fund is a limited partner of Third Point Offshore Master Fund L.P. (the "Master Partnership"), an exempted limited partnership organised under the laws of the Cayman Islands, of which Third Point Advisors II L.L.C., an affiliate of the Investment Manager, is the general partner. Third Point LLC is the Investment Manager to the Company, the Master Fund and the Master Partnership. The Master Fund and the Master Partnership have the same investment objectives, investment strategies and investment restrictions.

The Master Fund and Master Partnership's investment objective is to seek to generate consistent long-term capital appreciation, by using an event driven, bottom-up, fundamental approach to evaluate various types of securities throughout companies' capital structures. The Investment Manager's implementation of the Master Fund and Master Partnership's investment policy is the main driver of the Company's performance.

The Investment Manager's fundamental approach to investing begins with analysing a company's financial performance, its management and competitive advantages, its position within its industry and the overall economy. This analysis is performed on historical and current data with the ultimate goal of producing a set of projected financial results for the company. Once the projections are established, the Investment Manager compares the current valuation of the company in question relative to its historical valuation range, the valuation range of its peers and the overall market in general to determine whether the markets are mis-pricing the company. The Investment Manager ultimately invests in situations where it believes mis-pricing exists because this fundamental analysis indicates that such a disconnection will correct itself over time.

The Investment Manager's bottom-up approach attempts to identify individual companies that would make attractive investment targets based on their growth and profitability characteristics. This approach differs from a top-down methodology which first evaluates macro-economic, sector, industry or geographic factors to select the best sectors or industries for investment.

Investment Objective and Policy – continued
The Investment Manager seeks to identify Event Driven situations in which it can take either a long or short investment position where it can identify a near or long-term catalyst that would unlock value.

Results and Dividends
The results for the period are set out in the Unaudited Statements of Operations. Except in unusual circumstances, it is anticipated that the Board of Directors of the Company (the "Board"), following discussions with the Investment Manager, will declare an annual cash dividend equivalent to 4-5% of the Net Asset Value ("NAV") of the Company, to the extent that the positive NAV performance of the Company is sufficient to support such dividends.

Share Capital
Share Capital Conversions took place during the period ended 30 June 2014. A summary and the number of shares in issue at the period-end are disclosed in Note 6 to the Unaudited Condensed Interim Financial Statements.

Going Concern
After making enquiries and given the nature of the Company and its investment, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these Unaudited Condensed Interim Financial Statements. The Master Fund Shares are liquid and can be converted to cash to meet liabilities as they fall due. After due consideration, the Directors consider that the Company is able to continue for the foreseeable future.

Directors
The Directors of the Company during the period and to the date of this report are as listed on page 4 of these Unaudited Condensed Interim Financial Statements.

Directors' Interests
Mr Targoff holds the position of Chief Operating Officer, Partner and General Counsel of Third Point LLC.

Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against them in connection with the performance of their duties as a Director of the Company.

The Directors hold no shares in the Company and held no shares during the period.

Corporate Governance Policy
The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance.

The Board has determined that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders. The Company has complied with all the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;

Directors' Report continued

Corporate Governance Policy – continued

- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, the Board considers these provisions are not relevant to the position of the Company, being an externally advised investment company with no executive directors or employees. The Company has therefore not reported further in respect of these provisions.

The AIC Code provides a "comply or explain" code of corporate governance designed especially for the needs of investment companies. The AIC published a new code of corporate governance in October 2010 and the Company has reviewed its compliance with these standards. The UK Financial Reporting Council ("FRC") has confirmed that so far as investment companies are concerned it considers that companies which comply with the AIC Code will be treated as meeting their obligations under the UK Corporate Governance Code ("The Code") and Section 9.8.6 of the Listing Rules.

The Company does not have employees, hence no whistle-blowing policy is necessary. However, the Directors have satisfied themselves that the Company's service providers have appropriate whistle-blowing policies and procedures and confirmation has been sought from the service providers that nothing has arisen under those policies and procedures which should be brought to the attention of the Board.

On 30 September 2011 the Guernsey Financial Services Commission ("GFSC") issued a new Code of Corporate Governance (the "Guernsey Code") which came into effect on 1 January 2012. The Guernsey Code replaces the existing GFSC guidance, "Guidance on Corporate Governance in the Finance Sector". The Guernsey Code provides a framework that applies to all entities licensed by the GFSC or which are registered or authorised as a collective investment scheme. Companies reporting against the UK Corporate Governance Code or the Association of Investment Companies Code of Corporate Governance are deemed to comply with the Guernsey Code. It is the Company's policy to comply with the AIC Code.

The FRC issued a revised UK Corporate Governance Code in September 2012, for reporting periods beginning on or after 1 October 2012. The AIC updated the AIC Code (including the Jersey and Guernsey editions) and its AIC Guide in February 2013 to reflect the relevant changes to the FRC document.

Board Structure

The Board currently consists of five non-executive Directors. As the Chairman of the Board is an independent non-executive, the Board considers it unnecessary to appoint a senior independent Director.

Name	Position	Independent	Date Appointed
Marc Antoine Autheman	Non-Executive Chairman	Yes	21 June 2007
Christopher Legge	Non-Executive Director	Yes	19 June 2007
Keith Dorrian	Non-Executive Director	Yes	19 June 2007
Christopher Fish	Non-Executive Director	Yes	19 June 2007
Joshua L Targoff	Non-Executive Director	No	29 May 2009

One third of the Directors retire by rotation at every AGM with the exception of Mr. J Targoff, who as the Chief Operating Officer, General Counsel and Partner of the Investment Manager, is not considered independent and will therefore be subject to annual re-election by shareholders. All other Directors are considered by the Board to be independent of the Company's investment manager. Any Directors appointed to the Board since the previous AGM also retire and stand for re-election. The Independent

Board Structure – continued
Directors take the lead in any discussions relating to the appointment or re-appointment of directors. The Independent Directors consider it important that the Board includes a representative of the Investment Manager.

The Board meets at least four times a year and in addition there is regular contact between the Board, the Investment Manager and Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator"), and the Board requires to be supplied in a timely manner with information by the Investment Manager, the Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited (the "Company Secretary") and other advisors in a form and of a quality appropriate to enable it to discharge its duties. The Board, excluding Mr Targoff, regularly reviews the performance of the Investment Manager and the Master Fund to ensure that performance is satisfactory and in accordance with the terms and conditions of the relative appointments and Prospectus. It carries this review out through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisors' appointment with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company's shareholders.

New Directors will receive an induction from the Investment Manager on joining the Board, and all Directors undertake relevant training as necessary.

The Company has no executive directors or employees. All matters, including strategy, investment and dividend policies, gearing and corporate governance procedures are reserved for approval by the Board of Directors. The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings.

Board Tenure
No member of the Board has served for longer than 9 years to date. As such no issue has arisen to be considered by the Board with respect to long tenure. When and if any independent director shall have been in office (or on re-election would at the end of that term of office) for more than 8 years, the Company will consider further on this matter as to whether there is any risk that such director might reasonably be deemed to have lost independence through such long service.

Directors' Biographies

Marc Antoine Autheman
Marc Antoine Autheman, is a resident of France. He has over 35 years of experience in the public and private finance sectors. Mr. Autheman is currently Chairman of Euroclear S.A. and Chairman of Cube Infrastructure Fund. He worked in the French Treasury for ten years from 1978 to 1988, prior to joining the Minister of Finance's private office, Minister Beregovoy, as advisor for monetary and financial affairs between 1988 and 1993. From 1993 to 1997, he worked as Executive Director for France for the International Monetary Fund and the World Bank and chaired the audit committee of the World Bank during this time. From 1997 to 2004, he worked in a number of roles at Credit Agricole S.A. (''CASA''), mainly as CEO of Credit Agricole Indosuez. He holds Master's degrees in Law and Economics from the University of Paris.

Keith Dorrian
Keith Dorrian, is a Guernsey resident and has over 40 years' experience in the offshore finance industry. Joining Manufacturers Hanover in 1973 he moved to First National Bank of Chicago in 1984 where he was appointed Vice President and Company Secretary. In 1989 he joined ANZ Bank (Guernsey) where, as a Director of the Bank and Fund Management company, he was closely involved in the banking and fund management services of the Group. He took up the position of Manager Corporate Clients in Bank of Bermuda Guernsey in 2000 and was appointed local Head of Global Fund Services and Managing

Directors' Report continued

Directors' Biographies – continued
Director of the Guernsey Bank's Fund Administration company Management International (Guernsey) Limited in Guernsey in 2001, retiring on 31 December 2003. He is currently a member of the Guernsey Investment Fund Association, the Institute of Financial Services, the Institute of Directors and is a Director of a number of funds and fund management companies and holds the Institute of Directors Diploma in Company Direction. Mr Dorrian has been elected a Fellow of the Institute of Directors.

Christopher Fish
Christopher Fish, is a director of two UK listed funds as well as three Guernsey based financial companies. During the past 35 years he has held executive positions as a director of the Royal Bank of Canada (Channel Islands) Limited and as the Americas Offshore Head of Coutts where he was responsible for the Bahamas, Bermuda, Cayman and Uruguay offices. In 1997 he was appointed the Senior Client Partner for Coutts Offshore before taking up the position of Managing Director of Close International Private Banking in 1999 from where he retired in 2005. Mr. Fish is resident in Guernsey.

Christopher Legge
Christopher Legge, is a Guernsey resident and worked for Ernst & Young in Guernsey from 1983 to 2003. Having joined the firm as an audit manager in 1983, he was appointed a partner in 1986 and managing partner in 1998. From 1990 to 1998, he was head of Audit and Accountancy and was responsible for the audits of a number of insurance, banking, investment fund and financial services clients. He also had responsibility for the firm's training, quality control and compliance functions. He was appointed managing partner of Ernst & Young for the Channel Islands region in 2000. Since his retirement from Ernst & Young in 2003, Mr. Legge has held a number of non-executive directorships in the financial sector. He is an FCA and holds a BA (Hons) in Economics from the University of Manchester.

Joshua L. Targoff
Joshua L. Targoff has been the Chief Operating Officer of the Investment Manager since May 2009. He joined as General Counsel in May 2008. Previously, Mr. Targoff was the General Counsel of the Investment Banking Division of Jefferies & Co. Mr. Targoff spent seven years doing M & A transactional work at Debevoise & Plimpton LLP. Mr. Targoff graduated with a J.D. from Yale Law School, and holds a B.A. from Brown University. In 2012, Mr Targoff was made a Partner of the Investment Manager.

Meeting Attendance Records
The table below lists Directors' attendance at meetings during the period, to the date of this report.

	Scheduled Board Meetings Attended (max 2)	Audit Committee Meetings Attended (max 1)
Marc Antoine Autheman	2 of 2	0 of 1
Christopher Legge	2 of 2	1 of 1
Keith Dorrian	2 of 2	1 of 1
Christopher Fish	2 of 2	1 of 1
Joshua L Targoff[1,2]	2 of 2	N/A

1 Mr. Targoff is not a member of the Audit Committee.
2 Mr. Targoff does not attend Meetings as a director where recommendations from the Investment Manager are under consideration.

Committees of the Board
The AIC Code requires the Company to appoint nomination, remuneration and management engagement committees. The Board has not deemed this necessary as, being comprised wholly of non-executive Directors, the whole Board considers these matters.

Following the "Women on Boards" review conducted by Lord Davies' of Abersoch in February 2011, the Board has examined Lord Davies' Recommendations and noted that it was consistently reviewing its policy and future appointments to the Board would continue to be based on the individual's skills and experience regardless of gender.

The Investment Manager has wide experience in managing and administering fund vehicles and has access to extensive investment management resources. The Board considers that the continued appointment of the Investment Manager on the terms agreed would be in the interests of the Company's shareholders as a whole.

Audit Committee
The Company's Audit Committee conducts formal meetings at least three times a year for the purpose, amongst others, of considering the appointment, independence, effectiveness of the audit and remuneration of the auditors and to review and recommend the annual statutory accounts and interim report to the Board of Directors.

Directors' Duties and Responsibilities
The Directors have adopted a set of Reserved Powers, which establish the key purpose of the Board and detail its major duties. These duties cover the following areas of responsibility:

- Statutory obligations and public disclosure;
- Strategic matters and financial reporting;
- Board composition and accountability to shareholders;
- Risk assessment and management, including reporting, compliance, monitoring, governance and control; and
- Other matters having material effects on the Company.

These Reserved Powers of the Board have been adopted by the Directors to clearly demonstrate the seriousness with which the Board takes its fiduciary responsibilities and as an ongoing means of measuring and monitoring the effectiveness of its actions.

The Directors are responsible for the overall management and direction of the affairs of the Company. The Company has no Executive Directors or employees. The Company invests all of its assets in shares of the Master Fund and Third Point LLC acts as Investment Manager to the Master Fund and is responsible for the discretionary investment management of the Master Fund's investment portfolio under the terms of the Master Fund Prospectus.

Northern Trust International Fund Administration Services (Guernsey) Limited ("NT") acts as Administrator and Company Secretary and is responsible to the Board under the terms of the Administration Agreement. The Administrator is also responsible for ensuring compliance with the Rules and Regulations of Guernsey Law, London Stock Exchange listing requirements and observation of the Reserved Powers of the Board and in this respect the Board receives detailed quarterly reports.

The Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable rules and

Directors' Report continued

Directors' Duties and Responsibilities – continued
regulations of Guernsey Law, the GFSC and the London Stock Exchange. Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors on an ongoing basis and the Company has maintained appropriate Directors' Liability Insurance cover throughout the period.

The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal Control and Financial Reporting
The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss.

The Directors review all controls including operations, compliance and risk management. The key procedures which have been established to provide internal control are:

- Investment advisory services are provided by the Investment Manager. The Board is responsible for setting the overall investment policy, ensuring compliance with the Company's Investment Strategy and monitors the action of the Investment Manager and Master Fund at regular Board meetings. The Board has also delegated administration and company secretarial services to NT; however it retains accountability for all functions it has delegated.

- The Board considers the process for identifying, evaluating and managing any significant risks faced by the Company on an on-going basis. It ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all local and international laws and regulations are upheld. In light of recent market volatility and economic turmoil, particular attention has been given to the effectiveness of controls to monitor liquidity risk, asset values, counterparty exposure and credit availability.

- The Non-Executive Directors of the Company clearly define the duties and responsibilities of their agents and advisors and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such agents and advisors.

- The Investment Manager and NT maintain their own systems of internal control, on which they report to the Board. The Company, in common with other investment companies, does not have an internal audit function. The Audit Committee has considered the need for an internal audit function, but because of the internal control systems in place at the Investment Manager and NT, has decided it appropriate to place reliance on their systems and internal control procedures.

- The systems are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and costs of control. It follows therefore that the systems of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement or loss.

Board Performance
The Board and Audit Committee undertake a formal annual evaluation of their own performance and that of their committees and individual Directors. In order to review their effectiveness, the Board and Audit Committee carry out a process of formal self-appraisal. The Directors and Committee consider how the Board and Audit Committee functions as a whole and also review the individual performance of

Board Performance – continued
its members. This process is conducted by the respective Chairman reviewing individually with each of the Directors and members of the Committee their performance, contribution and commitment to the Company. The performance of the Chairman is evaluated by the other independent Directors.

Management of Principal Risks and Uncertainties
As noted in the Statement of Directors' Responsibilities in respect of the Unaudited Condensed Interim Financial Statements, the Directors are required to provide a description of the principal risks and uncertainties facing the Company. The Directors have considered the risks and uncertainties facing the Company and have prepared and review regularly a risk matrix which documents the significant risks faced by the Company. This document considers the following information:

- Identifying and reporting changes in the risk environment;
- Identifying and reporting changes in the operational controls;
- Identifying and reporting on the effectiveness of controls and remediation of errors arising; and
- Reviewing the risks faced by the Company and the controls in place to address those risks.

The Directors have acknowledged they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness by focussing on four key areas:

- Consideration of the investment advisory services provided by the Investment Manager;
- Consideration of the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis;
- Clarity around the duties and responsibilities of the agents and advisors engaged by the Directors; and
- Reliance on the Investment Manager and Administrator maintaining their own systems of internal controls.

Further discussion on Internal Control is documented in the Directors' Report under "Internal Control and Financial Reporting".

The main risks and uncertainties that the Directors consider to apply to the Company are as follows:

- Underlying investment performance of the Master Fund. To mitigate this risk the Directors receive regular updates from the Investment Manager on the performance of the Master Fund. The Board reviews quarterly performance updates on the Master Fund and has access to the Investment Manager on any potential question raised;
- Concentration of Investor Base. The Directors receive quarterly investor reports from the Corporate Broker and there is regular communication between the Directors and Broker to identify potential significant changes in the shareholder base;
- Discount/Premium to the NAV. The Investment Manager, Corporate Broker and, when considered necessary, the Board of Directors, maintain regular contact with the significant shareholders to the Company. As part of ongoing process to seek to narrow the discount to NAV per Share at which the Shares are traded, the Directors introduced an annual dividend policy. Under that policy it was anticipated that the Company would pay a cash dividend of 4-5% of NAV to the extent that the positive NAV performance of the Company would support such a dividend and absent other, exigent

Directors' Report continued

Management of Principal Risks and Uncertainties – continued

circumstances relating to the Investment Manager and otherwise. The initial dividend paid in 2012 formed part of a number of corporate actions designed to narrow the ongoing discount to NAV, which included the return of US$60 million to Shareholders through a special dividend and a tender offer for shares in the fourth quarter of 2012. The Board monitors the discount/premium to the NAV on a regular basis and continually maintains regular contact with significant shareholders and the Investment Manager when necessary.

On 14 November 2013, the Company announced the payment of a second annual dividend of approximately 5% of net asset value of each share class. The payment of this dividend formed part of a number of corporate actions designed to narrow the ongoing discount to NAV. As a result of the narrowing of the discount and with the aim of increasing liquidity in the Company's shares, the Master Partnership sold 135,000 USD shares in the Company on 30 May 2014 at a price of $17.10 and 50,000 USD shares in the Company on 29 July 2014 at a price of $17.40, both of which were at a discount to NAV of approximately of 3%.

- Performance of the Investment Manager. The Directors review the performance of the Investment Manager on an annual basis and Board representatives conduct bi-annual visits to the Investment Manager;

- Failure of appointed service providers to the Company. The Directors conduct a formal review of each service provider annually in addition to receiving regular updates from each service provider and ensuring that there is ongoing communication between the Board and the various service providers to the Company;

- Financial Risk. The Board employs independent administrators to prepare the Unaudited Condensed Interim Financial Statements of the Company and meets with the independent auditors at least twice a year to discuss all financial matters including the appropriateness of the accounting policies.

Significant Events During The Period

On 7 February 2014 the Directors announced the compulsory Euro share class conversion into the USD share class.

At the Extraordinary General Meeting of the Company held on 12 March 2014, Shareholders approved to amend the Company's Articles, further details of which are disclosed in Note 10.

Relations with Shareholders

The Board welcomes Shareholders' views and places great importance on communication with its Shareholders. The Board receives regular reports on the views of shareholders and the Chairman and other Directors are available to meet shareholders if required. Shareholders who wish to communicate with the Board should contact the Administrator in the first instance, whose contact details can be found on the Company's website. The Annual General Meeting of the Company provides a forum for shareholders to meet and discuss issues with the Directors of the Company. The seventh Annual General Meeting was held on 6 June 2014 with all proposed resolutions being passed by the Shareholders.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of US assets in foreign accounts and improving US tax compliance with respect to those assets. On 13 December 2013, The States of Guernsey signed an intergovernmental agreement ("IGA") with US Treasury in order to facilitate the requirements under FATCA. The Board is monitoring implementation with the assistance of its legal advisers and accountants.

UK – Guernsey Intergovernmental Agreement
On 22 October 2013, The States of Guernsey have signed an intergovernmental agreement with the UK ("UK-Guernsey IGA") under which potentially mandatory disclosure requirements may be required in respect of Shareholders who have a UK connection. The Board is monitoring implementation of the UK-Guernsey IGA with the assistance of its legal advisers and accountants.

Significant Shareholdings
As at 14 August 2014, the following had significant shareholdings in excess of 3% in the Company:

Significant Shareholders*	Total Shares Held	% Holding in Class
US Dollar Shares		
Goldman Sachs Securities (Nominees) Limited	11,952,238	25.26
Vidacos Nominees Limited	8,568,279	18.11
HSBC Global Custody Nominee (UK)	5,584,899	11.80
Pershing Nominees Limited	2,111,765	4.46
Smith & Williamson Nominees Limited	2,080,699	4.40
Morstan Nominees Limited	2,052,528	4.34
The Bank of New York Nominees Limited	1,993,923	4.21
Nortrust Nominees Limted	1,730,427	3.66
State Street Nominees Limited	1,706,648	3.61
Sterling Shares		
James Capel (Nominees) Limited	433,713	20.81
HSBC Global Custody Nominee (UK)	205,414	9.85
James Capel (Channel Islands) Nominees Limited	172,789	8.29
Hargreaves Lansdown (Nominees)	153,562	7.37
The Bank of New York (OCS) Nominees Limited	122,668	5.88
Platform Securities Nominees	96,024	4.61
Alliance Trust Savings Nominees	80,485	3.86
Smith & Williamson Nominees Limited	76,947	3.69
Vestra Nominees Limited	62,753	3.01

** Other than Vestra Nominees Limited holding increasing to above 3% in Sterling Shares in the period between 30 June 2014 and 14 August 2014, no other significant changes to significant shareholdings took place during the period.*

Directors' Report continued

The Directors confirm to the best of their knowledge:

- these Unaudited Condensed Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America and give a true and fair view of the financial position of the Company;

- these Unaudited Condensed Interim Financial Statements include information detailed in the Directors' Report, the Investment Manager's Review and Notes to the Unaudited Condensed Interim Financial Statements, which provide a fair review of the information required by:

  a) DTR 4.2.7 of the Disclosure and Transparency Rules ("DTR"), being an indication of important events that have occurred during the first six months of the financial year 2014 and their impact on these Unaudited Condensed Interim Report and Financial Statements: and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8 of the DTR, being related party transactions that have taken place in the first six months of the current financial year 2014 and that have materially affected the financial position or the performance of the Company during the six month period ended 30 June 2014 and any changes in the related party transactions described in the last Annual Audited Financial Statements that could have a material effect on the financial position or performance of the Company in the first six months of the financial year 2014.

Signed on behalf of the Board by:

Christopher Legge
Director

Keith Dorrian
Director

26 August 2014

Disclosure of Directorships in Public Listed Companies

The following summaries the Directors' directorships in public companies:

Company Name	Exchange
Christopher Legge	
Ashmore Global Opportunities Limited	London
Baring Vostok Investments PCC Limited	Channel Islands
BH Macro Limited	London, Bermuda & Dubai
John Laing Environmental Assets Group Limited	London
Sherborne Investors (Guernsey) B Limited	London
TwentyFour Select Monthly Income Fund Limited	London
Keith Dorrian	
AB Alternative Strategies PCC Limited	Channel Islands
AB International Fund PCC Limited	Channel Islands
BH Credit Catalyst Limited	London
Eurocastle Investments Limited	Euronext
IIAB PCC Limited	Channel Islands
MasterCapital Fund Limited	Ireland
Christopher Fish	
Boussard & Gavaudan Holding Limited	Euronext and London

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Unaudited Condensed Interim Financial Statements in accordance with applicable Guernsey Law and generally accepted accounting principles. Guernsey Company Law requires the Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company and of the net income or expense of the Company for that period.

In preparing these Unaudited Condensed Interim Financial Statements the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed subject to any material departures disclosed and explained in the Unaudited Condensed Interim Financial Statements; and
- prepare the Unaudited Condensed Interim Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Unaudited Condensed Interim Financial Statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for the system of internal controls, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have responsibility to confirm that:

- these Unaudited Condensed Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America and give a true and fair view of the financial position of the Company; and
- these Unaudited Condensed Interim Financial Statements include information detailed in the Directors' Report, the Investment Manager's Review and Notes to the Unaudited Financial Statements, which provide a fair review of the information required by:

  a) DTR 4.2.7 of the Disclosure and Transparency Rules ("DTR"), being an indication of important events that have occurred during the first six months of the financial year 2014 and their impact on these Unaudited Condensed Interim Report and Financial Statements: and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8 of the DTR, being related party transactions that have taken place in the first six months of the current financial year 2014 and that have materially affected the financial position or the performance of the Company during the six month period ended 30 June 2014 and any changes in the related party transactions described in the last Annual Audited Financial Statements that could have a material effect on the financial position or performance of the Company in the first six months of the financial year 2014.

Signed on behalf of the Board by:

Christopher Legge
Director

Keith Dorrian
Director

26 August 2014

Investment Manager's Review

Performance Summary

USD Class	30-June-2014	31-December-2013	% Change
Share Price	17.45	15.85	10.1%
Net asset value per share	17.98	16.87	6.6%
Premium/(discount)	(2.9%)	(6.0%)	

GBP Class	30-June-2014	31-December-2013	% Change
Share Price	16.23	14.45	12.3%
Net asset value per share	17.27	16.20	6.6%
Premium/(discount)	(6.0%)	(10.8%)	

On 7 February 2014, the Company announced a mandatory conversion (the "Conversion") of all of the Euro-denominated class shares into U.S. Dollar-denominated class shares, effective 28 February 2014, in an effort to afford the Euro class shareholders greater liquidity. The Conversion was in accordance with the provision in the Company's Articles of Incorporation granting the directors the discretionary right to convert any class with a net asset value of less than $50 million.

Strategy Performance
For the six months ended 30 June 2014, the net asset value per share increased by 6.6% in the U.S. Dollar class and 6.6% in the Sterling class.

Amidst a volatile market environment, the Investment Manager posted positive performance results and the share price discount to NAV continued to narrow considerably. Weak performance during the First Quarter was driven primarily by weather-related negative market conditions in the United States. However, the Investment Manager performed well in the Second Quarter and ended the first half of the year positively positioned relative to several market benchmarks. After entering the year with relatively high exposure levels, the Investment Manager has been steadily reducing exposures throughout 2014.

Positive returns have been predominantly driven by strength in both the corporate and structured credit portfolios in 2014, contributing nearly 25% and 50% of fund returns, respectively, despite significantly less exposure relative to equities. The Manager has also made several successful investments in sovereign credit and continues to find attractive risk-adjusted opportunities to supplement a lackluster broader corporate credit environment.

Despite a choppy equity market, the Investment Manager's equity portfolio in both the United States and Latin America outperformed. Investments in the Energy and Industrials sectors contributed meaningfully to returns while positions in the TMT space and in Japan detracted from performance.

Risk Outlook
The Investment Manager anticipates periods of market volatility during the second half of the year. As such, the Investment Manager will carefully monitor macroeconomic developments and search for compelling investment opportunities with attractive entry points. The Manager maintains a diversified portfolio, with exposure to long/short equity, credit, mortgage and macro investments.

Investment Manager's Review continued

Risk Outlook – continued

At 30 June 2014, exposure in the Investment Manager's portfolio across four funds and two managed accounts was as follows[1]:

	Long	Short	Net
Equities	73.5%	(11.3%)	62.2%
Credit	34.8%	(7.2%)	27.6%
Macro	6.1%	(7.9%)	(1.8%)
Other	2.7%	0.0%	2.7%

Net equity exposure is defined as the long exposure minus the short exposure of all equity positions (including long/short, arbitrage, and other strategies), and can serve as a rough measure of the exposure to fluctuations in overall market levels. The Investment Manager continues to closely monitor the liquidity of the portfolio, and is comfortable that the current composition is aligned with the redemption terms of the fund. The funds are hard closed as effective July 1, 2011.

[1] *Relates to the Third Point Offshore Master Fund L.P.*

Independent Review Report

Third Point Offshore Investors Limited

Introduction

We have been engaged by the Company to review the Unaudited Condensed Interim Financial Statements in the Unaudited Condensed Interim Report for the six months ended 30 June 2014 which comprise the Statements of Assets and Liabilities, Unaudited Statements of Operations, Statements of Changes in Net Assets, Unaudited Statements of Cash Flows and the related notes 1 to 13. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim condensed financial statements.

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

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Unaudited Condensed Interim Report in accordance with the Disclosures and Transparency Rules of the United Kingdom's Financial Conduct Authority. As disclosed in note 3, the interim condensed financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the Unaudited Condensed Interim Financial Statements in the Unaudited Condensed Interim Report based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Condensed Interim Financial Statements in the Unaudited Condensed Interim Report for the six months ended 30 June 2014 are not prepared, in all material respects, in accordance with accounting principles generally accepted in the United States and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority.

Ernst & Young LLP
Guernsey, Channel Islands

26 August 2014

The maintenance and integrity of the Third Point Offshore Investors Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statements of Assets and Liabilities

(Stated in United States Dollars)	Unaudited As at 30 June 2014 $	Audited As at 31 December 2013 $
Assets		
Investment in Third Point Offshore Fund Ltd at fair value (Cost: US$473,864,745; 31 December 2013: US$474,285,168)	912,288,344	854,158,083
Cash	47,060	103,657
Other assets	254,721	155,404
Total assets	**912,590,125**	**854,417,144**
Liabilities		
Accrued expenses and other liabilities	203,428	133,601
Directors' fees payable (Note 5)	99,027	89,438
Administration fee payable (Note 4)	48,928	46,758
Total liabilities	**351,383**	**269,797**
Net assets	**912,238,742**	**854,147,347**
Number of Ordinary Shares in issue (Note 6)		
US Dollar Shares	47,299,218	45,998,773
Euro Shares	–	702,380
Sterling Shares	2,094,580	2,327,871
Net asset value per Ordinary Share (Notes 8 and 12)		
US Dollar Shares	$17.98	$16.87
Euro Shares	–	€16.16
Sterling Shares	£17.27	£16.20
Number of Ordinary B Shares in issue (Note 6)		
US Dollar Shares	31,532,828	30,665,862
Euro Shares	–	468,255
Sterling Shares	1,396,393	1,551,919

The financial statements on pages 18 to 30 were approved by the Board of Directors on 26 August 2014 and signed on its behalf by:

Christopher Legge
Director

Keith Dorrian
Director

See accompanying notes and attached unaudited condensed interim financial statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.

Unaudited Statements of Operations

(Stated in United States Dollars)	For the period ended 30 June 2014 $	For the period ended 30 June 2013 $
Realised and unrealised gain from investment transactions allocated from Master Fund		
Net realised gain from securities, commodities, derivative contracts and foreign currency translations	89,844,525	91,872,112
Net change in unrealised (loss)/gain on securities, derivative contracts and foreign currency translations	(1,049,465)	29,713,055
Net (loss)/gain from currencies allocated from Master Fund	(12,310,344)	3,254,523
Total net realised and unrealised gain from investment transactions allocated from Master Fund	**76,484,716**	**124,839,690**
Net investment loss allocated from Master Fund		
Interest income	4,443,265	3,885,162
Dividends, net of withholding taxes of US$1,088,679 (30 June 2013: US$289,401)	3,432,504	1,124,935
Other income	14,140	2,523
Stock borrow fees	(53,276)	(642,839)
Incentive allocation	(14,271,596)	(21,671,621)
Investment Management fee	(8,750,994)	(7,665,418)
Dividends on securities sold, not yet purchased	(18,364)	(308,418)
Interest expense	(972,055)	(290,584)
Other expenses	(1,298,379)	(1,242,652)
Total net investment loss allocated from Master Fund	**(17,474,755)**	**(26,808,912)**
Company expenses		
Administration fee (Note 4)	(88,159)	(76,007)
Directors' fees (Note 5)	(149,911)	(125,358)
Other fees	(601,827)	(330,378)
Expenses paid on behalf of Third Point Offshore Independent Voting Company Limited (Note 4)	(78,669)	(60,226)
Total Company expenses	**(918,566)**	**(591,969)**
Net loss	**(18,393,321)**	**(27,400,881)**
Net increase in net assets resulting from operations	**58,091,395**	**97,438,809**

See accompanying notes and attached unaudited condensed interim financial statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.

Statements of Changes in Net Assets

(Stated in United States Dollars)	Unaudited For the period ended 30 June 2014 US$	Audited For the year ended 31 December 2013 US$
Increase in net assets resulting from operations		
Net realised gain from securities, commodities, derivative contracts and foreign currency translations allocated from Master Fund	89,844,525	191,348,510
Net change in unrealised (loss)/gain on securities, derivative contracts and foreign currency translations allocated from Master Fund	(1,049,465)	66,561,369
Net (loss)/gain from currencies allocated from Master Fund	(12,310,344)	7,083,394
Total net investment loss allocated from Master Fund	(17,474,755)	(62,009,665)
Total Company expenses	(918,566)	(1,187,702)
Net increase in net assets resulting from operations	**58,091,395**	**201,795,906**
Decrease in net assets resulting from capital share transactions		
Dividend Distribution	–	(42,511,128)
Net assets at the beginning of the period	**854,147,347**	**694,862,569**
Net assets at the end of the period	**912,238,742**	**854,147,347**

See accompanying notes and attached unaudited condensed interim financial statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.

Unaudited Statements of Cash Flows

(Stated in United States Dollars)	For the period ended 30 June 2014 $	For the period ended 30 June 2013 $
Cash flows from operating activities		
Operating expenses	(631,317)	(505,018)
Directors' fees	(140,322)	(130,512)
Administration fee	(85,989)	(72,237)
Third Point Offshore Independent Voting Company Limited[1]	(78,669)	(60,226)
Redemption from Master Fund	879,700	629,199
Cash outflow from operating activities	(56,597)	(138,794)
Net decrease in cash	(56,597)	(138,794)
Cash at the beginning of the period	103,657	189,506
Cash at the end of the period	47,060	50,712

1 Third Point Offshore Independent Voting Company Limited expenses consist of Director Fees, Audit Fee and General Expenses.

See accompanying notes and attached unaudited condensed interim financial statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.

Notes to the Unaudited Condensed Interim Financial Statements

For the period ended 30 June 2014

1. The Company

Third Point Offshore Investors Limited (the "Company") is an Authorised closed-ended investment company incorporated in Guernsey on 19 June 2007 for an unlimited period, with registration number 47161.

The Company offers multiple classes of Ordinary Shares, which differ in terms of currency of issue. To date, Ordinary Shares have been issued in US Dollars and Sterling. On 7 February 2014, the Company announced a mandatory conversion (the "Conversion") of all the Euro class shares in issue into US Dollar class shares, effective 28 February 2014. It was resolved to convert the shares to afford Euro class shareholders greater liquidity. The Conversion was in accordance with the provision in the Company's Articles of Incorporation granting the Directors the discretionary right to convert any class with a Net Asset Value ("NAV") of less than US$50 million. We consider the Conversion to be in the best interest of the shareholders of the Euro class and the Company as a whole. Details of the Conversion are noted in note 6.

2. Organisation

Investment Objective and Policy

The Company's investment objective is to provide its Shareholders with consistent long term capital appreciation, utilising the investment skills of the Investment Manager, through investment of all of its capital (net of short-term working capital requirements) in Class E shares of Third Point Offshore Fund, Ltd. (the "Master Fund"), an exempted company formed under the laws of the Cayman Islands on 21 October 1996. The Master Fund's investment objective is to seek to generate consistent long-term capital appreciation, by using an event driven, bottom-up, fundamental approach to evaluate various types of securities throughout companies' capital structures. The Master Fund is managed by the Investment Manager and the Investment Manager's implementation of the Master Fund's investment policy is the main driver of the Company's performance.

The Master Fund is a limited partner of Third Point Offshore Master Fund L.P. (the "Master Partnership"), an exempted limited partnership organised under the laws of the Cayman Islands, of which Third Point Advisors II L.L.C., an affiliate of the Investment Manager, is the general partner. Third Point LLC is the Investment Manager to the Company, the Master Fund and the Master Partnership. The Master Fund and the Master Partnership share the same investment objective, strategies and restrictions as described above.

The Unaudited Condensed Interim Financial Statements of the Master Fund and the Unaudited Condensed Interim Financial Statements of the Master Partnership, should be read alongside the Company's Unaudited Interim Report and Financial Statements.

Investment Manager

The Investment Manager is a Limited Liability Company formed on 28 October 1996 under the laws of the State of Delaware. The Investment Manager was appointed on 27 June 2007 and is responsible for the management and investment of the Company's assets on a discretionary basis in pursuit of the Company's investment objective, subject to the control of the Company's Board and certain borrowing and leveraging restrictions.

The Company does not pay the Investment Manager for its services as the Investment Manager is paid a management fee of 2 per cent per annum of the Company's share of the Master Fund's net asset value (the "NAV") and a general partner incentive allocation of 20 per cent of the Master Fund's NAV growth ("Full Incentive Fee") invested in the Master Partnership, subject to certain conditions and related adjustments, by the Master Fund. If a particular series invested in the Master Fund depreciates during any fiscal year and during subsequent years there is a profit attributable to such series, the series must recover an amount equal to 2.5 times the amount of depreciation in the prior years before the Investment

2. Organisation (continued)

Manager is entitled to the Full Incentive Fee. Until this occurs, the series will be subject to a reduced incentive fee equal to half of the Full Incentive Fee. The Company was allocated US$14,271,596 (30 June 2013: US$21,671,621) of incentive fees for the period ended 30 June 2014.

3. Significant Accounting Policies

Basis of Presentation

These Unaudited Condensed Interim Financial Statements have been prepared in accordance with relevant accounting principles generally accepted in the United States of America ("US GAAP"). The functional and presentational currency of the Company is United States Dollars.

The Unaudited Condensed Interim Financial Statements do not include all the information and disclosures opined in the Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements as at 31 December 2013.

The following are the significant accounting policies adopted by the Company:

Cash and Cash Equivalents

Cash in the Statements of Assets and Liabilities comprises cash at bank and on hand. Usually this is short term cash that settles between 0-3 months.

Valuation of Investments

The Company records its investment in the Master Fund at fair value. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820 "Fair Value Measurement" defines fair value as the price the Company would receive upon selling a security in a timely transaction to an independent buyer in the principal or most advantageous market of the security. For further information refer to the Master Partnership's Unaudited Condensed Interim Financial Statements.

The valuation of securities held by the Master Partnership, which the Master Fund directly invests in, is discussed in the notes to the Master Partnership's Unaudited Condensed Interim Financial Statements. The net asset value of the Company's investment in the Master Fund reflects its fair value. At 30 June 2014, the Company's US Dollar and Sterling shares represented 12.98% and 0.94% (31 December 2013: 12.56% and 1.01%) respectively of the Master Fund's NAV.

Uncertainty in Income Tax

ASC Topic 740 "Income Taxes" requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the year of determination. Management has evaluated the implications of ASC 740 and has determined that it has not had a material impact on these Unaudited Condensed Interim Financial Statements.

Income and Expenses

The Company records its proportionate share of the Master Fund's income, expenses and realised and unrealised gains and losses on a monthly basis. In addition, the Company accrues interest income, to the extent it is expected to be collected, and other expenses.

Use of Estimates

The preparation of Unaudited Condensed Interim Financial Statements in conformity with US GAAP (relevant accounting principles generally accepted in the United States of America) may require management to make estimates and assumptions that affect the amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from those estimates. Other than what is underlying in the Master Fund and the Master Partnership, the Company does not use any estimates in respect of amounts that are material to the Unaudited Condensed Interim Financial Statements.

Notes to the Unaudited Condensed Interim Financial Statements continued

For the period ended 30 June 2014

3. Significant Accounting Policies (continued)

Foreign Exchange

Investment securities and other assets and liabilities denominated in foreign currencies are translated into United States Dollars using exchange rates at the reporting date. Purchases and sales of investments and income and expense items denominated in foreign currencies are translated into United States Dollars at the date of such transaction. All foreign currency translation gains and losses are included in the Unaudited Statement of Operations.

4. Material Agreements

Management and Incentive fees

The Investment Manager was appointed by the Company to invest its assets in pursuit of the Company's investment objectives and policies. As disclosed in Note 2, the Investment Manager is remunerated by the Master Fund for management fees and incentive fees.

Administration fees

Under the terms of an Administration Agreement dated 29 June 2007, the Company appointed Northern Trust International Fund Administration Services (Guernsey) Limited as Administrator and Corporate Secretary.

The Administrator is paid fees based on the NAV of the Company, payable quarterly in arrears. The fee is at a rate of 2 basis points of the NAV of the Company for the first £500 million of NAV and a rate of 1.5 basis points for any NAV above £500 million. This fee is subject to a minimum of £4,250 per month.

The Administrator is also entitled to an annual corporate governance fee of £30,000 for its Company secretarial and compliance activities.

In addition, the Administrator is entitled to be reimbursed out-of-pocket expenses incurred in the course of carrying out its duties, and may charge additional fees for certain other services.

Total Administrator expenses during the period amounted to US$88,159 (30 June 2013: US$ 76,007) with US$48,928 (31 December 2013: US$46,758) outstanding.

Related Party

The Company has entered into a support and custody agreement with Third Point Offshore Independent Voting Company Limited ("VoteCo") whereby, in return for the services provided by VoteCo, the Company will provide VoteCo with funds from time to time in order to enable VoteCo to meet its obligations as they fall due. Under this agreement, the Company has also agreed to pay all the expenses of VoteCo, including the fees of the directors of VoteCo, the fees of all advisors engaged by the directors of VoteCo and premiums for directors and officers insurance. The Company has also agreed to indemnify the directors of VoteCo in respect of all liabilities that they may incur in their capacity as directors of VoteCo.

5. Directors' Fees

The Chairman is entitled to a fee of £60,000 per annum. All other independent Directors are entitled to receive £36,000 per annum with the exception of Mr. Legge who receives £44,000 per annum as the audit committee chairman. Mr. Targoff has waived his fees. The Directors are also entitled to be reimbursed for expenses properly incurred in the performance of their duties as Director. The Directors' fees during the period amounted to US$149,911 (30 June 2013: US$125,358) with US$99,027 (31 December 2013: US$89,438) outstanding.

6. Share Capital

The Company was incorporated with the authority to issue an unlimited number of Ordinary Shares (the "Shares") with no par value and an unlimited number of Ordinary B Shares ("B Shares") of no par value. All B Shares are to be unlisted and held at all times by VoteCo. The Shares may be divided into at least two classes denominated in US Dollar and Sterling.

The Company has issued approximately 40 per cent of the aggregate voting rights of the Company to VoteCo in the form of B Shares. The B Shares are unlisted, do not carry any economic interest, other than to receive an annual dividend at a fixed rate of 0.0000001 pence (Sterling) per B Share, and at all times will represent approximately 40 per cent. of the aggregate issued capital of the Company. The Articles of Association provide that the ratio of issued US Dollar B Shares to Euro B Shares to Sterling B Shares shall at all times approximate as closely as possible the ratio of issued US Dollar Shares to Euro Shares to Sterling Shares in the Company. On 7 February 2014 the Directors announced the Compulsory Euro Share Class Conversion into USD share class.

	US Dollar Shares	Euro Shares	Sterling Shares
Number of Ordinary Shares			
Shares issued 1 January 2014	45,998,773	702,380	2,327,871
Shares Converted			
Total shares transferred to share class during the period	1,319,666	–	17,394
Total shares transferred out of share class during the period	(19,221)	(702,380)	(250,685)
Shares in issue at end of period	**47,299,218**	**–**	**2,094,580**

	US Dollar Shares US$	Euro Shares US$	Sterling Shares US$
Share Capital Account			
Share capital account at 1 January 2014	776,037,009	15,646,721	62,463,617
Shares Converted			
Total share value transferred to share class during the period	22,647,009	–	481,048
Total share value transferred out of share class during the period	(336,248)	(15,962,702)	(6,829,107)
Net increase in net assets resulting from operations	52,009,378	315,981	5,766,036
Share capital account at end of period	**850,357,148**	**–**	**61,881,594**

	US Dollar Shares	Euro Shares	Sterling Shares
Number of Ordinary B Shares			
Shares in issue as at 1 January 2014	30,665,862	468,255	1,551,919
Shares converted			
Total shares transferred to share class during the period	879,781	–	11,597
Total shares transferred out of share class during the period	(12,815)	(468,255)	(167,123)
Shares in issue at end of period	**31,532,828**	**–**	**1,396,393**

Notes to the Unaudited Condensed Interim Financial Statements continued

For the period ended 30 June 2014

6. Share Capital (continued)

In respect of each class of Shares a separate class account has been established in the books of the Company. An amount equal to the aggregate proceeds of issue of each Share Class has been credited to the relevant class account. Any increase or decrease in the NAV of the Master Fund, as calculated by the Master Fund, is allocated to the relevant class account in the Company according to the number of shares held by each class. Each class account is allocated those costs, expenses, losses, dividends, profits, gains and income which the Directors determine in their sole discretion relate to a particular class. Expenses which relate to the Company as a whole rather than specific classes are allocated to each class in the proportion that its NAV bears to the Company as a whole.

Voting Rights

Ordinary Shares carry the right to vote at general meetings of the Company and to receive any dividends, attributable to the Ordinary Shares as a class, declared by the Company and, in a winding-up will be entitled to receive, by way of capital, any surplus assets of the Company attributable to the Ordinary Shares as a class in proportion to their holdings remaining after settlement of any outstanding liabilities of the Company. B Shares also carry the right to vote at general meetings of the Company.

As prescribed in the Company's Articles, each Shareholder present at general meetings of the Company shall, upon a show of hands, have one vote. Upon a poll, each Shareholder shall, in the case of a separate class meeting, have one vote in respect of each Share or B Share held and, in the case of a general meeting of all Shareholders, have one vote in respect of each US Dollar Share or US Dollar B Share held, and two votes in respect of each Sterling Share or Sterling B Share held. Fluctuations in currency rates will not affect the relative voting rights applicable to the Shares and B Shares. In addition all of the Company's Shareholders have the right to vote on all material changes to the Company's investment policy.

Repurchase of Shares and Discount Control

The Directors of the Company were granted authority to purchase in the market up to 14.99 per cent of each class of Shares in issue at the Annual General Meeting on 6 June 2014, and they intend to seek annual renewal of this authority from Shareholders. The Directors propose to utilise this share repurchase authority to address any imbalance between the supply of and demand for shares. Pursuant to the Director's share repurchase authority, the Company, through the Master Fund, commenced a share repurchase program in December 2007. The Shares are being held by the Master Partnership. The Master Partnership's gains or losses and implied financing costs related to the shares purchased through the share purchase programme are entirely allocated to the Company's investment in the Master Fund. The Master Partnership has an ownership of 10.79% of the shares outstanding at 30 June 2014 (31 December 2013: 11.15%). In addition, the Company, the Master Fund, the Investment Manager and its affiliates have the ability to purchase Shares in the after-market at any time the Shares trade at a discount to NAV. During the period ended 30 June 2014, the Master Partnership sold 135,000 USD shares in the Company at a price of $17.10 which was at discount to NAV of approximately 3%.

6. Share Capital (continued)

At 30 June 2014 and 31 December 2013 the Master Fund held the following Shares in the Company in the after-market:

30 June 2014	Currency	Number of Shares	Cost	Average Cost per Share
US Dollar Shares	USD	5,329,753	US$57,172,498	US$10.73

31 December 2013	Currency	Number of Shares	Cost	Average Cost per Share
US Dollar Shares	USD	5,464,753	US$58,389,679	US$10.68

Further issue of Shares

Under the Articles, the Directors have the power to issue further shares on a non-pre-emptive basis. If the Directors issue further Shares, the issue price will not be less than the then-prevailing estimated weekly NAV per Share of the relevant class of Shares.

Share Conversion Scheme

The Company's Articles incorporate provisions to enable shareholders of any one Class of Ordinary Shares to convert all or part of their holding into any other Currency Class of Ordinary Share on a monthly basis. Upon conversion a corresponding number of B Shares will be converted in a similar manner.

If the aggregate NAV of any Currency Class at any month-end falls below the equivalent of US$50 million, the Shares of that Class may be converted compulsorily into Shares of the Currency Class with the greatest aggregate value in US Dollar terms at the time. Each conversion will be based on NAV (Note 8) of the share classes to be converted.

On 7 February 2014, the Directors announced that as at 31 January 2014 the aggregate NAV attributable to the Euro share class of the Company was €9.7 million, equivalent to US$13.2 million at the prevailing exchange rate as at that date. The aggregate NAV of the Euro share class has been below US$50 million continuously since July 2011. The Directors therefore resolved, in accordance with the Articles, to convert all the Euro class shares in issue into US Dollar class shares (the "Euro Conversion"). The Directors considered that the Euro Conversion was in the best interest of shareholders of the Euro share class and the Company as a whole. Shareholders who had their Euro shares converted into US Dollar shares benefited from holding shares in a significantly larger share class offering higher levels of liquidity. The Compulsory Conversion of Euro class shareholders took place on 26 February 2014 and the Euro class shares ceased to exist on 3 April 2014 and were removed from the Official List on the same day.

7. Taxation

The Fund is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989.

8. Calculation of Net Asset Value

The NAV of the Company is equal to the value of its total assets less its total liabilities. The NAV per Share of each class is calculated by dividing the NAV of the relevant class account by the number of Ordinary Shares of the relevant class in issue on that day.

Notes to the Unaudited Condensed Interim Financial Statements continued

For the period ended 30 June 2014

9. Related Party Transactions

At 30 June 2014 other investment funds owned by or affiliated with the Investment Manager owned 5,630,444 (31 December 2013: 5,630,444) US Dollar Shares in the Company.

10. Significant Events

On 7 February 2014 the Directors announced the compulsory Euro share class conversion into USD share class.

The Financial Conduct Authority's new restrictions on the retail distribution of non-mainstream pooled investments came into effect on 1 January 2014. Having taken legal advice an EGM was held on 12 March 2014 to approve a proposal by the Company to a minor amendment to its Articles so as to enable the Company's Shares to continue to be recommended by independent financial advisers to ordinary UK retail investors. This amendment detailed below will aid in the Company's continued efforts to maintaining the liquidity profile and the general marketability of the Company's Shares.

The Articles were amended by replacing Article 3(4)(i) with a new Article 3(4)(i) as set out below:

Dividends

B Shareholders are entitled to receive an annual dividend at a fixed rate of 0.0000001 pence (Sterling) per B Share, irrespective of whether their B Shares are denominated in Sterling or in any other currency, but B Shares shall confer no other right to share in the profits of the Company.

11. Subsequent Events

Subsequent to 30 June 2014, the Master Partnership sold 50,000 USD shares in the Company at a price of $17.40 which was at discount to NAV of approximately 3%.

12. Financial Highlights

The following tables include selected data for a single Ordinary Share of each of the Ordinary Share classes in issue at the period end and other performance information derived from the Unaudited Condensed Interim Financial Statements.

	US Dollar Shares 30 June 2014 US$	Euro Shares 28 February 2014* €	Sterling Shares 30 June 2014 £
Per Share Operating Performance			
Net Asset Value beginning of the period	**16.87**	**16.16**	**16.20**
Income from Operations			
Net realised and unrealised gain from investment transactions allocated from Master Fund[1]	1.47	0.45	1.41
Net loss	(0.36)	(0.12)	(0.34)
Total Return from Operations	**1.11**	**0.33**	**1.07**
Net Asset Value, end of the period	**17.98**	**16.49**	**17.27**
Total return before incentive fee allocated from Master Fund	8.24%	2.58%	8.28%
Incentive allocation from Master Fund	(1.66%)	(0.54%)	(1.68%)
Total return after incentive fee allocated from Master Fund	**6.58%**	**2.04%**	**6.60%**

** Financial highlights for the Euro Share Class have been calculated for the period from 1 January 2014 to 28 February 2014, the date of the Conversion. See Note 1.*

12. Financial Highlights (continued)

Total return from operations reflects the net return for an investment made at the beginning of the period and is calculated as the change in the NAV per Ordinary Share during the period ended 30 June 2014 and is not annualised. An individual Shareholder's return may vary from these returns based on the timing of their purchases and sales of shares on the market.

	US Dollar Shares 30 June 2013 US$	Euro Shares 30 June 2013 €	Sterling Shares 30 June 2013 £
Per Share Operating Performance			
Net Asset Value beginning of the period	**13.77**	**13.17**	**13.08**
Income from Operations			
Net realised and unrealised gain from investment transactions allocated from Master Fund[1]	2.54	2.47	2.48
Net loss	(0.55)	(0.49)	(0.40)
Total return from operations	**1.99**	**1.98**	**2.08**
Net Asset Value, end of the period	**15.76**	**15.15**	**15.16**
Total return before incentive fee allocation from Master Fund	17.72%	18.67%	19.34%
Incentive fee allocation from Master Fund	(3.27%)	(3.64%)	(3.44%)
Total return after incentive fee allocation from Master Fund	**14.45%**	**15.03%**	**15.90%**

Total return from operations reflects the net return for an investment made at the beginning of the period and is calculated as the change in the NAV per Ordinary Share during the period ended 30 June 2013 and is not annualised. An individual Shareholder's return may vary from these returns based on the timing of their purchases and sales of shares on the market.

	US Dollar Shares 30 June 2014 US$	Euro Shares 30 June 2014 €	Sterling Shares 30 June 2014 £
Supplemental data			
Net Asset Value, end of the period	**850,357,148**	**–**	**36,173,259**
Average Net Asset Value, for the period[2]	**811,156,882**	**10,046,288**	**36,061,348**
Ratio to average net assets			
Operating expenses[3]	(1.36%)	(0.44%)	(1.35%)
Incentive fee allocated from Master Fund	(1.63%)	(0.55%)	(1.61%)
Total operating expense[3]	(2.99%)	(0.99%)	(2.96%)
Net loss[3]	(2.10%)	(0.74%)	(2.08%)

Notes to the Unaudited Condensed Interim Financial Statements continued

For the period ended 30 June 2014

12. Financial Highlights (continued)

	US Dollar Shares 30 June 2013 US$	Euro Shares 30 June 2013 €	Sterling Shares 30 June 2013 £
Supplemental data			
Net Asset Value, end of the period	**726,308,391**	**10,263,391**	**34,601,344**
Average Net Asset Value, for the period[2]	**696,905,196**	**11,945,090**	**33,848,425**
Ratio to average net assets			
Operating expenses[3]	(1.41%)	(1.35%)	(1.40%)
Incentive fee allocated from Master Fund	(2.91%)	(2.54%)	(1.99%)
Total operating expense[3]	(4.32%)	(3.89%)	(3.39%)
Net loss[3]	(3.66%)	(3.27%)	(2.74%)

[1] *Includes foreign currency translation of profit/(loss) with respect to Euro and Sterling share classes.*
[2] *Average Net Asset Value for the period is calculated based on published weekly estimates of NAV.*
[3] *Operating expenses are Company expenses together with operating expenses allocated from the Master Fund.*

13. Ongoing Charge Calculation

Ongoing charges for the period/year ended 30 June 2014 and 31 December 2013 have been prepared in accordance with the AIC recommended methodology. Performance fees were charged on the Fund. In line with AIC guidance, an Ongoing Charge has been disclosed both including and excluding performance fees. The Ongoing charges for the period/year ended 30 June 2014 and 31 December 2013 excluding performance fees and including performance fees are based on Company expenses and allocated Master Fund expenses outlined below.

(excluding performance fees)	30 June 2014	31 December 2013
US Dollar Shares	2.50%	2.59%
Euro Shares	1.69%*	2.55%
Sterling Shares	2.49%	2.57%

(including performance fees)	30 June 2014	31 December 2013
US Dollar Shares	5.79%	8.49%
Euro Shares	4.06%*	8.06%
Sterling Shares	5.73%	7.59%

** Ongoing charges for the Euro Share Class have been calculated for the period from 1 January 2014 to 28 February 2014, the date of the Conversion. See Note 1.*

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** These Directors are independent.*
(All Directors are non-executive).

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