



THIRD POINT OFFSHORE INVESTORS LIMITED

REGISTRATION DOCUMENT

Prospectus relating to Offer of Euro Shares, US Dollar Shares and Sterling Shares (at € 10 per Euro Share, US\$10 per US Dollar Share and £10 per Sterling Share) and admission to the Official List and to trading on the London Stock Exchange's main market. The Company will be listed under Chapter 14 of the Listing Rules on the basis of European Directive requirements and as a consequence the additional standards under Chapter 15 of the Listing Rules will not apply to the Company. See "Consequences of Secondary Listing" in the Registration Document or Summary Note for further information.

REGISTRATION DOCUMENT

This Registration Document, the Summary Note and the Securities Note together comprise a prospectus (the “Prospectus”) relating to Third Point Offshore Investors Limited (the “Company”) prepared in accordance with the Prospectus Rules of the Financial Services Authority (the “FSA”) made under section 73A of the Financial Services and Markets Act 2000 (“FSMA”) and approved by the FSA under section 87A of FSMA. The Prospectus has been filed with the FSA and made available to the public in accordance with rule 3.2 of the Prospectus Rules.

The Prospectus relates to a Global Offer of Euro Shares, US Dollar Shares and Sterling Shares (at €10 per Euro Share, US\$10 per US Dollar Share and £10 per Sterling Share) and admission to a secondary listing on the Official List of the UK Listing Authority (“Official List”) and to trading on the London Stock Exchange’s main market for listed securities. The Company will be listed under Chapter 14 of the Listing Rules on the basis of Prospectus Directive requirements and, as a consequence, the additional requirements under Chapters 6 to 13 inclusive and Chapter 15 of the Listing Rules will not apply to the Company. See “Consequences of Secondary Listing” immediately following the Risk Factors section of this Registration Document for further information.

This Registration Document includes particulars given in compliance with the Listing Rules and the Prospectus Rules for the purposes of giving information with regard to the Company. The information contained in this Registration Document should be read in the context of, and together with, the information contained in the Securities Note and the Summary Note and distribution of this Registration Document is not authorised unless accompanied by, or supplied in conjunction with, copies of the Securities Note and the Summary Note.

The Shares are only suitable for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Master Fund, (ii) for whom an investment in the Shares is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. **The attention of potential investors is drawn to the Risk Factors set out in the Securities Note and in this Registration Document.**

The Directors of the Company, whose names appear in the “Directors, Managers and Advisers” section of this Registration Document, and the Company itself, accept responsibility for the information contained in the Prospectus, which comprises this Registration Document, the Securities Note and the Summary Note, and declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company is a limited liability registered closed-ended investment company incorporated in Guernsey. The Company is not an Authorised Person under FSMA and, accordingly, is not registered with the FSA. Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances 1959 to 1989 has been obtained for the issue of the Prospectus and the associated raising of funds. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accepts any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. The Shares may not be offered directly to the public in Guernsey, meaning any person not regulated under any of the financial services regulatory laws of the Bailiwick of Guernsey.

Application has been made to the FSA for all of the Shares of the Company issued in connection with the Global Offer to be admitted to the Official List and to trading on the London Stock Exchange’s main market for listed securities. The Company has applied for a secondary listing pursuant to Chapter 14 of the Listing Rules of the UK Listing Authority. It is not intended that the Shares be admitted to listing in any other jurisdiction. Conditional dealings in the Shares are expected to commence on a “when issued” basis at 8.00 am (London time) on or about 18 July 2007. It is expected that admission will become effective and that unconditional dealings will commence at 8.00 am (London time) on 23 July 2007 (“Admission”) with delivery of Shares expected to take place on or about 23 July 2007. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings before the date of Admission will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.

The attention of potential investors is drawn to the section headed “Risk Factors”.

Third Point Offshore Investors Limited

(a registered closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered number 47161)

Global offer (the “Global Offer”) of Euro Shares, US Dollar Shares and Sterling Shares (the “Shares”) (at €10 per Euro Share, US\$10 per US Dollar Share and £10 per Sterling Share) and admission to the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities

Investment Manager

Third Point LLC

Global Co-ordinator and Bookrunner

UBS Investment Bank

Joint Lead Managers

UBS Investment Bank

Société Générale Corporate & Investment Banking

Dated 2 July 2007

The Company is targeting a raising of €500 million (subject to increase) through the Global Offer (excluding the Over-allotment Option). The quantum of the amount to be raised is indicative only and in any event will not exceed €700 million including the Over-allotment Option.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (“US Securities Act”) or any other applicable law of the United States. The Shares are being offered outside the United States to non-US persons in reliance on the exemption from registration provided by Regulation S of the US Securities Act. The Shares may not be offered or sold within the United States, or to US Persons, except to persons who are both (a) Qualified Purchasers as defined by the US Investment Company Act AND (b) either (i) Qualified Institutional Buyers as defined by Rule 144A or (ii) Accredited Investors as defined by Regulation D. The Company will not be registered under the US Investment Company Act, and investors will not be entitled to the benefits of such Act.

In addition, prospective investors should note that the Shares may not be acquired by investors using assets of any employee benefit plan subject to Part 4 of Subtitle B of the Title I of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of the US Internal Revenue Code of 1986, as amended (the “US Code”) or other federal, state, local or other law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the US Internal Revenue Code.

For additional offering and transfer restrictions, see “The Global Offer” in Part 2 of the Securities Note and “Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations” in Part 7 of this Registration Document.

UBS is acting for the Company and no one else in connection with the Global Offer and will not be responsible to anyone other than the Company in providing the protections afforded to its clients nor for providing advice in connection with the Global Offer, the contents in the Prospectus or any matters referred to herein.

Société Générale is acting for the Company and no one else in connection with the Global Offer and will not be responsible to anyone other than the Company in providing the protections afforded to its clients nor for providing advice in connection with the Global Offer, the contents in the Prospectus or any matters referred to herein.

This Registration Document, the Securities Note and the Summary Note, which together comprise the Prospectus, should be read in their entirety before making any application for Shares.

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RISK FACTORS

An investment in the Shares involves significant risks. Those risks may not always be possible to quantify in type or magnitude. As a result, an investment in the Shares is designed for professional and sophisticated investors and may not be suitable for someone with low risk tolerance. The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, (ii) for whom an investment in the Shares is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. The attention of potential investors is drawn to the Risk Factors set out in the Securities Note and this Registration Document.

The Global Offer will comprise three classes of shares, denominated in Euro, US Dollars and Sterling, respectively. The proceeds of the Global Offer (net of short term working capital requirements) will be invested in Third Point Class E Shares. Shareholders holding a single class of Shares may not be exposed to the same risks as Shareholders holding a different class of Shares, as events, particularly those relating to changes in exchange rates and interest rates, may cause the inherent risks of the Master Fund's investment strategy to affect the calculation of Master Fund NAV (and consequently, the value of the Shares) differently among the classes of Shares. As a result of these currency related risks, prospective Shareholders should be aware that while the classes are subject to the same risks, their magnitude may differ by class in any one occurrence.

Capitalised terms used but not defined in this Registration Document shall have the meaning given to them in the Definitions and Glossary section forming Part 11 of this Registration Document.

The Directors believe that the risks described below are the material risks relating to the Shares at the date of this Registration Document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem to be immaterial at the date of this Registration Document, may also have an adverse effect on the performance of the Company and the value of the Shares. Potential investors should review the Prospectus (of which this Registration Document forms a part) carefully and in its entirety and consult with their professional advisers before making an application to invest in the Shares.

Consequences of Secondary Listing

The Shares are expected to be admitted to a secondary listing on the Official List and, as a consequence, the additional requirements under Chapter 15 of the Listing Rules will not apply to the Company. The Company will be listed under Chapter 14 of the Listing Rules on the basis of Prospectus Directive requirements. As a consequence, the additional requirements of Chapters 6 to 13 inclusive and Chapter 15 of the Listing Rules will not apply to the Company. Shareholders in the Company will therefore not receive the full protections of the Listing Rules. For further information on the consequences of a secondary listing please see the section "Consequences of Secondary Listing" immediately after this Risk Factors section.

Risks Relating to the Company's Investment in the Master Fund

The Master Fund depends on the Investment Manager, which is managed by Mr. Daniel S. Loeb, for the management of its investments, and the loss of Mr. Loeb's services could have a material adverse effect on the Master Fund and the Company's investment therein.

All decisions with respect to the investment management of the Master Fund, in which the Company will invest all of its capital (net of short term working capital requirements), are made by the Investment Manager. Mr. Daniel S. Loeb is the managing member and beneficial owner of the Investment Manager and oversees, through the Investment Manager, the Master Fund's investment activities. As a result, the performance of the Master Fund depends largely upon the abilities and efforts of Mr. Loeb. No assurance can be given, however, that Mr. Loeb will remain

managing member indefinitely or that a suitable replacement could be found for him in the event of his death, disability or withdrawal from the Investment Manager. The loss of Mr. Loeb's services to the Investment Manager could have a material adverse effect on the Master Fund and, in turn, the Company.

Each shareholder in the Master Fund, including the Company after the closing of the Global Offer and the investment of its capital in the Master Fund, will have the right to withdraw from the Master Fund in the event of Mr. Loeb's death, disability or withdrawal as managing member of the Investment Manager. No assurance can be given, however, that the Board of Directors of the Company will elect to withdraw from the Master Fund in such event, or that the value of the Company's investment in the Master Fund would not be affected whether the Company elects to withdraw from the Master Fund or not.

Withdrawal by the Company from the Master Fund will constitute a change of investment policy which will require Shareholder approval. Prospective investors should note that, in such circumstances, a Gate restricting the Company's ability to redeem its Master Fund Shares will apply. For further information please refer to Part 3 of this Registration Document.

Market risk could significantly affect the performance of the Company.

The Master Fund, and therefore the Company, are exposed to market risk. Market risk is risk associated with changes in, among other things, market prices of securities, commodities, foreign exchange or interest rates and there are certain general market conditions in which any investment strategy may not be profitable. The Investment Manager has no ability to control or predict such market conditions.

The Master Fund seeks to invest in companies in accordance with its investment objective without specifying allocations to the specific industries in which those companies are engaged. However, the Investment Manager's investment approach has generally resulted in broad diversification on a global basis across financial markets, thereby reducing the Master Fund's exposure to any single market. The Master Fund, however, is not purposely diversified within maximum company and industry concentration guidelines.

From time to time, multiple markets could move together against the Master Fund's investments, which could result in significant losses for the Master Fund. Such movement would have a material adverse effect on the performance of the Company and the size of returns to Shareholders.

General economic and market conditions, such as currency and interest rate fluctuations, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international conflicts or political circumstances, as well as natural circumstances, may affect the price level, volatility and liquidity of securities. Economic and market conditions of this nature could result in significant losses for the Master Fund, which would have a material adverse effect on the performance of the Company and returns to Shareholders.

The Master Fund will invest part or all of the Company's capital in securities of companies that are in special business or organisational situations or are otherwise in distress, which investment involves significant risks.

The Master Fund will invest part or all of the Company's capital in securities of companies that are in Event Driven situations. The Master Fund may also invest part or all of the Company's capital in securities of companies in weak financial conditions, experiencing poor operating results, having substantial financial needs or negative net worth or facing special competitive problems. It is often difficult to obtain accurate and complete information as to the financial or business conditions of such companies, and investments of this type involve significant risks that can result in substantial or total losses in the value of the investments. In addition, the market prices of the securities of such companies are often subject to abrupt and erratic market

movements and above-average volatility, and it may take a number of years for the market prices of such securities to reflect their intrinsic values in order for the Master Fund to realise the value of such investments. Some of the securities of such companies may not be widely traded or may have no recognised market, or the Master Fund's position in such securities may be substantial in relation to the overall market for such securities, either of which may make the Master Fund's exit from such investments difficult.

Although the purchase of such securities may result in significant returns to the Master Fund, they involve substantial risks and may not result in any return for an extended period of time, if at all. The level of analytical sophistication, both financial and legal, necessary for a successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could, for example, affect the prospects for a successful reorganisation or similar action. If the outcome of events differ from those predicted by the Investment Manager, the value of the Master Fund's investments in the relevant securities may be materially adversely affected. In addition, an investment in securities of a company involved in bankruptcy or other reorganisation and liquidation proceedings ordinarily remains unpaid unless and until such company successfully reorganises and/or emerges from bankruptcy, and the Master Fund may suffer a significant or total loss on any such investment during the relevant proceedings.

Investments in securities of companies in an Event Driven situation or otherwise in distress require active monitoring by the Investment Manager of such companies and may, at times, require active participation by the Investment Manager (including by way of board membership or corporate governance oversight), in the management or in the bankruptcy or reorganisation proceedings of such companies. Such involvement may restrict the Master Fund's ability to trade in the securities of such companies. It may also prevent the Investment Manager from focusing on matters relating to other existing investments or potential future investments of the Master Fund. In addition, as a result of its activities, the Master Fund may incur additional legal or other expenses, including, but not limited to, costs associated with conducting proxy contests, public filings, litigation expenses and indemnification payments to the Investment Manager or persons serving at the Investment Manager's request on the boards of directors of companies in which the Master Fund has an interest. It should also be noted that any such board representatives have a fiduciary duty to act in the best interests of all shareholders, and not simply the Master Fund, and thus may be obligated at times to act in a manner that is adverse to the Master Fund's interests. The occurrence of any of the above events may have a material adverse effect on the performance of the Master Fund.

The Master Fund may operate with a substantial degree of leverage, which may materially adversely affect the value of the Company's investment in the Master Fund.

From time to time, the Master Fund may borrow money from third parties, such as broker-dealers with which the Master Fund maintains accounts, for its investments. Although the use of borrowed money to purchase securities may permit the Master Fund to enhance its returns by making investments in an amount in excess of its capital, it will also increase the Master Fund's exposure to losses. Moreover, if the Master Fund's resources were not sufficient and available to pay the principal of and interest on the Master Fund's debt when called, the lender may liquidate the assets of the Master Fund that were pledged as collateral for such debt at unfavourable prices, resulting in a loss of the investment of the Master Fund shareholders, including the Company.

The Company's investment in the Master Fund is subject to risks attributable to potential illiquidity of assets in which the Master Fund invests.

Certain of the securities in which the Master Fund invests may not be publicly traded or may have resale limitations. Also, sales of securities generally may be impaired by decreased trading volume, increased price volatility, concentrated trading positions, limitations on the ability to

transfer positions under structured transactions and changes in applicable regulations. In either case, the Master Fund may be unable to dispose of the relevant securities promptly or at reasonable prices, particularly if the relevant market is moving against a position or if there is insufficient trading activity in the relevant market.

Moreover, the fair value of illiquid assets may be difficult to determine due to the absence of readily-ascertainable market prices. A number of valuation methodologies, based on a variety of factors (such as the nature of the investment, the expected cash flow and other relevant information) may be employed by the Master Fund to determine the fair value of such illiquid investments. Because of such valuation uncertainty, the fair values of such illiquid investments reflected in the Master Fund's NAV may not necessarily reflect the prices that would actually be obtained by the Master Fund when such investments are realised. If the realisation occurs at a price that is significantly lower than the NAV of the Master Fund attributable to such investment, the Master Fund, and the Company's investment in the Master Fund, will suffer a loss.

In addition, the use of leverage by the Master Fund (as discussed above) may compound the risks associated with liquidity of investment assets, as the Master Fund must maintain a certain degree of liquidity, based on its leveraged position, in order to service its debt. Failure to maintain such necessary liquidity may materially adversely affect the Master Fund and the Company's investment therein.

Investments in securities of issuers in emerging market countries may involve additional currency exchange, political, social and economic uncertainties and risks.

The Master Fund may invest part or all of its capital in securities of issuers incorporated and/or listed in jurisdictions other than OECD countries, which may involve additional risks in comparison to the risks of investing in securities of issuers incorporated and/or listed in OECD countries, including unfavourable changes in currency exchange rates and exchange control regulations, reduced flow and reliability of information about the relevant issuers and markets, less stringent accounting standards, greater illiquidity of securities and markets, higher brokerage commissions, custody fees and taxes, local economic or political instability and greater market risk in general. In particular, investing in securities of issuers located in emerging market countries generally involves greater risks, such as exposure to economic structures that are generally less diverse and mature than, and to political and regulatory systems that are generally less stable than, those of more developed countries. Other characteristics of emerging market countries that may affect investment in their markets include certain national policies that may restrict investment by non citizens in issuers or industries deemed sensitive to the relevant national interests and less developed legal structures governing and protecting private and foreign investments and private property. The typically small or relatively small size of markets for securities of issuers located in emerging market countries and the possibility of a low or non-existent volume of trading in those securities may also result in a lack of liquidity and increased price volatility of those securities, which may reduce the return on such investments to the Master Fund. While the Investment Manager will take these factors into consideration in making investment decisions, including with respect to hedging positions, no assurance can be given that the Master Fund will be able to avoid fully these risks.

The Master Fund may engage in short sales of securities, which carries a greater degree of risk than cash investments in securities.

The Master Fund may from time to time engage in short sales of securities, under which it would sell securities that have been borrowed from third parties in anticipation of a future decline in the prices for such securities. The Master Fund will buy back and then return such securities to the lender. If the prices of securities being sold short by the Master Fund subsequently increase, the Master Fund may suffer losses on such short sale. The possible loss to the Master Fund from a short sale of securities is theoretically unlimited, depending on the extent to which the price of the relevant securities has risen compared to the prices at which the Master Fund sold such

securities. In addition, short-selling activities are subject to restrictions imposed by securities laws and regulations and the rules of various securities exchanges.

The Master Fund may from time to time engage in risk arbitrage transactions that depend on the realisation of certain underlying corporate events, which events may be delayed or not occur at all.

The Master Fund may engage in risk arbitrage transactions in which, in connection with a proposed merger, exchange offer, tender offer or other similar transaction, it will purchase securities of the relevant issuer at prices slightly below the anticipated value of the cash, securities or other consideration to be paid or exchanged for such securities in such transaction. Such purchase price may be substantially in excess of the market price of the securities prior to the announcement of the merger, exchange offer, tender offer or other similar transaction. If the proposed merger, exchange offer, tender offer or other similar transaction later appears not likely to be consummated or in fact is not consummated or is delayed, the market price of the securities purchased by the Master Fund in anticipation of such transaction may decline sharply and result in losses to the Master Fund. In addition, the Master Fund may not hedge its positions against market fluctuations. This can result in losses to the Master Fund even if the proposed transaction is ultimately consummated. Securities to be issued in a merger or exchange offer may also be sold short by the Master Fund in the expectation that the short position will be covered by delivery of such securities when issued. If the merger or exchange offer is not consummated, the Master Fund may be forced to cover its short position at a higher price than its short sale price, resulting in a loss to the Master Fund.

The Master Fund may invest the Company's capital in non-investment grade, high-yield bonds and preferred securities, and the Master Fund may fail to realise any profits from these investments or lose some or all of the principal amounts of these investments.

The Master Fund may invest the Company's capital in high-yield debt and preferred securities that are rated in non-investment grade categories by various credit rating agencies or in other securities that are not rated but with comparable characteristics. Securities rated in these lower-rating categories are generally considered to be speculative with respect to their issuers' capacity to pay interest and repay the principal amount of such securities, and are therefore subject to greater risks of loss of principal amount and non-payment of interest than securities rated in higher rating categories. They are also more susceptible to the effects of a deterioration of general economic conditions than securities in higher rating categories. Adverse publicity and negative investor perception about these lower-rated securities, whether or not based on an analysis of the fundamentals with respect to the relevant issuers, may contribute to a decrease in the value and liquidity of such securities. In addition, because investors generally perceive greater risks being associated with these lower-rated securities, the yields and prices of such securities may fluctuate more than those of higher-rated securities. The market for lower-rated securities is also more illiquid and less active than that for higher-rated securities, which can adversely affect the prices at which these lower-rated securities can be sold.

Certain of the Master Fund's investments are subject to interest rate risks, which could cause the value of such investments to decrease should interest rates change.

Certain of the Master Fund's investments are subject to interest rate risks. For example, the value of fixed income securities will change inversely with changes in interest rates. Interest rates are highly sensitive to factors beyond the Investment Manager's control, including, among others, governmental monetary and tax policies and domestic and international economic and political conditions. As interest rates rise, the market value of fixed income securities (or securities backed by fixed income obligations) tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities (or securities backed by fixed income obligations) tends to increase. The risk of rising interest rates will be greater for long-term securities than for short term securities. In addition, in the event of a significant rising interest

rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect adversely the Master Fund's liquidity and operating results.

The Master Fund may use various derivative instruments, including options and futures, as part of its investment strategy, which use of derivative instruments may involve additional risks.

The Master Fund may use various derivative instruments, including options, futures, forward contracts and swaps, as part of its investment strategy. Some of these derivative instruments may be volatile and speculative in nature, and may be subject to wide and sudden fluctuations in market value. Derivatives, especially over-the-counter derivatives in the form of a privately negotiated contract against a principal counterparty, may also be subject to adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange-traded instruments. Derivatives used for hedging purposes may not correlate perfectly with the underlying investment sought to be hedged. Derivative instruments also may not be liquid in all circumstances, so that in volatile markets the Master Fund may not be able to exit its position without incurring a loss. Trading in derivative investments can result in large amounts of leverage, which may magnify the gains and losses experienced by the Master Fund and could cause the Master Fund's NAV to be subject to wider fluctuations than would otherwise be the case. When the Master Fund uses derivatives as an investment instrument rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. The Master Fund is therefore directly exposed to the risks of that derivative. While derivatives used for hedging purposes can reduce or eliminate losses, such use can also reduce or eliminate gains.

The use of call and put options and futures trading by the Master Fund entails additional risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than in an investment in the underlying securities. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account, and a relatively small price movement in a futures contract may result in substantial losses to the investor. Futures positions are marked to the market each day and variation margin payments must be paid to or by the Master Fund. Futures trading may also be illiquid, and certain exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. Should prices fluctuate during a single day's trading beyond those limits, conditions which might last for several days with respect to certain contracts, the Master Fund could be prevented from promptly liquidating unfavourable positions and thus be subjected to substantial losses.

The Master Fund may not be successful in effectively utilising hedging and risk management transactions, which could subject its portfolio to increased risk or lower returns on its investments and cause the Company's investment in the Master Fund to decrease in value.

The Master Fund may utilise financial instruments in order to: (i) protect against possible changes in the market value of the Master Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Master Fund's unrealised gains in the value of the Master Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Master Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Master Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Master Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Master Fund's hedging strategy will depend, in part, upon the Investment Manager's ability to assess correctly the relationship between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Master Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in such hedging transactions. The Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Master Fund from achieving the intended hedge or expose the Master Fund to a risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk.

Past Performance of the Master Fund should not be taken as an indication of future performance.

There can be no assurance that the Master Fund will achieve its investment objective. The Master Fund may be adversely affected by unforeseen events including, without limitation, changes in interest rates or the credit status of an issuer or counterparty, adverse fluctuations in exchange rates and the value of securities and commodities, the insolvency or bankruptcy of counterparties, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short sell securities or changes in tax treatment. The Prospectus of which this Registration Document forms a part contains certain historical financial and other information in relation to the past performance of the Master Fund. Past performance of the Master Fund should not be taken as an indication of the future performance of the Master Fund or, by extension, of the Company.

The Company's ability to redeem its Master Fund Shares is restricted.

If a material adverse event occurs in relation to the Master Fund or the market generally, the ability of the Company to avoid or mitigate further adverse exposure is limited by its restricted ability to redeem its Master Fund Shares. These restrictions could materially extend the period required for the Company to realise its investment in the Master Fund.

In particular, the Company, or the Investment Manager on behalf of the Company, is required, in certain circumstances, to give a minimum of 60 days' notice of any redemption request and redemption is subject to a lock up period and a Gate. In certain circumstances, it may take significantly longer (for example where a Gate applies or if there is a temporary suspension of Master Fund NAV calculation) before such redemption request is satisfied in full. Withdrawals or redemptions by other investors in the Master Fund may also negatively impact the value of the Company's investment. Any of these occurrences could have a material adverse effect on the value of Shares and the ability of investors to dispose of their Shares at a satisfactory price or at all. Please refer to the section entitled "Redemption of Master Fund Shares" of this Registration Document.

The Master Fund is subject to the credit risks of counterparties with respect to certain transactions.

To the extent that the Master Fund engages in principal transactions, including, but not limited to, forward currency transactions, swap transactions and the purchase and sale of bonds and other fixed income securities, it must rely on the creditworthiness of its counterparties under such transactions. In certain instances, the credit risk of a counterparty is increased by the lack of a central clearing house for certain transactions including swap contracts. In the event of the

insolvency of a counterparty, the Master Fund may not be able to recover its assets in full or at all, during the insolvency process.

Some of the Master Fund's investments are subject to currency risks that could cause the value of the investments to decrease regardless of the inherent value of the underlying investments.

The investment strategy of the Investment Manager in managing the Master Fund does not place a restriction on the percentage of the Company's investments that are denominated in currencies other than US Dollars. The Master Fund's investments that are denominated in currencies other than US Dollars are subject to the risk that the value of a particular currency will decrease in relation to currencies other than those denominated in US Dollars. Although the Master Fund generally hedges its non-US Dollar exposures back to US Dollars, an increase in the value of the US Dollar compared to other currencies in which the Master Fund makes its investments would otherwise reduce the effect of increases and magnify the effect of decreases in the prices of the Master Fund's non-US Dollar denominated investments in their local markets. Conversely, a decrease in the value of the US Dollar would magnify the effect of increases and reduce the effect of decreases in the prices of the Master Fund's non-US Dollar denominated investments. Fluctuations in currency exchange rates will similarly affect the US Dollar equivalent of any interest, dividends or other payments made to the Master Fund denominated in a currency other than US Dollars. Among the factors that may affect currency values are trade balances, the level of short term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Non-US Dollar denominated Shares will be exposed to non-US Dollar exchange rate fluctuations.

The Shares in the Company are denominated in Euro, US Dollars and Sterling and its financial statements will be prepared in US Dollars. The operational and accounting currency of the Master Fund is the US Dollar, and therefore non-US Dollar subscription monies for Master Fund Shares are converted to US Dollars for operating purposes. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the Master Fund Shares denominated in Euros and Sterling from the US Dollar will be allocated solely to the relevant class of Master Fund Shares (and therefore to the relevant class of Shares in the Company). This may result in variations in the value of the three classes of Shares trading.

The Master Fund is entitled to redeem at any time the shares held by the Company in the Master Fund, which could result in a significant change in the Company's investment strategy and could lead to a winding up of the Company.

The Master Fund is entitled at any time to redeem Master Fund Shares held by the Company. The Master Fund is not required to redeem its shares on a pro rata basis amongst all of its investors and such redemption could be specific to the Company alone. Should such a circumstance occur, the Directors may propose, and the Shareholders may vote, to wind up the Company and return capital to Shareholders. No assurance can be given that the Shareholders will realise a profit or avoid a loss of all or part of their investment if the Company were to be wound up. If the Shareholders vote to continue the Company in such circumstances, the Company will be required to seek an alternative investment strategy and there can be no assurance that such strategy will have similar risks or rates of return to the Company's investment in the Master Fund or that any delay in finding and implementing such an alternative strategy will not have a material adverse effect on the value of the Shares.

Prime brokers and custodians of the Master Fund may hold legal and beneficial title to assets of the Master Fund which will subject the Master Fund to the risks of insolvency or fraud on the part of the prime brokers or custodians.

Under the arrangements between the Master Fund and its prime brokers and custodians, the prime brokers and custodians may be entitled to identify as collateral, to rehypothecate or

otherwise to use for their own purposes, assets held by them for the Master Fund. Legal and beneficial title to such assets may therefore be transferred to the relevant prime broker or custodian. The Master Fund has only a contractual right to the return of assets equivalent to those of the relevant assets and would rank in respect of such contractual right as an unsecured creditor on an insolvent winding up of the relevant prime broker or custodian. In the event of the insolvency of any of the Master Fund's prime brokers or custodians, the Master Fund might not be able to recover equivalent assets in full or at all. Moreover, any cash of the Master Fund held or received by or on behalf of a prime broker or custodian may not be treated as client money and may not be subject to the client money protections conferred by the client rules of the FSA or equivalent rules of other regulators to which such prime broker or custodian may be subject. Accordingly, the cash of the Master Fund may also constitute collateral and may not be segregated from the cash of the prime brokers and custodians. The Master Fund may rank as an unsecured creditor in respect of such cash on an insolvency of a prime broker or custodian. The inability of the Master Fund to recover such cash could have a material adverse effect on the Company's performance and returns to Shareholders.

The Investment Manager and its managing member and principals are involved in other businesses and investments which may create conflicts of interest.

The Investment Manager, in addition to managing the investments of the Master Fund, currently serves or may serve in the future as the investment manager to other investment funds and managed accounts, which may have substantially the same investment programs as the Master Fund, and it will not devote its resources exclusively to the Master Fund's business. The Investment Manager will devote only such time to the business of the Master Fund as, in its sole and absolute discretion, it determines to be necessary and appropriate. In addition, the Investment Manager and its owners, members, officers and principals are presently, and will in the future continue to be, involved in other business ventures that have no relationship with the Master Fund. Accordingly, the Investment Manager and its owners, members, principals and officers may encounter potential conflicts of interest in connection with the Investment Manager's role as Investment Manager for the Master Fund and their involvement in other business ventures.

In executing securities transactions, the Investment Manager may combine orders of the Master Fund and those of other investment funds and managed accounts, which may at times reduce the number of securities available for purchase by the Master Fund. Investments will be allocated between the Master Fund and these other funds and separate accounts in a manner that the Investment Manager believes in good faith to be equitable, and whereby the Master Fund's interests are not unfairly prejudiced.

The Investment Manager may also on occasion purchase or sell securities or other investments for the Master Fund while at the same time the Investment Manager is selling or purchasing the same investments for one or more of the Investment Manager's other clients. In order to minimise transaction and market impact costs, the Investment Manager may effect cross-transactions in these investments among clients, generally through brokers at prevailing market prices.

There are circumstances in which it may be advantageous to establish arrangements under which particular investments are held by the Master Fund or another client, while the economic benefits and risks of those investments are shared by the Master Fund and other clients of the Investment Manager. Such arrangements may entail the creation of special purpose vehicles, derivative contracts and other mechanisms for sharing risk and reward. The Investment Manager will seek to ensure that all such arrangements result in a fair and equitable sharing of risk and reward, taking into consideration any financing or other incremental costs, however there can be no assurance that the results will replicate those that would have occurred if each client had made an investment in the underlying risk.

Some clients of the Investment Manager involved in such arrangements may be regarded as proprietary accounts of the Investment Manager, based on the size of the investment in such clients held by the Investment Manager and/or its affiliates. The fairness of arrangements involving proprietary accounts will be reviewed by an independent party, which may include the independent directors of any fund. Each client of the Investment Manager that bears economic risk and reward from these arrangements will bear any associated tax or regulatory risk, and may be required to indemnify other clients with respect to those risks.

The Company's organisational, ownership and investment structure may create significant conflicts of interest that may be resolved in a manner that is not always in the best interests of the Company or the holders of the Shares.

The Company's organisational, ownership and investment structure involves a number of relationships that may give rise to conflicts of interest between the Company and its Shareholders, on the one hand, and Third Point and Third Point's affiliates, on the other hand. In certain instances, the interests of Third Point and Third Point's affiliates, in their capacities as Shareholders and as Investment Manager of the Master Fund and otherwise, may differ from the interests of the Company and the Company's other Shareholders, including with respect to the types of investments made, the timing and method in which investments are exited, the reinvestment of returns generated by investments, the use of leverage when making investments, and others. These transactions may create a conflict between the interests of Third Point and Third Point's affiliates and the best interests of the Company and the Company's other Shareholders.

The Master Fund's investment strategy may result in its incurring legal or other expenses. The liability of the Investment Manager to the Master Fund is limited under the Master Fund Investment Management Agreement, and the Master Fund has agreed to indemnify the Investment Manager and certain of its affiliates against claims that they may face in connection with such arrangements, which may lead them to assume greater risks when making investment-related decisions than they otherwise would if investments were being made solely for their own account.

As a consequence of the Master Fund's investment strategy, it may incur legal or other expenses, including but not limited to, the costs associated with conducting proxy contests, US Securities and Exchange Commission filings and litigation expenses. Under the Master Fund Investment Management Agreement, the Investment Manager has not assumed any responsibilities other than to perform the obligations, duties and responsibilities described in the Master Fund Investment Management Agreement. As a result, the right of the Master Fund to recover against the Investment Manager may be limited to damages arising out of the performance or non-performance of the responsibilities explicitly mentioned in the Master Fund Investment Management Agreement. In addition, the Master Fund Investment Management Agreement contains provisions indemnifying the Investment Manager from liabilities incurred in connection with the performance of obligations under the Master Fund Investment Management Agreement under certain circumstances. See Part 3 of this Registration Document for further information. These protections from liability may result in the Investment Manager tolerating greater risks when making investment-related decisions than otherwise would be the case, including when determining whether to use leverage in connection with investments.

Current and future litigation may have a material adverse effect on the Master Fund and, as a consequence, on the value of the Shares. In implementing the investment strategy of the Investment Manager, its affiliates and the Master Fund may become involved in litigation involving entities in which the Master Fund invests, whether as plaintiff or defendant.

Third Point and two of its employees are among seven hedge fund groups named as defendants in a lawsuit filed in New Jersey state court in 2006 by Fairfax Financial Holdings Limited and one of its subsidiaries, and amended in 2007.

The action alleges that the defendants engaged in a disinformation campaign to damage the company and lower its share price, in violation of New Jersey state law, and that the plaintiffs have suffered damages of no less than \$6 billion. In the opinion of the Investment Manager the action is without merit. The Investment Manager intends to defend itself vigorously in this lawsuit, and expects to prevail.

As noted in the previous risk factor, the Investment Manager's liability to the Master Fund is limited and the Master Fund has indemnified the Investment Manager under the Master Fund Investment Management Agreement. There is a risk that due to its indemnification of the Investment Manager in relation to the litigation referred to above, the Master Fund may be required to pay significant damages, or incur significant costs should such damages or costs be awarded against the Investment Manager as a result of the above court actions. The payment of significant damages or costs by the Master Fund may have a material adverse effect on the Master Fund, and in turn, on the Company's investment in it.

For further information in relation to litigation affecting the Master Fund please refer to section 7 of Part 9 of this Registration Document.

Risks Relating to the Investment Manager

The Investment Manager is dependent upon the expertise of key personnel (in addition to Mr. Loeb) in providing investment management services to the Master Fund.

In addition to its dependence on the services of the Investment Manager's managing member, Mr. Daniel S. Loeb, the ability of the Master Fund to achieve its investment objective is also significantly dependent upon the expertise of the Investment Manager's partners, employees and

affiliates and their ability to attract and retain suitable staff. The impact of the departure for any reason of a key individual (or individuals) other than Mr. Loeb on the ability of the Investment Manager to achieve the investment objective of the Master Fund cannot be determined and may depend on amongst other things, the ability of the Investment Manager to recruit other individuals of similar experience and credibility.

As noted above, the investment performance of the Master Fund relies materially on the services of Mr. Loeb and his team. The loss of the services of Mr. Loeb and his team to the Investment Manager could have a material adverse effect on the Master Fund and, in turn, the Company. Please refer to the previous risk factors of this Registration Document for further information on the risk associated with the Investment Manager's loss of Mr. Loeb's services.

Performance-based compensation arrangements of investment professionals of the Investment Manager could encourage riskier investment choices that could cause significant losses for the Master Fund.

A significant part of the compensation of the Investment Manager and its investment professionals is calculated by reference to the performance of the investments of the Company in the Master Fund. Such compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. Resulting losses by the Master Fund could have a material adverse effect on the performance of the Company and returns to Shareholders. In addition, because performance-based compensation is calculated on a basis that includes unrealised appreciation of the Master Fund's assets, such performance-based compensation may be greater than if such compensation were based solely on realised gains.

The Investment Manager is dependent on information technology systems and back office functions.

The Master Fund is dependent on the Investment Manager for investment management, operational and financial advisory services. The Company is also dependent on the Investment Manager for certain management services as well as back office functions. The Investment Manager depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Master Fund. Information technology systems are also used to trade in the underlying investments of the Master Fund.

It is possible that a failure of some kind which causes disruptions to these information technology systems could materially limit the Investment Manager's ability to adequately assess and adjust the investments of the Master Fund, formulate strategies and provide adequate risk control. Any such information technology related difficulty could harm the performance of the Master Fund.

Further, failure of the back office functions of the Investment Manager to process trades by the Master Fund in a timely fashion could prejudice the investment performance of the Master Fund which could also have a material adverse effect on the performance of the Company.

Risks Relating to the Company

The Company is a newly formed company with no separate operating history, and the Master Fund and Third Point's track record is not indicative of their or its future performance.

The Company was incorporated as a Guernsey registered closed-ended investment company on 19 June 2007 and has not yet commenced operations. The Company intends to invest all of its capital (net of short term working capital requirements) in the Master Fund, an exempt company with limited liability organised under the laws of the Cayman Islands. The Company does not have any historical financial statements or other meaningful operating or financial data on which potential investors may base an evaluation. An investment in the Shares is therefore subject to all of the risks and uncertainties associated with any new business, including the risk

that the Company will not achieve its investment objectives and that the value of any potential investor's investment could decline substantially.

The Company has presented in the Prospectus certain information with respect to the historical performance of the Master Fund. Such information is included, among other places, under "Operating and Financial Review" in Part 5 of this Registration Document. When considering this information potential investors should bear in mind that the historical results of the Master Fund are not indicative of the future results that they should expect from the Master Fund or their investment in the Shares. Changes in investment strategy, market conditions and the performance of particular investments, among other factors, may negatively affect the Company's future performance.

The Company will not be able to participate in the investment decisions of the Master Fund, in which it will invest all of its capital.

The Company does not have any operations and will invest all of its capital in the Master Fund. The Company expects that its only substantial asset will be the Master Fund Shares it will own. Under the structure of the Master Fund, the Company will not have a right to participate in the investment decisions of the Master Fund. In addition, the existence of other shareholders in the Master Fund may affect the Company's ability to exercise voting power as a shareholder of the Master Fund. Although the existing shareholders in the Master Fund have the opportunity to exchange their investments in the Master Fund for Shares simultaneously with the Global Offer, no assurance can be given that all or any such existing shareholders in the Master Fund will in fact execute such exchange.

The Shares may trade at a discount to Net Asset Value.

The Shares may trade at a discount to per Share NAV for a variety of reasons, including due to market conditions, liquidity concerns or the actual or expected performance of the Master Fund. There can be no guarantee that attempts by the Company to mitigate any such discount will be successful or that the use of discount control mechanisms will be possible or advisable.

Existing shareholders in the Master Fund may redeem their shares in the Master Fund, which may reduce the capital and revenue of the Master Fund and affect the Company's performance.

Under the Articles of Association governing the Master Fund, existing shareholders of the Master Fund may generally redeem, with prior notice, their shares in the Master Fund. Those existing shareholders may elect to allocate their capital away from the Master Fund for a variety of reasons, including poor financial performance, changes in market conditions, unhappiness with the Master Fund's investment strategy or other factors. Substantial voluntary redemption by shareholders of the Master Fund within a limited period of time may require the Master Fund to liquidate its investments prematurely to meet redemption obligations, which could adversely affect the return on such investments. In addition, because the Master Fund relies in part on the size of its capital for its investment strategy, a significant decrease in the size of its capital may have a material adverse effect on the business of the Master Fund and, in turn, the Company's financial performance.

Certain existing shareholders in the Master Fund have arrangements with the Investment Manager and/or the Master Fund, under which they may hold certain advantages over the Company in its capacity as a shareholder in the Master Fund.

Certain existing shareholders in the Master Fund previously entered into side letters with the Investment Manager and, in some instances, the Master Fund, with respect to various aspects of the Master Fund, including, but not limited to, disclosure of certain information, waiver of the requirement to have an interest in certain special investments, changes in redemption terms, key man provisions, notification upon the occurrence of certain events (in some instances including the ability to redeem upon the occurrence of certain events) and "most favoured nation" clauses. Certain side letter provisions may provide a shareholder in the Master Fund with certain

advantages over other shareholders, including the Company. For instance, if a shareholder had increased access to portfolio information, such shareholder could be able to make more informed decisions about redeeming from the Master Fund. Any resulting redemption could force the Master Fund to sell investments at a time when it might not otherwise have done so or for a price less than it deemed fair value.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, investments and results of operations.

The Company, the Master Fund and the Investment Manager are subject to laws and regulations enacted by national, regional and local governments and institutions. In particular, the Company will be required to comply with certain licensing and regulatory requirements that are applicable to a Guernsey investment company, including laws and regulations supervised by the Guernsey Financial Services Commission and the Listing Rules. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on the Company's business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, by any of the entities referred to above could have a material adverse effect on the Company's business, investments and results of operations.

The regulatory environment for hedge funds and the managers of hedge funds is evolving. Any change in the laws and regulations affecting the Company or the Master Fund, or any change in the regulations affecting hedge funds, funds of hedge funds or hedge fund managers generally may have a material adverse effect on the Company's ability to obtain leverage or carry on its business of investing in the Master Fund, which in turn could have a material adverse effect on the Company's performance and returns to Shareholders.

The Company and the Master Fund are not, and do not intend to become, regulated as investment companies under the US Investment Company Act and related rules.

The Company and the Master Fund have not been, and do not intend to, become registered as investment companies under the US Investment Company Act and related rules. The US Investment Company Act and related rules provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. None of these protections or restrictions is or will be applicable to the Company or the Master Fund. In addition, in order to avoid being required to register as an investment company under the US Investment Company Act and related rules, the Company has implemented restrictions on the ownership and transfer of its Shares, which may materially affect any potential investor's ability to hold or transfer the Shares. In particular, US investors will be required to hold Shares in certificated form, which will require certain steps to be taken by such investors in order to dispose of their Shares. See "Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations" in Part 7 of this Registration Document.

The Company's ability to pay its operational and other expenses and to carry out purchases of its own Shares will depend on its cash position and ability to redeem Master Fund Shares.

Upon completion of the Global Offer, the Company expects to invest all of its cash (net of short term working capital requirements) in Master Fund Shares. The Company is expected to retain a sufficient amount of cash to support ongoing operational and other incidental expenses. The Company will have preferred liquidity from the Master Fund to fund operating expenses and share buy backs.

The arrangements of the Master Fund with Third Point and Third Point's affiliates were negotiated in the context of an affiliated relationship and may contain terms that are less favourable than those which otherwise might have been obtained from unrelated parties in an arm's-length negotiation.

The Master Fund Investment Management Agreement, the deferred incentive fee agreement between the Investment Manager and the Master Fund, the investment objectives and policies of the Master Fund and the Master Fund's other arrangements with Third Point and Third Point's affiliates were negotiated by persons who were, at the time of negotiation, affiliates of Third Point and one another. Because these arrangements were negotiated between related parties, their terms, including terms relating to compensation, contractual or fiduciary duties, conflicts of interest, termination rights and Third Point's ability to engage in outside activities, including activities that compete with the Company, its activities and the activities of the Master Fund, and limitations on liability and indemnification, may be less favourable than otherwise might have resulted if the negotiations had involved unrelated parties.

Failure by the Manager, the Investment Managers or other third-party service providers to the Company to carry out its or their obligations could materially disrupt the business of the Company.

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third-party service providers to perform its executive functions. In particular, the Investment Manager, the Administrator and the Registrar of the Company will perform services that are integral to the Company's operations and financial performance. Failure by any service provider to carry out its obligations to the Company or to the Master Fund in accordance with the terms of its appointment, or to perform its obligations to the Company or to the Master Fund at all, could have a materially adverse effect on the Company's performance and returns to Shareholders.

Risks Relating to the Shares and Shareholders

The rights of Shareholders and the fiduciary duties owed by the Board of Directors to the Company will be governed by Guernsey law and the Articles of Association of the Company may differ from the rights and duties owed to companies under the laws of other countries.

The Company is an investment company that has been formed and registered under the laws of Guernsey. The rights of its Shareholders and the fiduciary duties that its Board of Directors owes to the Company and Shareholders are governed by Guernsey law and the Articles of Association of the Company. In accordance with Guernsey law, the Articles of Association of the Company contain various provisions that modify and restrict the fiduciary duties that might otherwise be owed to Shareholders. As a result, the rights of its Shareholders and the fiduciary duties that are owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company was organised under the laws of a different jurisdiction or if it was not permitted to vary such rights and duties in its Articles of Association.

No formal corporate governance code will apply to the Company.

There is no formal corporate governance code with which the Company must comply, although the Company has adopted policies in relation to the independence of directors and a share dealing code equivalent to the Model Code, as set out under "Consequences of Secondary Listing" in this Registration Document. In addition, there can be no assurance that the Company will continue to comply with such standards as they currently exist or as they may be revised going forward. Furthermore, no legal sanctions would apply to the Company if it failed to comply with such standards.

The Directors, the Administrator and the Prime Brokers may have conflicts of interest in the course of their duties.

The Directors, the Administrator and Prime Brokers may also, from time to time, provide services to, or be otherwise involved with, other investment programs established by parties other than the Company or the Master Fund which may have similar objectives to those of the Company or the Master Fund. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Company or the Master Fund. Furthermore, the Master Fund's cash held with the Prime Brokers is not segregated from the Prime Brokers' own cash and will be used by the Prime Brokers in the course of their business. The Master Fund therefore ranks as an unsecured creditor in relation thereto.

The Shares have never been publicly traded on the London Stock Exchange. Even if the Company is successful in listing the Shares, an active and liquid trading market for the Shares may not develop.

There has not been an active market for the Shares. The Company has applied to list the Shares on the London Stock Exchange's main market for listed securities. The Company cannot predict the extent to which, even if admitted to trading, investor interest will lead to the development of an active and liquid trading market for the Shares or, if such a market develops, whether it will be maintained. In addition, the Joint Lead Managers may sell a substantial amount of Shares to a limited number of investors, which could adversely affect the development of an active and liquid market for the shares.

The Company cannot predict the effects on the price of the Shares if a liquid and active trading market for the Shares does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the Shares, and sales of a significant number of Shares may be difficult to execute at a stable price.

The Shares are subject to restrictions on transfers to any person located in the United States or who is a US person, which may impact the price and liquidity of the Shares.

The Shares have not been registered in the United States under the US Securities Act or under any other applicable securities law and are subject to restrictions on transfer contained in such laws and under ERISA regulations.

There are additional restrictions on the resale of Shares by Shareholders who are located in the United States or who are US persons and on the resale of Shares by any Shareholder to any person who is located in the United States or is a US person. Potential investors should refer to the section "Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations" in Part 7 of this Registration Document. These restrictions may adversely affect the overall liquidity of the Shares.

The price of Shares may fluctuate significantly and potential investors could lose all or part of their investment.

There has not been a market for Shares. The Offer Price is fixed but may not be indicative of the market price of the Shares. The market price of Shares may fluctuate significantly and potential investors may not be able to resell their Shares at or above the price at which they purchased them. Factors that may cause the price of the Shares to vary include but are not limited to:

- changes in the Company's financial performance and prospects or in the financial performance and prospects of companies engaged in businesses that are similar to the Company's business;
- changes in the underlying values and trading volumes of the investments that the Company makes through the Master Fund;
- the termination of the Master Fund Investment Management Agreement and the departure of some or all of the Investment Manager's investment professionals;

- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company's business;
- sales of Shares by its Shareholders;
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events;
- speculation in the press or investment community regarding the Company's business or investments, or factors or events that may directly or indirectly affect its business or investments;
- a loss of a major funding source; and
- a further issuance of Shares.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies or partnerships. Any broad market fluctuations may adversely affect the trading price of the Shares.

The Company may issue additional securities that dilute existing holders of Shares or that have rights and privileges that are more favourable than the rights and privileges of holders of the Shares.

Under the Articles of Association of the Company, it may issue additional securities, including Shares, options, rights, warrants and appreciation rights relating to its securities, for any purpose. Future issuances may consist of Shares or of securities having greater rights and preferences. The Company is not required under Guernsey law to offer any such Shares or other securities to existing Shareholders on a pre-emptive basis. Therefore, it may not be possible for existing Shareholders to participate in such future issues, which may dilute the existing Shareholders' interests in the Company. In addition, additional issuances by the Company, or the possibility of such issue, may cause the market price of the Shares to decline.

The ability of potential investors to invest in the Shares or to transfer any Shares that they hold may be limited by restrictions imposed by ERISA and similar regulations, the Articles of Association of the Company and other tax considerations.

The Company intends to restrict the ownership and holding of its Shares so that none of its assets will constitute "plan assets" of any Plan as defined in Part 7 — "Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations" of this Registration Document. The Company intends to impose such restrictions based on deemed representations in the case of its Shares. If the Company's assets were deemed to be "plan assets" of any Plan subject to Title I of ERISA or Section 4975 of the US Internal Revenue Code, pursuant to US Department of Labour regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101, which the Company refers to as the "Plan Asset Regulations", (i) the prudence and other fiduciary responsibility standards of ERISA would apply to investments made by the Company and (ii) certain transactions that the Company, the Master Fund or a subsidiary of the Master Fund may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the US Internal Revenue Code and might have to be rescinded. Governmental plans, certain church plans and non-US plans, while not subject to Title I of ERISA or Section 4975 of the US Internal Revenue Code, may nevertheless be subject to other state or local laws or regulations that would have the same effect as the Plan Asset Regulations so as to cause the underlying assets of the Company to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company, the Master Fund or the Investment Manager (or other persons responsible for the investment and operation of the Company assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or

Section 4975 of the US Internal Revenue Code. The Company refers to these laws as “Similar Laws”.

Each purchaser and subsequent transferee of the Shares will be deemed to represent and warrant that no portion of the assets used to acquire or hold its interest in the Shares constitutes or will constitute the assets of any Plan. The Articles of Association of the Company provide that any purported acquisition or holding of Shares in contravention of the restriction described in such representation will be void and have no force and effect. If, notwithstanding the foregoing, a purported acquisition or holding of Shares is not treated as being void for any reason, the Shares will automatically be transferred to a charitable trust for the benefit of a charitable beneficiary and the purported holder will acquire no right in such Shares. See “Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations” in Part 7 of this Registration Document for a more detailed description of certain ERISA, US Internal Revenue Code and other considerations relating to an investment in the Shares.

Local laws or regulations may mean that the status of the Company, the Shares or the Master Fund is uncertain or subject to change, which could adversely affect investors’ ability to hold the Shares.

For regulatory, tax and other purposes, the Company and the Shares may be treated differently in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the status of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosures by the Company. Changes in the status or treatment of the Company or the Shares may have unforeseen effects on the ability of investors to hold the Shares or the consequences of so doing.

Risks Relating to Taxation

US investors may suffer adverse tax consequences because the Company will be treated as a passive foreign investment company (a “PFIC”) for US federal income tax purposes.

The Company and the Master Fund are each a PFIC for US federal income tax purposes because of the composition of their assets and the nature of their income, and the Master Fund may invest in companies that themselves are PFICs. As a result, US investors will be subject to adverse US federal income tax consequences, including additional taxes and interest charges upon disposition of its Shares or upon the receipt of certain distributions and the potential for the recognition of ordinary income in excess of their actual economic income from their investment in the Shares. Such adverse tax consequences may be mitigated by making a special tax election. For a further discussion of the PFIC rules and mitigating elections see “Certain Tax Considerations — Passive Foreign Investment Company Considerations” in Part 6 of this Registration Document.

Changes to tax treatment of derivative instruments may adversely affect the Master Fund and certain tax positions it has taken may be successfully challenged.

The regulatory and tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by the Master Fund and its ability to pursue its investment strategies. In addition, the Master Fund may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by an applicable taxing authority, there could be a material adverse effect on the Company.

The Company is exposed to changes in tax laws or regulation, or their interpretation.

Changes to the tax laws of, or practice in, Guernsey, the United States, the United Kingdom or any other tax jurisdiction affecting the Company or the Master Fund including, for example, the

imposition of withholding or other taxes on the Company's investment in the Master Fund, could adversely affect the value of the investments held by the Company in the Master Fund and decrease the post-tax returns to Shareholders.

The Company is exposed to changes in its tax residence and changes in the tax treatment of arrangements relating to its business or investment in the Master Fund.

If the Company were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the Company's performance and returns to Shareholders.

To maintain its non-UK tax resident status, the Company must be managed and controlled outside the United Kingdom. The composition of the Board of Directors, the place of residence of the Board's individual members and the location(s) in which the board makes its decisions will be important factors in determining and maintaining the non-UK tax residence status of the Company. While the Company is incorporated in Guernsey and a majority of the Directors reside outside the United Kingdom, the Company must pay continued attention to ensure that its decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. The Company must similarly ensure that it does not become tax resident in the United States or other jurisdictions.

Changes in tax laws or regulation affecting the Master Fund or the unexpected imposition of tax on its investments could adversely affect its performance.

The Master Fund is not currently subject to tax on a net income basis in any country. There can be no assurance that the net income of the Master Fund will not become subject to tax in one or more countries as a result of unanticipated activities performed by the Investment Manager or its affiliates, adverse developments or changes in law, contrary conclusions by the relevant tax authorities or other causes. The imposition of any such unanticipated net income taxes could materially reduce the Master Fund's after-tax returns, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

CONSEQUENCES OF SECONDARY LISTING

Application will be made for the Shares to be admitted to a secondary listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for secondary listings based on Prospectus Directive requirements. As a consequence, the additional requirements of Chapters 6 to 13 inclusive and Chapter 15 of the Listing Rules will not apply to the Company. Shareholders in the Company will therefore not receive the full protections of the Listing Rules. However, the Company intends to comply with the Listing Principles set out in Chapter 7 of the Listing Rules which would otherwise apply to an investment company such as the Company if it were to obtain a “primary” listing on the Official List. The Company is not, however, subject to such Listing Principles and will not be required to comply with them.

As mentioned above, the Company will not be required to comply with the provisions of Chapter 15 of the Listing Rules, the key provisions of which currently are:

- Listing Rule 15.2.2(2) — the Company is not required to have an adequate spread of investment risk. However, the Investment Manager’s investment approach has generally resulted in broad diversification on a global basis across financial markets thereby reducing the Master Fund’s exposure to any single market or issuer of securities. Prospective investors should nevertheless note that the Master Fund seeks to invest in companies in accordance with its investment objective without regard to the industries in which those companies are engaged.
- Listing Rule 15.2.2(3) — the Company may not comply with the requirements in this rule that an investment company must be a passive investor and must not control or seek to control any companies in which it invests. Although the Company will not typically seek control, it may not be precluded from doing so.
- Listing Rule 15.2.4(2) — the Company is not required to comply with the requirement imposed by this rule that its Directors and Investment Manager have sufficient and satisfactory experience in the management of investments of the type in which the Company proposes to invest. However, the Investment Manager has considerable experience in the management of investments of the type in which the Company proposes to invest. The Investment Manager has in place a team of 20 investment professionals, led by Mr. Daniel S. Loeb, and has produced annual returns net of fees and expenses of 23.1 per cent. over the Master Fund’s 10 year history.
- Listing Rules 15.2.6 to 15.2.9 — the Company is not required to comply with the corporate governance requirements imposed by these Listing Rules, which include requirements for its Directors to demonstrate that they will act independently of the Investment Manager, for a majority of its Directors to be independent, for there to be no more than one who is a representative of the Investment Manager (or otherwise closely associated with the Investment Manager as specified in (iii) below) and for the Chairman of its Board of Directors to be independent. However, the Company is currently in compliance with these rules, and has adopted a policy that the composition of its Board of Directors be at all times such that: (i) a majority of its Directors be independent of the Investment Manager; (ii) the Chairman of its Board of Directors be free from conflicts of interest and be independent of the Investment Manager; and (iii) no more than one director, partner, employee or professional adviser to the Investment Manager or any company in the same group as the Investment Manager may be a Director of the Company at any time, in each case having regard to the terms and definitions used in Listing Rules 15.2.6 to 15.2.9.
- Listing Rule 15.2.10(1) — the Directors will not comprise a majority of Directors of the fund in which the Company invests all its assets (net of short term working capital requirements), being the Master Fund, nor will the Company control the investment policy of the Master Fund. Further details in the Master Fund are contained in Part 3 of this Registration Document.

- Listing Rule 15.2.10(3) — the Company will not comply with the prohibition on investing more than 20 per cent. of the Company’s assets in the securities of one issuer as all of the Company’s assets (net of short term working capital requirements) will be invested in the securities of one company, the Master Fund. Further details of the Company’s investment policy are contained in Part 1 of this Registration Document.
- Listing Rule 15.4.3 — the Company is not required to comply with the Model Code on Directors’ dealings in shares of the Company set out in Chapter 9 of the Listing Rules. However, the Company has adopted a share dealing code that is consistent with the provisions of the Model Code.
- Listing Rule 15.4.9 — the Company is not required to comply with the requirements that an investment company may not make a material change to its investment policies without the approval of its Shareholders. The Company has, however, included a provision in its Articles to this effect.
- Listing Rule 15.4.11 — the Company does not intend to comply with the notification requirements in this rule, which relate to periodic disclosure of a listed investment company’s portfolio on the basis that, given the Company’s investment strategy, the Company does not believe that such disclosure would be meaningful to investors, but it will file monthly investor letters and monthly fact sheets with a Regulatory Information Service.
- Listing Rule 15.4.12 — the Company may not comply with this rule, which requires certain specific disclosures in an issuer’s annual report and accounts, but it will prepare financial statements on an annual and semi-annual basis in accordance with US GAAP and the Companies Law, and as required by Chapter 14 of the Listing Rules, the Company will also comply with the Disclosure and Transparency Rules. Further details on the Company’s financial reporting policy are contained in Part 5 of this Registration Document.
- Listing Rule 15.4.23 — the Company is not required to comply with this rule which in certain circumstances prohibits the issue of further shares of the same class of the existing shares at a price below the NAV of those shares. In practice, the Company will, however, comply with Listing Rule 15.4.23 and does not intend to issue further shares of the same class at a price below the NAV of such shares, nor to reissue shares from treasury at a price below their NAV.

It should be noted that the requirements of Chapter 15 are currently the subject of revision. Certain of the requirements above are unlikely to continue to apply (or to apply in the same manner) to Chapter 15 companies following the implementation of the new rules, which is expected to take effect in the third quarter of 2007 and in the first quarter of 2008. However, the Company will not comply with certain provisions of Chapter 15 as currently proposed to be revised. In the event that Chapter 15 is revised in such a way that the Directors believe that the Company can comply fully with all requirements, the Company may consider applying for re-admission under Chapter 15.

In addition, the Company is not required, and does not intend, to appoint a listing sponsor under Chapter 8 of the Listing Rules to guide the Company in understanding and meeting its responsibilities under the Listing Rules or comply with Chapter 10 of the Listing Rules relating to significant transactions.

The Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. The Company has adopted a related party policy which shall apply to any transaction which it may enter into with the Investment Manager or any of its affiliates which would constitute a “related party transaction” as defined in, and to which would apply, Chapter 11 of the Listing Rules provided that, for the avoidance of doubt, a subscription or redemption of Master Fund Shares shall not be a “related party transaction” for these purposes. In accordance with its related party policy, the Company shall not enter into any such related party transaction without first obtaining (i) the approval of a majority of the Independent

Directors (who may, in their absolute discretion, convene an extraordinary general meeting to obtain the approval of non-related party shareholders to the proposed transaction), and (ii) a fairness opinion or third-party valuation (as appropriate) in respect of such related party transaction from an appropriately qualified independent adviser. This policy may only be modified pursuant to a non-related Shareholder vote.

The Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Shares. The Company has, however, adopted a policy consistent with the provisions of the Listing Rules 12.4.1 and 12.4.2, whereby (i) its Board of Directors will seek annual renewal of Shareholder authority to purchase in the market up to 14.99 per cent. of each class of Shares in issue from time to time; (ii) unless a tender offer is made to all holders of the relevant class of Shares, the maximum price to be paid per Share pursuant to any such repurchase must not be more than the higher of: (1) 105 per cent. of the average of the middle market quotations for a Share taken from the London Stock Exchange's main market for listed securities for the five Business Days before the purchase is made; and (2) the higher of the price of the last independent trade and the highest current independent bid at the time of purchase; and (3) any repurchase by the Company of 15 per cent. or more of any class of its Shares will be effected by way of a tender offer to all Shareholders of that class.

It should be noted that the UK Listing Authority will not have the authority to monitor the Company's voluntary compliance with the Listing Rules applicable to companies listed under Chapter 15 described above (and will not do so) nor impose sanctions in respect of any breach of such requirements by the Company.

NOTICE TO INVESTORS

The Prospectus has been produced for the purpose of the Global Offer and seeking admission to trading of the Shares on the London Stock Exchange's main market for listed securities. In making an investment decision regarding the Shares offered, investors must rely on their own examination of the Company, including the merits and risks involved in an investment in the Shares. The Global Offer is being made solely on the basis of the Prospectus. Neither Bank makes any representation or warranty, express or implied, as to the accuracy or completeness of the information in the Prospectus for which the Company and the Directors of the Company are solely responsible, and nothing in the Prospectus is, or shall be relied upon as, a promise or representation by either Bank. Each Bank accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of the Prospectus or any such statement. The contents of the Prospectus are not to be construed as legal, financial, business or tax advice. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser.

The Prospectus constitutes a prospectus for the purposes of Article 3 of the Prospectus Directive. The Prospectus has been approved by and filed with the FSA and the Prospectus will be notified by the FSA to the regulator in Luxembourg and Spain.

This Registration Document, the Securities Note and the Summary Note, which together comprise the Prospectus, should be read in their entirety before making any application for Shares. Prospective Shareholders should rely only on the information contained in the Prospectus of which this Registration Document forms a part.

Neither the Shares nor the Company has been approved or disapproved by any governmental or regulatory authority of any country or jurisdiction, nor has any such governmental or regulatory authority passed upon or endorsed the merits of the Company or an investment in its Shares. The consent of the Policy Council of the States of Guernsey under The Control of Borrowing (Bailiwick of Guernsey) Ordinances 1959 to 1989 has been obtained for each issue of Shares by the Company. To receive such consent, application was made under the Guernsey Financial Services Commission's framework relating to Registered Closed-Ended Investment Funds. Under this framework, neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council have reviewed the Prospectus but instead have relied on specific warranties provided by the Guernsey licensed administrator to the Company. It must be specifically understood that, in giving consent, neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Prospective investors should rely only on the information contained in the Prospectus. The Company has not, and neither Bank has, authorised any other person to provide prospective investors with different information. No reliance should be placed on any different or inconsistent information provided by any person. Prospective investors should assume that the information appearing in the Prospectus is accurate only as of the date on the front cover of the Prospectus, regardless of the time of delivery of the Prospectus or of any offer or sale of Shares. The business, financial condition and prospects of the Company and the Master Fund could have changed since that date. The Company expressly disclaims any duty to update the Prospectus except as required by applicable law. The Prospectus should be read in its entirety

before making any application for Shares. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Registration Document may not occur. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company's Articles of Association, which investors should review. UBS is acting for the Company, and no one else, in connection with the Global Offer and will not be responsible to anyone other than the Company in providing the protections afforded to its clients nor for providing advice in connection with the Global Offer or Admission. Société Générale is acting for the Company and no-one else in connection with the Global Offer and will not be responsible to anyone other than the Company in providing the protections afforded to its clients nor for providing advice in connection with the Global Offer or Admission.

Investors should note that the Banks and/or their affiliates have acted, and in some cases, continue to act, in various capacities in relation to the issuers of certain securities in which the Company invests or may invest, including as manager, servicer, security trustee, equity holder and/or secured lender to affiliates of the issuer of the relevant securities. The Banks and/or their affiliates, in their capacity as lenders to certain of the issuers of securities in which the Master Fund invests may hold security interests in various of those issuers' assets, some of which assets may also secure obligations owed to holders of the relevant issuer's securities, which may include the Master Fund. In addition, either Bank may act as lender to the Master Fund, including any financing provided to the Master Fund or its affiliates under the prime brokerage agreement. Each role confers specific rights to, and obligations on, the Banks and/or their affiliates. In carrying out these rights and obligations, the interests of the Banks and/or their affiliates may not be aligned with the interests of a potential investor in the Shares.

Over-allotment and Stabilisation

In connection with the Global Offer, UBS, as the Stabilising Manager, or any of its agents, may, to the extent permitted by applicable law, over-allot Shares with a value of up to a maximum of 15 per cent. of the total amount to be raised in the Global Offer and effect other transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market.

For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments by it during the stabilising period, the Company has granted the Stabilising Manager an over-allotment option (the "**Over-allotment Option**"), pursuant to which the Stabilising Manager may require the Company to issue additional Shares with a value of up to a maximum of 15 per cent. of the total amount to be raised in the Global Offer (before exercise of the Over-allotment Option) at the Offer Price. The Over-allotment Option is exercisable, in whole or in part, upon notice by the Stabilising Manager, at any time on or after the date of commencement of conditional dealings on the London Stock Exchange and will expire no more than 30 days thereafter. Any Shares issued by the Company pursuant to the Over-allotment Option will be issued on the same terms and conditions as the other Shares being issued under the Global Offer and will form the same classes for all purposes with all Shares issued under the Global Offer.

The Stabilising Manager is not required to enter into such stabilising transactions. Such stabilising measures, if commenced, may be discontinued at any time, may only be taken up at any time on or after the date of commencement of conditional dealings in the Shares, and will end no more than 30 days thereafter. Save as required by law or regulation, neither the Stabilising Manager nor any of its agents intend to disclose the extent of any over-allotments and/or stabilisation transactions under the Global Offer.

Restrictions on Distribution and Sale

The distribution of the Prospectus, the Global Offer and sale of the Shares offered thereby may be restricted by law in certain jurisdictions. Persons in possession of the Prospectus are required to inform themselves about and to observe any such restrictions. The Prospectus must not be

used for, or in connection with, and does not constitute any offer to sell, or a solicitation to purchase, any such Shares in any jurisdiction in which such an offer or solicitation would be unlawful. Further details are set out in “Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations — Transfer Restrictions” in Part 7 of this Registration Document.

THE SHARES HAVE NOT BEEN APPROVED OR RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY US STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS REGISTRATION DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the Global Offer of Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this Registration Document comes are required by the Company to inform themselves about and to observe any restrictions as to the offer or sale of Shares and the distribution of this Registration Document under the laws and regulations of any jurisdiction in connection with any applications for Shares in the Company, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. No action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Registration Document other than in any jurisdiction where action for that purpose is required.

The distribution of this Registration Document and the offer, sale and/or issue of Shares has not been and will not be registered under the US Securities Act, any state securities laws in the United States or, except as set out in this Prospectus, the securities laws of any other jurisdiction and may not be reoffered, resold, pledged or otherwise transferred except as permitted by the Company’s Articles of Association and as provided in this Prospectus.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (“US Securities Act”), or any other applicable law of the United States. The Shares are being offered outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S of the US Securities Act. The Shares may not be offered or sold within the United States, or to US Persons, except to persons who are both (a) Qualified Purchasers as defined by the US Investment Company Act AND (b) either (i) Qualified Institutional Buyers as defined by Rule 144A or (ii) Accredited Investors as defined by Regulation D. The Company will not be registered under the US Investment Company Act, and investors will not be entitled to the benefits of such Act.

The Shares issued to US persons will be in registered and certificated form, and certificates evidencing ownership thereof will bear a legend with respect to the restrictions on transfer set forth herein. The Company and its agents will not be obligated to recognise any resale or other transfer of Shares made other than in compliance with the transfer restrictions set forth in this Prospectus. In addition, purchasers of the Shares that are in the United States or that are US persons may, if they are not Qualified Purchasers at the time they acquire the Shares, be forced to sell them.

For additional offering and transfer restrictions, see “The Global Offer” and “Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations” in Part 7 of this Registration Document.

Further, no purchase, sale or transfer of Shares may be made unless such purchase, sale or transfer will not result in the assets of the Company, constituting “plan assets” within the

meaning of the US Employee Retirement Income Security Act of 1974, as amended (ERISA), that are subject to Title I of ERISA or Section 4975 of the US Internal Revenue Code. Accordingly, investors using assets of retirement plans or benefit plans that are subject to ERISA or Section 4975 of US Internal Revenue Code (including, as applicable, assets or an insurance company general account) will not be permitted to acquire Shares, and each investor will be required to represent or will, by its acquisition of a Share, be deemed to have represented, that it is not a “benefit plan investor” within the meaning of ERISA or that is otherwise using assets of a plan that is subject to ERISA or Section 4975 of US Internal Revenue Code. Any purported purchase or transfer of a Share that would cause the Company’s assets to be deemed to be “plan assets” under ERISA that are subject to Title I of ERISA or Section 4975 of US Internal Revenue Code, or otherwise does not comply with the foregoing transfer restrictions, is obliged as provided in the Company’s Articles of Association and the Prospectus.

The Shares are transferable, subject to the restrictions described herein. Each transferor of Shares agrees to provide notice of the transfer restrictions set forth herein to the transferee.

THE MASTER FUND INTENDS TO TRADE FUTURES AND OPTIONS ON FUTURES AS PART OF ITS INVESTMENT STRATEGY AND THEREFORE EACH OF THE MASTER FUND AND THE COMPANY WILL BE DEEMED TO BE A COMMODITY POOL UNDER THE US COMMODITY EXCHANGE ACT, THE OPERATOR OF WHICH MUST REGISTER AS A COMMODITY POOL OPERATOR (“CPO”) WITH THE US COMMODITY FUTURES TRADING COMMISSION (“CFTC”) OR QUALIFY FOR AN EXEMPTION FROM SUCH REGISTRATION. THE INVESTMENT MANAGER HAS CLAIMED AN EXEMPTION FROM CPO REGISTRATION UNDER CFTC RULE 4.13(A)(3). CFTC RULE 4.13(A)(3) EXEMPTS FROM REGISTRATION CPOS OF POOLS IN WHICH ALL INVESTORS ARE QUALIFIED CONSISTENT WITH THE RULE. RULE 4.13(A)(3) REQUIRES THAT AT ALL TIMES EITHER: (A) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH COMMODITY INTEREST POSITIONS DOES NOT EXCEED FIVE PER CENT OF THE LIQUIDATION VALUE OF THE MASTER FUND’S INVESTMENT PORTFOLIO; OR (B) THE AGGREGATE NET NOTIONAL VALUE OF THE MASTER FUND’S COMMODITY INTEREST POSITIONS DOES NOT EXCEED ONE-HUNDRED PER CENT OF THE LIQUIDATION VALUE OF THE MASTER FUND’S INVESTMENT PORTFOLIO. AS A RESULT OF CLAIMING THE EXEMPTION, THE INVESTMENT MANAGER IS NOT REQUIRED TO COMPLY WITH THE DISCLOSURE, REPORTING AND RECORDKEEPING REQUIREMENTS GENERALLY APPLICABLE TO REGISTERED CPOS, INCLUDING DELIVERY TO INVESTORS, INCLUDING THE COMPANY, OF A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT DESIGNED TO MEET CFTC REQUIREMENTS.

THE INVESTMENT MANAGER OF THE MASTER FUND AND OF THE COMPANY HAS CLAIMED EXEMPTION FROM REGISTRATION WITH THE CFTC AS A COMMODITY TRADING ADVISOR (“CTA”) UNDER CFTC RULE 4.14(A)(8), WHICH EXEMPTS FROM REGISTRATION CTAS WHO ADVISE POOLS THAT OPERATE PURSUANT TO CFTC RULE 4.13(A)(3).

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN

ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Service of Process and Enforcement of Civil Liabilities

The Company is incorporated under Guernsey law. Service of process upon Directors and officers of the Company, the majority of whom reside outside the United States, may be difficult to obtain within the United States. Furthermore, since most directly-owned assets of the Company are outside the United States, any judgment obtained in the United States against it may not be collectible within the United States. There is doubt as to the enforceability in England and Guernsey in original actions (or, in the case of Guernsey, in actions for enforcement of judgments of US courts) of civil liabilities predicated upon US federal securities laws.

Presentation of Information

Certain terms used in this Registration Document, including capitalised terms and certain technical and other terms, are explained in the section entitled “Definitions and Glossary”.

Presentation of Financial Information

The audited financial information of the Master Fund contained in Part 10 of this Registration Document has been extracted, without adjustment, from the audited financial statements of the Master Fund for the years ended December 31, 2004, December 31, 2005 and December 31, 2006. The unaudited financial information of the Master Fund is also contained in Part 10 of this Registration Document and is for the period ended March 31, 2007.

The financial statements of the Master Fund are prepared under US GAAP.

Available Information

For so long as any of the Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the US Securities Exchange Act, nor exempt from reporting under the Exchange Act pursuant to Rules 12g3-2(b), thereunder, make available upon request to any holder or beneficial owner of any Shares, or to any prospective purchaser of any Shares designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Registration Document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, among other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the Master Fund and the markets in which it invests. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Registration Document. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend policy of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this Registration Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- the risk factors set forth above in the section entitled “Risk Factors” in this Prospectus;
- changes in economic conditions generally and the equity markets specifically;
- changes in the Company’s or the Master Fund’s business strategy;
- changes in interest rates and/or credit spreads, as well as the success of the Company’s or the Master Fund’s hedging strategy in relation to such changes;
- impairments in the value of the Company’s or the Master Fund’s investments;
- legislative/regulatory changes;
- changes in taxation regimes; and
- the Company’s continued ability to invest the cash on its balance sheet and the proceeds of this Global Offer in suitable investments on a timely basis.

Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Potential investors are advised to read this Registration Document in its entirety before making any investment in Shares and, in particular, the sections of this Registration Document entitled “Summary”, “Risk Factors”, “Business” and “Operating and Financial Review of the Company and the Master Fund” for a further discussion of the factors that could affect the Company’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Registration Document may not occur. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company’s Articles of Association, which investors should review.

SELLING RESTRICTIONS

The Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus comes are required to inform themselves about and observe such restrictions.

United States

The Shares have not been and will not be registered under the US Securities Act. The Shares may not be offered or sold within the United States or to US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Joint Lead Managers have agreed that (1) they will offer and sell Shares under the Placing Agreement outside the United States only in accordance with Rule 903 of Regulation S and (2) they will not offer or sell the Shares under the Placing Agreement at any time within the United States or to US persons except to persons that they reasonably believe to be both (a) qualified purchasers (as defined in Section 2(a)(51) of the US Investment Company Act and related rules and (b) either (i) qualified institutional buyers (as defined in Rule 144A under the US Securities Act) in reliance on the exemption from registration provided by Rule 144A under the US Securities Act or (ii) accredited investors (as defined in Rule 501(a) under the US Securities Act) in reliance on the exemption from registration provided by Regulation D under the US Securities Act. The Company has not been and does not intend to become registered as an investment company under the US Investment Company Act and related rules. The Shares and any beneficial interests therein may not be offered or sold or reoffered, resold, pledged or otherwise transferred in the United States or to US persons, except as described above. Each purchaser of Shares that is a US person is hereby notified that the offer and sale of Shares to it is being made in reliance upon Rule 144A under the US Securities Act and under the relevant provisions of the US Investment Company Act and related rules.

The Shares issued to US persons will be in registered and certificated form and certificates evidencing ownership thereof will bear a legend with respect to the restrictions on transfer set forth herein. The Company and its agents will not be obligated to recognise any resale or other transfer of Shares made other than in compliance with the transfer restrictions set forth in this Prospectus. In addition, purchasers of the Shares that are in the United States or that are US persons may, if they are not Qualified Purchasers at the time they acquire the Shares, be forced to sell them. For a description of important restrictions on the Shares initially offered and sold in the United States or to US persons, see “Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations” in Part 7 of this Registration Document.

Each purchaser and subsequent transferee of Shares will be required to, in addition to certain other representations, represent and warrant in writing that no portion of the assets used to acquire or hold its interest in the Shares constitutes or will, for as long as it holds the Shares, constitute the assets of any Plan (as defined in “Investment Restrictions, Transfer Restrictions and Certain ERISA Considerations” in Part 7 of this Registration Document). The Company’s Articles of Association provide that any purported acquisition or holding of Shares in contravention of the restriction described in the representation will be void and have no force and effect. If, notwithstanding the foregoing, a purported acquisition or holding of Shares is not treated as being void for any reason, the Shares will automatically be transferred to a charitable trust for the benefit of a charitable beneficiary and the purported holder will acquire no right in such Shares.

Member States of the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) or where the Prospectus Directive is applied by the regulator (each, a “**Relevant Member State**”), an offer of the Shares to the public may only be made in the Relevant Member State after the publication of a prospectus in relation to the Shares has been approved by a competent authority in that Relevant Member State (or, in the case of Luxembourg, Spain and the United Kingdom, which has been approved in or passported into such jurisdictions in accordance with the Prospectus Directive as implemented by such jurisdiction) except that an offer of the Shares to the public in a Relevant Member State may be made at any time:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons per Relevant Member State (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances which do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of the Shares to the public” in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Bailiwick of Guernsey

Shares will not be offered directly to members of the public within the Bailiwick of Guernsey, meaning any person who is not regulated under any of the financial services regulatory laws of the Bailiwick of Guernsey.

Bailiwick of Jersey

Shares will not be offered directly to members of the public within the Bailiwick of Jersey, meaning any person who is not regulated under any of the financial services regulatory laws of the Bailiwick of Jersey.

Belgium

The Prospectus and related documents have not been approved in Belgium and are not intended to constitute, and may not be construed as, a public offering in the Kingdom of Belgium. Accordingly, these documents may not be distributed or circulated to, and the Shares may not be offered or sold to, any member of the public in the Kingdom of Belgium other than qualified investors listed in article 10 the Belgium Law of 16 June 2006 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market, or investors subscribing for a minimum amount of €50,000 each for each separate offer and, provided any such investor qualifies as a consumer within the meaning of article 1.7 of the Law of 14 July 1991 on consumer protection and trade practices (the “Consumer Protection Law”), such offer or sale is made in compliance with the provisions of the Consumer Protection Law and its implementing legislation.

United Arab Emirates and the Dubai International Finance Centre

In relation to the United Arab Emirates (“UAE”) excluding the Dubai International Finance Centre (“DIFC”), the Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and Market or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market, any other UAE exchange, the Dubai International Financial Exchange or the Dubai Financial Services Authority (“DFSA”). The Global Offer and the Shares have not been approved or licensed by the UAE Central Bank, the Emirates Securities and Commodities Authority, the DFSA or any other relevant licensing authorities in the UAE or the DIFC, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. The Prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. Neither the Shares nor any interests in the Shares may be offered, sold, promoted or advertised directly or indirectly to the public in the UAE or the DIFC.

In relation to the DIFC, this document relates to an Exempt Offer in accordance with the Offered Securities Rules of the DFSA. This document is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The Shares may be illiquid and/or subject to restrictions on their re-sale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

France

The Prospectus and related documents have not been approved by the competent regulatory authority in France and are not intended to constitute, and may not be construed as, a public offer in France. The Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France, provided that offers, sales and distributions may be made in France only to (a) providers of the investment service of portfolio management for the account of third parties; (b) qualified investors (*investisseurs qualifiés*); and/or (c) to a restricted circle of investors, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

The Shares may be resold directly or indirectly only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

Germany

This document, the Shares or the placing of the Shares have not been and will not be registered or cleared by the Bundesanstalt für Finanzdienstleistungsaufsicht (the German financial regulator) or any other competent German authority under applicable German law and may therefore not be offered, distributed, sold, transferred or delivered, directly or indirectly, to the public in Germany but only to persons individually known to the offeror and addressed by him on the basis of a selected choice according to individual aspects and if they require no information by means of a prospectus as investors usually do. In line with this, the Joint Lead Managers are making this document available to individually selected members of their existing customer base only. This document is only directed to such recipients to whom it is directly addressed and may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of German law or applicable laws of other jurisdictions.

Hong Kong

The contents of the Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Global Offer. If you are in any doubt about any of the contents of the Prospectus, you should obtain independent professional advice.

Please note that (1) Shares may not be offered or sold in Hong Kong by means of the Prospectus or any other document other than to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder (“**professional investors**”), or in other circumstances which do not result in the Prospectus being a “prospectus” as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer or invitation to the public for the purposes of the Companies Ordinance, and (2) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to such professional investors.

Luxembourg

In addition to the cases described in the European Economic Area selling restrictions in which the Company and the Joint Lead Managers can make an offer of Shares to the public in a Relevant Member State (including the Grand Duchy of Luxembourg), the Company and the Joint Lead Managers can also make an offer of Shares to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, pension and investment funds and their management companies, commodity dealers) as well as entities not authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the *Commission de Surveillance du Secteur Financier* as competent authority in Luxembourg in accordance with the Prospectus Directive.

Norway

This Prospectus has not been produced in accordance with the prospectus requirements laid down in the Norwegian Securities Trading Act 1997 nor in accordance with the requirements laid down in the Norwegian Securities Fund Act 1981. Neither this Prospectus nor the Shares presented herein have been approved or disapproved by, or registered with, the Oslo Stock Exchange, Kredittilsynet or the Norwegian Registry of Business Enterprises. The Shares may not be offered or sold, and will not be offered or sold to any persons in Norway in any way that would constitute an offer to the public, other than in circumstances where an exemption from the duty to publish a Prospectus under the Norwegian Securities Trading Act 1997 shall be applicable. The offer to participate in the subscription contained in this Prospectus is only and exclusively directed to the addressees of this offer and cannot be distributed, offered or

presented, either directly or indirectly to other persons or entities domiciled in Norway without the consent of the offeror.

Portugal

No offer or sale of Shares may be made in Portugal except under circumstances that will result in compliance with the rules concerning marketing of such Shares and with the laws of Portugal generally.

No notification has been made nor has any has been requested from the Securities Market Commission (Comissão do Mercado de Valores Mobiliários, “CMVM”) for the marketing of the Shares referred to in the Prospectus of which this document forms a part, therefore the same cannot be offered to the public in Portugal.

Accordingly, no Shares have been or may be offered or sold to unidentified addressees or to 100 or more non-qualified Portuguese resident investors and no Global Offer has been preceded or followed by promotion or solicitation to unidentified investors, public advertisement, publication of any promotional material or in any similar manner.

In particular, the Prospectus and the offer of the Shares is only intended for Qualified Investors acting as final investors. Qualified Investors within the meaning of the Securities Code (Código do Valores Mobiliários) includes credit institutions, investment firms, insurance companies, collective investment institutions and their respective managing companies, pension funds and their respective pension fund-managing companies, other authorised or regulated financial institutions, notably securitisation funds and their respective management companies and all other financial companies, securitisation companies, venture capital companies, venture capital funds and their respective management companies, financial institutions incorporated in a state that is not a member state of the EU that carry out activities similar to those previously mentioned, entities trading in financial instruments related to commodities and regional and national governments, central banks and public bodies that manage debt, supranational or international institutions, namely the European Central Bank, the European Investment Bank, the International Monetary Fund and the World Bank, as well as entities whose corporate purpose is solely to invest in securities and any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”). Accordingly, the Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act who has subscribed for or purchased Shares, namely a person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the Securities and Futures Act except:
- (1) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
 - (2) where no consideration is given for the transfer; or
 - (3) by operation of law.

Spain

The Shares may not be offered, sold or distributed in the Kingdom of Spain except in accordance with the requirements of Law 24/1988, of 28 July on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated, and Royal Decree 1310/2005, of 4 November 2005 partially developing Law 24/1988, of 28 July on the Securities Market in connection with listing of securities in secondary official markets, initial purchase offers, rights issues and the prospectus required in these cases (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 Julio, del Mercado de Valores, en material de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) and the decrees and regulations made thereunder. Neither the Shares nor this Prospectus have been verified or registered in the administrative registries of the National Stock Exchange Commission (*Comisión Nacional de Mercado de Valores*).

Switzerland

The Prospectus may only be communicated in and from Switzerland to a limited number of investors who are qualified investors as defined in the Swiss Federal Act on Collective Investment Schemes (“CISA”).

The Company qualifies as a foreign closed-end collective investment scheme pursuant to art. 119 para. 2 CISA, which entered into force on 1 January 2007 and replaced the Swiss Federal Act on Investment Funds of 18 March 1994. The Shares will not be licensed for public distribution in and from Switzerland and they may only be offered and sold to so-called “qualified investors” as defined in, and in accordance with, the private placement requirements set forth by the new law (in particular art. 10 para. 3 CISA and art. 6 of the ordinance to CISA). The Shares have not been licensed for public distribution with the Swiss Federal Banking Commission (“SFBC”) and the Company is not subject to the supervision of the SFBC. Therefore investors in the Shares do not benefit from the specific investor protection provided by CISA and the supervision by the SFBC.

Private placements to Accredited Investors who are also Qualified Purchasers in the United States

The Company is offering and selling Shares directly to Accredited Investors who are also Qualified Purchasers, including existing investors in the Master Fund. Under the Placing Agreement, the Joint Lead Managers are entitled to a commission equal to 2.5 per cent. of the gross proceeds of the Global Offer (not including any subscription made on behalf of the Investment Manager’s CEO) for their services in connection with the Global Offer.

The offer and sale of Shares in the private placement is not being registered under the US Securities Act, but rather is being privately placed by the Company pursuant to the private placement exemption from registration provided by Rule 506 of Regulation D. Each purchaser of Shares in the private placement will be required to complete and deliver to the Company a purchaser letter setting forth the purchaser's agreement to purchase the Shares for which the purchaser has subscribed and substantiating the purchaser's investor status prior to the Company's acceptance of any order from such purchaser.

DIRECTORS, MANAGERS AND ADVISERS

Directors	Marc-Antoine Autheman — Chairman Christopher Legge — Chairman Audit Committee Keith Dorrian Christopher Fish Jim Kelly — Third Point LLC representative
Investment Manager of the Fund	Third Point LLC 390 Park Avenue, 18 th Floor, New York, NY 10022 +1 212 318 8870
Investment Manager of the Master Fund	Third Point LLC 390 Park Avenue, 18 th Floor, New York, NY 10022 +1 212 318 8870
Global Co-ordinator, Bookrunner and Joint Lead Manager	UBS Limited 1 Finsbury Avenue London EC2M 2PP
Joint Lead Manager	Société Générale S.A. Tour Société Générale 17 cours Valmy 92972 Paris La Défense Cedex — France
Legal Advisers to the Company as to English law	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS
Legal Advisers to the Company as to US law	Cravath, Swaine & Moore, LLP 825 Eighth Avenue, Worldwide Plaza New York, NY 10019-7475
Advocates to the Company as to Guernsey law	Ozannes Advocates PO Box 186, le Merchant Street St Peter Port, Guernsey, GY1 4HP
Legal Advisers to Global Co-ordinator and Joint Lead Managers	Allen & Overy LLP One Bishops Square London E1 6AO
Receiving Agent	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Administrator and Secretary	Northern Trust International Fund Administration Services (Guernsey) Limited PO Box 255 Trafalgar Court, Les Banques St. Peter Port, Guernsey, GY1 3QL
CREST Service Provider and Registrar	Capita Registrars (Guernsey) Limited 2nd Floor, No. 1 Le Truchot, St Peter Port, Guernsey, GY1 1WO
Reporting Accountant	Ernst & Young LLP 1 More London Place London SE1 2AF
Auditors	Ernst & Young LLP P.O. Box 9 14 New Street St Peter Port, Guernsey, GY1 4AF

PART 1

THE COMPANY

Introduction

The Company is a newly-formed Guernsey incorporated and registered closed-ended investment company. The Company is a feeder fund and has been established with the objective of providing its Shareholders with consistent long-term capital appreciation utilising the investment skills of the Investment Manager, Third Point LLC. Access to these skills will be provided by the investment of the net proceeds of the Global Offer into Third Point Offshore Fund, Ltd., an exempt company with limited liability incorporated under the laws of the Cayman Islands (the “Master Fund”). The Company’s financial performance will depend entirely on the performance of its investment in the Master Fund.

The Company has been established with an unlimited life and has in place discount control mechanisms intended to assist in minimising any discount to NAV at which the Shares may trade from time to time. The Company’s Board of Directors is independent of the Investment Manager. The costs and expenses of the Global Offer will be paid by the Investment Manager.

It is currently anticipated that, after the completion of the Global Offer and the investment of the Company’s capital in the Master Fund, the Company will own Master Fund Shares representing 18.1 per cent. of the NAV of the Master Fund (calculated as at 31 May 2007, being the latest practicable date prior to the date of the Prospectus). Other than its ownership of Master Fund Shares, the Company will have no other substantial assets or business.

The Company’s 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 Third Point Class E Shares of the Master Fund. In relation to such Third Point Class E Shares, the Company has elected to participate in Special Investments from time to time, as and when identified by the Investment Manager after investment by the Company in Third Point Class E Shares. As and when such Special Investments are made after the investment by the Company in Third Point Class E Shares, a portion of the Company’s Third Point Class E Shares will be redeemed and exchanged for Third Point Class S Shares in respect of the relevant Special Investment. 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’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 Master Fund’s 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 mispricing the company. The Investment Manager ultimately invests in situations where it believes mispricing exists because this fundamental analysis indicates that such a disconnection will correct itself over the longer term.

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.

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

Special Investments

Prospective investors should note that, through its investment in the Master Fund, the Company will also participate in Special Investments being private equity or illiquid investments the market value of which may not readily be ascertained or which depends on the resolution of a special event or circumstance. For further information please refer to the section headed Special Investments in Part 3 of this Registration Document.

Target Return

By investing in the Master Fund the Company aims to generate a target NAV total return of 15 per cent. per annum (after all fees and expenses). The target return of the Company is calculated net of expenses of the Master Fund and returns to Shareholders will reflect the investment returns the Company receives from its investment in the Master Fund less the Company's own fees and expenses.

Past or targeted performance is no indication of current or future performance or results. Return figures are targets only and are based over the long term.

There is no guarantee that the target return of the Company can be achieved and it should not be seen as an indication of expected or actual return. Accordingly, investors should not place any reliance on such a return target in deciding whether to invest in Shares.

Furthermore, the future performance of the Company and the Master Fund may be materially detrimentally affected by the risks discussed in the section of this Registration Document headed "Risk Factors".

Investment Highlights

The Company is a newly-formed company. It has been established with the objective of providing its Shareholders with consistent long-term capital appreciation utilising the investment skills of the Investment Manager, Third Point LLC, through the investment in the Master Fund.

The Investment Manager is a US Securities and Exchange Commission registered investment adviser based in New York with over US\$5 billion of assets under management. Its team of 20 investment professionals, led by Mr. Daniel S. Loeb, who founded the firm in 1995, pursues an Event Driven value investing approach, based on bottom-up fundamental analysis. The Master Fund has produced average annual returns net of fees and expenses of 23.1 per cent. over its 10-year life, while its research-driven investment process produces a low correlation of performance to overall equity markets. The Master Fund is currently closed to new investors as described below.

The Directors believe that the principal advantages of an investment in the Shares of the Company are as follows:

1. **Access to the Fund Management Skills of Third Point LLC and Daniel S. Loeb.** An investment in the Company provides new investors with a unique opportunity to participate in the investment success of Third Point LLC, the Investment Manager, led by Daniel S. Loeb. Mr. Loeb has been a successful value investor over the last twelve years. His investment process uses fundamental analysis to identify situations in which a potential event could serve as a catalyst for a significant revaluation of a company's securities. Mr. Loeb's investment process has been applied successfully to long/short equity, distressed and merger arbitrage strategies, various sectors of the market and different market cycles. The Investment Manager employs an experienced team of investment professionals to assist Mr. Loeb in identifying and selecting superior opportunities.
2. **Strong Historical Performance.** The Master Fund has achieved average annual returns net of all costs and expenses of 23.1 per cent. over its 10-year life. The Master Fund has outperformed the S&P 500 in eight out of those ten years. These results have been achieved with a relatively low correlation to equity markets, and with average volatility lower than the S&P 500. The Company will have a target NAV total return of 15 per cent. per annum net of all costs and expenses. There is no guarantee that any target return can be achieved. Investors should not place any reliance on such target return in deciding whether to invest in Shares.
3. **Investment Process Based on Fundamental Analysis.** The Investment Manager applies a single investment strategy across all of its funds which is research-driven and based on fundamental analysis. The primary focus of the investment effort is to identify "Event Driven" situations in which a potential event could lead to a significant revaluation, up or down, in a company's securities. Positive potential events could include operational restructurings, recapitalisations, turn-arounds, spin-offs of a business or division, change in management or sale of a company. Negative potential events could include a liquidity crisis, adverse litigation outcome, or the exposure of accounting or other irregularities. The funds managed by the Investment Manager have the capacity to assume large positions in particular companies, and to influence the affairs of those companies, thereby increasing the likelihood that the envisioned catalysing event will in fact occur. This investment process has successfully been applied across investment strategies, industries and geographic regions.
4. **Experienced Investment Team.** The Investment Manager's team of twenty investment professionals have over a hundred years of collective experience in investment and finance. Eight portfolio managers support Mr. Loeb in identifying and selecting superior opportunities. The investment professionals bring exceptional academic and professional backgrounds in private equity, investment banking, industry and medicine. They have cultivated in-depth industry and/or regional expertise, with strong networks of professional relationships that facilitate research and idea generation. Each opportunity is thoroughly analysed and carefully reviewed, using detailed operating and financial models, to develop an investment thesis supporting the selection of investments for the managed portfolio. The investment team is supported by a well-developed operations, financial and technology platform. As a US Securities and Exchange Commission registered investment adviser, the Investment Manager has in place experienced legal and compliance personnel.

5. **Master Fund Closed.** Access to the prospective performance of the Master Fund by new investors is only available through the purchase of Shares in the Company. The Master Fund has been closed to new investors, other than those with whom a potential investment was pending at the commencement of this Global Offer and affiliates of the Investment Manager. The Master Fund will remain closed for at least 12 months after completion of the Global Offer. The Investment Manager has agreed not to establish any other closed-ended investment vehicles listed on a European Exchange without the prior consent of a majority of the Independent Directors.
6. **There is No Second Layer of Fees.** The Investment Manager will be paid at the Master Fund level only. The Master Fund pays the Investment Manager a management fee of 2 per cent. per annum of NAV and an incentive fee of 20 per cent. of NAV growth, subject to a high water mark and related adjustments. The Company pays no additional fees to the Investment Manager or any of its affiliates.
7. **The Investment Manager will Bear All Fees and Expenses Payable in Respect of the Global Offer.** All fees and expenses payable in respect of the Global Offer (including all costs related to the establishment of the Company) will be borne by the Investment Manager such that the gross proceeds of the Global Offer, net of the Company's short term working capital requirements, will be available to the Company for investment following Admission.
8. **Immediate Deployment of Net Proceeds from the Global Offer into the Master Fund.** The Company will invest the net proceeds of the Global Offer in Third Point Class E Shares as soon as practicable after Admission.
9. **Discount Control.** The Company, the Master Fund and the Investment Manager and its affiliates will have the ability to purchase Shares in the after-market at any time the Shares trade at a discount to NAV. In addition, each of the Company, the Master Fund and the Investment Manager will consider commencing a share buy-back programme if the Shares should trade at or below 95 per cent. of NAV.
10. **Shareholder Protection.** Shareholders of the Company have typical voting rights including the right to vote on all material changes to the Company's investment policy. The Company will have a majority of Independent Directors with a single director representing the Investment Manager. In order to address jurisdictional regulatory issues in the US, the Company will issue B Shares carrying 40 per cent. of the aggregate voting rights in the Company to VoteCo, a Guernsey company, on Admission. VoteCo has no affiliation with the Investment Manager or the Master Fund. The board of directors of VoteCo has been selected to provide both financial market expertise and a strong understanding of fiduciary responsibility. In determining how to vote the B Shares held by VoteCo in the Company, the directors of VoteCo will take into consideration the best interests of Shareholders taken as a whole.
11. **Investment by the CEO of the Investment Manager.** Third Point's CEO, Daniel S. Loeb, intends to make an investment in the Company equal to 5 per cent. of the target size of the Global Offer of €500 million on the same terms as any other investor and therefore will have interests aligned with the Company's other Shareholders and will be motivated to help ensure that the Master Fund performs well.

Data Showing Historical Performance, Sector Exposure, Geographic Exposure and Market Capitalisation Exposure of the Master Fund

The Master Fund seeks to invest in companies in accordance with its investment objective without specifying allocations to specific sectors and geographies in which those companies are engaged. On this basis, the exposure data below reflects the diversification of the Master Fund across sector, geography and investment size as at 31 May 2007 and may change on a daily basis.

Performance Statistics

Set out below is the table of historical performance statistics for the period 1 December 1996 to 31 May 2007:

	<i>Master Fund⁽¹⁾</i>	<i>S&P 500</i>
Average annual return	23.1%	8.7%
Sharpe ratio	1.5	0.3
Annual standard deviation	12.6%	15.1%
Annual downside deviation	7.2%	11.1%
Correlation to S&P	0.3	1.0

Set out below is the table of historical annual returns of the Master Fund:

<u>Year</u>	<i>Master Fund⁽¹⁾</i>	<i>S&P 500</i>
2007 ⁽²⁾	16.8%	8.8%
2006	14.4%	15.8%
2005	17.9%	4.9%
2004	29.1%	10.9%
2003	53.0%	28.7%
2002	-7.8%	-22.1%
2001	12.3%	-11.9%
2000	17.4%	-9.1%
1999	41.7%	21.8%
1998	8.9%	28.6%
1997	48.8%	33.3%
1996 ⁽³⁾	2.0%	-2.0%

(1) Performance figures are net of all fees and expenses.

(2) The Master Fund and the S&P 500 returns are calculated for the period 1 January 2007 to 31 May 2007.

(3) The Master Fund and the S&P 500 returns are calculated for the period 1 December 1996 to 31 December 1996.

Sector Exposure & Performance

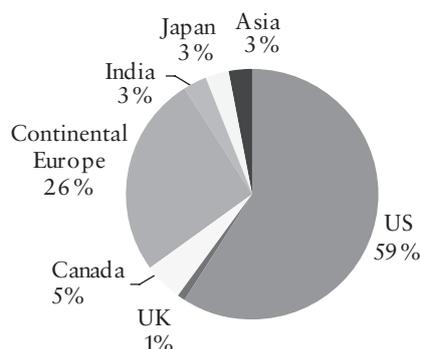
Set out below is the sector exposure of the Master Fund as at 31 May 2007 and the performance of the Master Fund for the month ended 31 May 2007:

Equity	Exposure (%)			P&L (%)		
	Long	Short	Net Long	Long	Short	Net
Basic materials	8.3	-3.9	4.4	0.5	-0.2	0.3
Communications	4.7	-0.5	4.2	0.2	0.0	0.2
Consumer	29.5	-12.9	16.6	2.1	-0.5	1.6
Energy	18.9	-7.8	11.1	1.1	-0.6	0.5
Financials	30.9	-18.3	12.6	0.9	-0.7	0.2
Healthcare	18.2	-5.7	12.5	0.9	-0.2	0.7
Industrials	18.1	-6.0	12.1	1.4	-0.3	1.1
Technology	11.4	-10.2	1.2	0.2	-0.2	0.0
Utilities	3.1	-0.6	2.5	0.2	0.0	0.2
Total	143.1	-65.9	77.2	7.5	-2.7	4.8
<i>Other</i>	<i>Long</i>	<i>Short</i>	<i>Net Long</i>	<i>Long</i>	<i>Short</i>	<i>Net</i>
Risk Arbitrage	18.0	-4.5	13.5	0.6	-0.2	0.4
Distressed/Fixed Income	3.3	-1.1	2.2	0.2	0.0	0.2
Privates	2.4	0.0	2.4	0.7	0.0	0.7

Note: Delta adjusted put options provide an additional 9% of short equity exposure. Gross short exposure is comprised of 38% individual stock shorts and 62% index shorts.

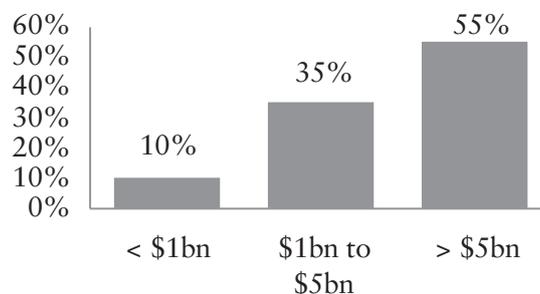
Geographic Exposure (Net)

Set out below is the geographic exposure of the Master Fund as at 31 May 2007:



Exposure by Market Capitalisation

Set out below is the market capitalisation exposure of the Master Fund as at 31 May 2007:



Note: The graph above reflects the Master Fund's long equity position exposure by market capitalisation of the listed companies in which it is invested.

Top 5 positions of the Master Fund

Set out below are the top five positions of the Master Fund as at 31 May 2007:

NYSE Group Inc.	7.47%
Daimler Chrysler	6.78%
PDL BioPharma Inc.	5.83%
Philips Electronics	5.97%
Mastercard Inc.	5.23%

Note: Top positions are long equities only and expressed as a percentage of assets under management by the Master Fund.

Position Concentration

Set out below is the Position Concentration of the Master Fund as at 31 May 2007:

	Top 10	Top 20
Long	54%	83%
Short	8%	12%

Note: Top (long or short) individual equities exposure excluding indices and other market hedges, divided by assets under management.

Fees and Expenses

Formation and Initial Expenses

All of the formation and initial expenses of the Company and the fees and expenses incurred in connection with the Global Offer (including all fees, commission and expenses paid to the Banks) will be paid by the Investment Manager. In aggregate, such fees and expenses are not expected to exceed 3.5 per cent. of the gross proceeds of the Global Offer assuming the target size for the Global Offer of €500 million is achieved. Where the Company Investment Management Agreement is terminated on certain grounds during the period ending on the seventh anniversary of Admission a proportion of such fees and expenses will be reimbursed to the Investment Manager by the Company. The provisions for such reimbursement are summarised in the section headed “Withdrawal from the Master Fund” below and in section 6.2 of Part 8 of this Registration Document.

Management and Incentive Fees

The only management and incentive fees payable are the Management and Incentive Fees payable by the Master Fund under the Master Fund Investment Management Agreement. No fees are payable by the Company under the Company Investment Management Agreement. However, the Company Investment Management Agreement is terminable on 24 months’ notice. Accordingly, in the circumstances described in the section headed “Withdrawal from the Master Fund” below compensation is payable to the Investment Manager upon the termination of the Company Investment Management Agreement.

The Management Fee is a fixed fee equal to an annual rate of 2 per cent. of the NAV of the Third Point Class E Shares and Third Point Class S Shares held by the Company (accrued monthly in respect of Third Point Class S Shares and paid without interest if the relevant special investment is realised during the fiscal year or at the end of the year by redemption of a number of Third Point Class E Shares sufficient to pay the accrued Management Fee).

The Incentive Fee is equal to 20 per cent. of the net realised and unrealised appreciation in the NAV of the Third Point Class E Shares held by the Company (adjusted, on a dollar-for-dollar basis, for any issuance or redemption of Master Fund Shares in the applicable series made during the fiscal year). Further, if the NAV of the Third Point Class E Shares held by the Company depreciates in value over a financial year of the Master Fund to a lower amount (the “Base NAV”), the high water mark for calculation of the appreciation in NAV in future years above which a full Incentive Fee will be payable will be increased by an amount equal to 150 per cent.

of the net depreciation to a higher amount (the “Adjusted Prior High NAV”). A reduced Incentive Fee will nevertheless be payable in respect of all net realised and unrealised appreciation between the Base NAV and the Adjusted Prior High NAV at the rate of 10 per cent. (adjusted as referred to above). No Incentive Fee is payable generally in respect of Third Point Class S Shares, but any appreciation or depreciation of a Special Investment on realisation is taken into account in determining the Incentive Fee payable on the Third Point Class E Shares. The basis for payment of any Incentive Fee is more fully set out in Part 3 of this Registration Document.

Leverage

The Company itself does not intend to employ permanent leverage. However it may borrow up to 15 per cent. of the NAV of the Company in order to fund ongoing working capital requirements and share buy-backs.

The Master Fund may, at times, employ leverage in order to enhance returns. Long exposure is a percentage equal to total long market value divided by NAV before accrued incentive and deferred incentive fees payable. Short exposure is a percentage equal to total short market value divided by NAV (expressed as a positive or absolute value). Gross exposure is equal to the sum of long exposure and short exposure. Net exposure is equal to the difference between long exposure and short exposure. As at 12 June 2007, the Master Fund’s gross exposure was 247.1 per cent. From 31 January 2007 to 12 June 2007, the Market Fund’s gross exposure has ranged between 191.4 per cent. and 247.1 per cent. As at 12 June 2007, the Master Fund’s net exposure was 97.1 percent. From 31 January 2007 to 12 June 2007, the Master Fund’s net exposure has ranged between 85.7 per cent and 98.4 per cent. For further information please refer to the section entitled “Investment Strategy of the Master Fund” in Part 3 of this Registration Document.

Dividend Policy

The Master Fund is not expected to make any distributions to its shareholders. The Investment Manager intends that all income received by the Master Fund from its investments will be used first to meet the Master Fund’s expenses, with the balance being reinvested in accordance with the Master Fund’s investment programme. Consequently, the Company is not expected to declare any dividends with respect to the Shares in the foreseeable future. This does not, however, prevent the Directors of the Company from declaring a dividend at any time in the future if the Directors consider payment of a dividend to be appropriate in the circumstances. If the Directors declare a dividend, such dividend will be paid on a pro rata basis across the classes of Shares then in issue.

NAV Publication and Calculation

Publication

The Company intends to publish the NAV per Share as at each month-end, as calculated by the Administrator based in part on information provided by the Master Fund Administrator. Weekly estimates of the NAV per Share, as calculated by the Administrator based in part on information provided by the Master Fund Administrator, will also be published. In normal circumstances, the NAV per Share for a given month will be published within 20 Business Days after the month end through a Regulatory Information Services provider. Weekly estimates will in normal circumstances, also be published through a Regulatory Information Services provider within three Business Days after the end of the relevant week.

Calculation

The NAV of the Company is equal to the value of its total assets less its total liabilities calculated in accordance with the Company’s normal accounting policies.

In respect of each class of Shares (which are expected to be Euro Shares, US Dollar Shares and Sterling 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 will be credited to the relevant class account. Any increase or decrease in the NAV of the Master Fund Euro Shares, Master Fund US Dollar Shares and Master Fund Sterling Shares as calculated by the Master Fund Administrator (details of which are described in Part 3 of this Registration Document) will be allocated to the relevant class account. There will then be allocated to each class account the “designated adjustments” being those costs, pre-paid expenses, 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 will be allocated to each class in the proportion that its NAV bears to the NAV of the Company as a whole.

The NAV per Share of each class will be calculated as at the last Business Day of each month by dividing the NAV of the relevant class account by the number of Shares of the relevant class in issue as at the close of business on that day.

The Directors may temporarily suspend the calculation and publication of NAV per Share in circumstances where the Master Fund has suspended the calculation and publication of the Master Fund NAV per Share. These circumstances are described in Part 3 of this Registration Document.

Further Issues of Shares

Under the Articles of the Company, 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 be not less than the then-prevailing estimated weekly NAV per Share of the relevant class of Shares. The Investment Manager will invest the proceeds (net of short term working capital requirements) of any further share issues in Master Fund Shares.

Under the Articles the Directors have the right to issue further classes of shares in the Company, including shares or other securities convertible into the existing classes of Shares, without Shareholder approval, provided that such shares or securities are issued on terms which do not adversely affect the interests of existing Shareholders.

Share Repurchases and Discount Control

The Directors have general shareholder authority to purchase in the market up to 14.99 per cent. of each class of Shares in issue immediately following Admission and the Directors intend to seek annual renewal of this authority from Shareholders.

The Company may purchase Shares in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for any class of Shares, thereby increasing the NAV per Share (on the basis described below) and assisting in controlling the discount to NAV per Share in relation to the price at which such Shares may be trading.

The Company, the Master Fund, the Investment Manager and its affiliates will have the ability to purchase Shares in the after-market at any time the Shares trade at a discount to NAV. In addition, each of the Company, the Master Fund, the Investment Manager and its affiliates will consider commencing a share buy-back programme if the Shares should trade at or below 95 per cent. of NAV.

Purchases will only be made in the market at prices below the estimated prevailing NAV per Share where the Directors believe such purchases will result in an increase in the NAV per Share of the remaining Shares of a particular class and as a means of addressing any imbalance between the supply of, and demand for, such Shares. Such purchases will only be made in accordance with the Companies (Purchase of Own Shares) Ordinance, 1998, Listing Rules 12.4.1 and 12.4.2 (on a voluntary basis) and the Disclosure and Transparency Rules. Shares purchased by the Company may be cancelled or held in treasury.

Listing Rule 12.4.1 provides that, unless a tender offer is made to all the holders of the relevant class of Shares, the maximum price to be paid per Share pursuant to a general authority granted by Shareholders (excluding any Shares of that class held in treasury by the Company) must not be more than the higher of (i) 5 per cent. above the average market value of the Shares for the five Business Days before the purchase is made; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the regulated market where the purchase is carried out. Listing Rule 12.4.2 requires any repurchase by the Company of 15 per cent. or more of any class of its Shares (excluding Shares of that class held in treasury) to be effected by way of a tender offer to all Shareholders of that class. The minimum price payable by the Company for any share buy-back will be for each Euro Share, €0.01, for each US Dollar Share, US\$0.01 and for each Sterling Share, £0.01.

The Company may borrow in order to finance such Share purchases. The Company intends, however, to finance the repurchase of Shares by redeeming Master Fund Shares of the same currency held by the Company. Investors should note that any such redemptions will be made in accordance with the Master Fund redemption procedures described in the section headed “Withdrawal from the Master Fund” below.

The Company proposes (subject to approval from the Royal Court of Guernsey) to reduce the share premium account arising on the issue of Shares pursuant to the Global Offer, thereby creating a special distributable reserve which, following compliance with any undertaking required by the Royal Court of Guernsey, may be treated as distributable profits for all purposes, including making purchases of Shares in the market. Court approval will only be granted once it is clear that the interests of the creditors of the Company are not adversely affected. The Company will put in place any creditor protection arrangements that it is advised are appropriate. The reduction of the share premium account will become effective upon registration of the order of the Royal Court approving such cancellation with the Registrar of Companies in Guernsey.

Subscriptions and Purchases of Shares by the Master Fund or Other Funds Managed by the Investment Manager or its Affiliates

The Investment Manager’s CEO, Daniel S. Loeb, intends to make an investment in the Company equal to 5 per cent. of the target size of the Global Offer of €500 million on the same terms as any other investor.

Mr. Loeb, the Investment Manager, and the Master Fund, all have the ability to purchase Shares in the open market and may do so should a discount to the NAV of the Shares arise. Any such purchases would be immediately disclosed to the market by means of a RIS announcement.

The Investment Manager may, from time to time at its discretion, enter into transactions in relation to Shares and/or derivatives of Shares in the Company as principal and/or on behalf of the Master Fund or other funds managed by the Investment Manager or its affiliates.

Any such transactions would only be carried out to the extent permissible under, and in accordance with, all relevant law and regulations and the Company’s share dealing code.

Withdrawal from the Master Fund

Under the terms of its Subscription Agreement with the Master Fund, the Company has the right to request redemption of all or part of the Company’s holding of Master Fund Shares in the same manner as other holders of Third Point Class E Shares, (subject to the terms as regards timing, restrictions on aggregate redemptions and redemption fees payable contained in the constitutional documents of the Master Fund and summarised below and in Part 3 of this Registration Document).

The principal circumstances in which the Directors would expect to consider the redemption of Master Fund Shares are as follows:

- (a) to the extent required to enable the Company to satisfy the costs of its buy-back and discount management policy;
- (b) to the extent required to enable the Company to meet its operating expenses or interest, principal or other payment obligations under any credit facility taken for the purpose of funding share purchases or buybacks or satisfying working capital requirements;
- (c) on termination of the Company Investment Management Agreement: (i) with cause, (ii) without cause or (iii) upon winding-up of the Company;
- (d) to the extent required to enable the Company to fund any liabilities it may incur, including any costs incurred in respect of such liabilities, in connection with any claim that is made against it pursuant to the Placing Agreement;
- (e) if there is introduced by the Master Fund any new material fee payable to the Investment Manager, which is not payable at the date of the Prospectus, or where any existing fee is increased;
- (f) in circumstances where there is a material change to the investment policy of the Master Fund;
- (g) if the NAV of any Master Fund Share on any Master Fund NAV Valuation Date is more than 25 per cent. lower than the highest NAV of such Master Fund Share on any of the previous 12 Master Fund NAV Valuation Dates; and
- (h) if the portion of the NAV of the Master Fund that is attributable to Master Fund Shares held by the Company amounts to 40 per cent. or more of the total Master Fund NAV. For the purposes of calculating the portion of the Master Fund NAV that is attributable to Master Fund Shares held by the Company, any Shares issued by the Company and any Shares issued by the Master Fund (other than issues of new Master Fund Shares to match redemptions) following the date of Admission will be disregarded.

Where redemption of the Company's entire holding of Master Fund Shares occurs in the circumstances described in paragraphs (c)(iii), (g) or (h) above the Investment Manager will be entitled to treat the Company as having terminated the Company Investment Management Agreement without cause.

In circumstances where the Company Investment Management Agreement is, or is deemed to be, terminated without cause and without notice, the Investment Manager is entitled to be paid compensation equivalent to the Management Fee that would have been payable in respect of the Master Fund Shares owned by the Company in the 24 months following the date of the resulting request for the redemption of such shares (calculated by reference to the most recently published quarterly NAV of the Master Fund). In addition, any accrued Incentive Fee in respect of such Master Fund Shares will become payable upon redemption. Any redemption fee payable to the Master Fund will reduce the compensation otherwise payable to the Investment Manager as described further below.

Where termination of the Company Investment Management Agreement occurs prior to the seventh anniversary of Admission in the circumstances described in paragraphs (c)(ii), (c)(iii), (g) or (h) above the Investment Manager will be entitled to reimbursement of the unamortised portion of the costs and expenses of the Company's establishment and of the Global Offer (including the fees, commissions and expenses payable to the Banks) which it has agreed to pay under the terms of this Company Investment Management Agreement, as further described in section 6.2 of Part 8 of this Registration Document. Any compensation payable to the Investment Manager shall be deemed to include an amount in respect of up to two years' amortisation of such costs and expenses.

Under the Articles of Association of the Master Fund, redemption of Master Fund Shares is subject to 60 days' notice, certain lock up arrangements and the application of a Gate, all as further described in the section of Part 3 of this Registration Document headed "Redemption of Master Fund Shares". The operation of these provisions may result in a material delay between the decision of the Directors to redeem Master Fund Shares and receipt of the proceeds of such redemption.

As described in Part 3 of this Registration Document, in the section headed "Redemption of Master Fund Shares", the Company may be required to pay a redemption fee of up to 3 per cent. of the relevant redemption proceeds in circumstances where redemption occurs on a quarter date other than the quarter date in each year closest following the anniversary of the date of subscription of the relevant Master Fund Shares.

The Master Fund's Articles of Association of the Master Fund provide that the Master Fund will terminate automatically in certain circumstances including: the passing by its shareholders of a winding-up resolution, a change of control of the Investment Manager or circumstances where Daniel S. Loeb is no longer actively engaged in formulating the investment policy of the Investment Manager, the existence of the Master Fund becoming unlawful or the directors of the Master Fund passing a winding-up resolution. In such circumstances the Master Fund is required to begin to liquidate its portfolio immediately and will distribute the proceeds to its shareholders as quickly as practically possible. In such circumstances no compensation nor any reimbursement of costs and expenses will be payable to the Investment Manager.

The Company has the right to transfer Master Fund Shares to another person subject to the consent of the Board of Directors of the Master Fund.

Share Capital and Rights

Share Capital

At the date of this Registration Document, the authorised share capital of the Company is an unlimited number of Shares of no par value (which upon issue the Directors may classify as Euro Shares, US Dollar Shares and Sterling Shares) and an unlimited number of unlisted B Shares of no par value. Shares will be issued to investors subscribing in the Global Offer. All B Shares will be held at all times by VoteCo. The B Shares carry no right to distribution of profits or in the winding-up of the Company. Shareholders and holders of B Shares have the right to receive notice of and to attend and vote at general meetings of the Company.

The Shares which are successfully subscribed under the Global Offer will be allotted and issued immediately prior to the Settlement Date, conditional upon Admission, in accordance with the power granted to the Directors by the Articles. There will be a simultaneous allotment and issue to VoteCo of the proportionate number of B Shares.

Any unallotted Shares will remain authorised but unissued.

In accordance with the powers granted to the Directors by the Articles of Association, it is expected that the Shares will be allotted (conditional upon Admission) pursuant to a resolution of the Board of Directors to be passed shortly before Admission.

Ratio of Shares to B Shares

The Articles of Association provide that, at all times, the aggregate issued number of B Shares shall be 40 per cent. of the aggregate number of issued Shares and B Shares, rounded up to the nearest whole number of B Shares where necessary, so that for every three new Shares issued, two new B Shares will be issued to VoteCo and for every three Shares cancelled, two B Shares held by VoteCo will be cancelled. Where three Shares are held in treasury, two B Shares will be held in treasury.

The Articles of Association further 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, so that whenever a number of Shares is converted from one currency class to another a corresponding number of B Shares shall be converted so as to maintain the ratio as described above. Please refer to the summary of the Company's Articles of Association in Part 8 of this Registration Document for further information about the rights attaching to Shares.

In accordance with the power granted to the Directors by the Articles of Association, it is expected that the B Shares will be allotted (conditional upon Admission) pursuant to a resolution of the Board of Directors to be passed shortly before Admission.

Conversion of Shares

The Company's Articles of Association incorporate provisions to enable Shareholders of any one Currency Class of Shares to convert all or part of their holding into any other Currency Class of Share on a monthly basis (commencing in August 2007) in accordance with the detailed provisions of the Articles. 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. A summary of the Company's Memorandum and Articles of Association is contained in Part 8 of this Registration Document and includes a description of the mechanism for conversion of Shares from one currency class to another.

Pre-emption Rights

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of shares and no pre-emption rights have been introduced in the Articles in respect of the Shares. The Articles do, however, confer rights of pre-emption in respect of the B Shares in favour of the existing holder of B Shares.

Dividends

Shareholders are entitled to receive, and participate in, any dividends or other distributions out of the profits of the Company available for dividend and resolved to be distributed in respect of any accounting period or other income or right to participate therein. Holders of B Shares have no such entitlement.

Voting

Shareholders and holders of B Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company. Each holder of Shares and B Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative. Fluctuation in currency exchange rates will not affect the relative voting rights applicable to the Shares and B Shares. All of the Company's Shareholders will have the right to vote on all material changes to the Company's investment policy. Further information is set out in section 3.2 of Part 8 of this Registration Document.

Winding-up

On a winding-up, the Shareholders of each class will be entitled to the surplus assets of the relevant class remaining after payment of all the creditors of the Company attributable to such class. B Shareholders have no such entitlement.

Variation of Share Rights

The rights attaching to the Shares of each class may be varied with the consent in writing of the holders of three-fourths of the issued Shares of the relevant class or with the sanction of a special resolution of Shareholders of the relevant class passed at a general meeting of that class.

VoteCo

VoteCo is a limited liability company incorporated in Guernsey. In order to address jurisdictional regulatory issues in the US, the Company will, on Admission, issue B Shares

carrying 40 per cent. of the aggregate voting rights in the Company to VoteCo. The sole object of VoteCo is to hold the issued B Shares which according to VoteCo's articles will at all times represent approximately 40 per cent. of the aggregate issued number of Shares and B Shares. The B Shares will be unlisted and carry no economic interest. See "Share Capital and Rights" above.

VoteCo has no affiliation with the Investment Manager or the Master Fund. The board of directors of VoteCo has been selected to provide both financial market expertise and a strong understanding of fiduciary responsibility.

Each director of VoteCo, other than the Chairman of VoteCo, will be paid an initial annual fee of £15,000. The Chairman of VoteCo will receive an initial annual fee of £25,000.

Directors

The three independent directors of VoteCo are:

Talmai Morgan — Chairman

Talmai Morgan, aged 54, Guernsey resident, qualified as a Barrister in 1976. He moved to Guernsey in 1988, where he worked for Baring Brothers (Guernsey) Limited and then for the Bank of Bermuda as Managing Director of Bermuda Trust (Guernsey) Limited. From January 1999 to June 2004, Mr Morgan was Director of Fiduciary Services and Enforcement at the Guernsey Financial Services Commission (Guernsey's financial regulatory agency) where he was responsible for the design and subsequent implementation of Guernsey's law relating to the regulation of fiduciaries, administration businesses and company directors. Mr. Morgan was also involved in Working Groups of the Financial Action Task Force and the Offshore Group of Banking Supervisors. From July 2004 to May 2005, Mr. Morgan served as Chief Executive of Guernsey Finance which is the official body for the promotion of the Guernsey finance industry. Mr. Morgan is now a non-executive director of a number of investment related companies. He holds a MA in Economics and Law from Cambridge University.

Richard Hotchkis

Richard Hotchkis, aged 56, Guernsey resident, has some 30 years' investment experience. Until October 2006 he was an investment manager at the Co-operative Insurance Society where he started his career in 1976. Mr. Hotchkis has a wide experience of equity investment in both the UK and overseas and also of the externally managed funds industry, including investment trust and other closed ended funds, offshore funds and hedge funds. He was a director of Dexion Absolute Limited and is currently a director of a number of investment companies including FRM Credit Alpha Limited and Gottex Market Neutral Trust Limited.

Shelagh Mason

Shelagh Mason, aged 47, Guernsey resident, is a solicitor with over 22 years' experience. She currently practises as Mason & Co in Guernsey. Her last position in the United Kingdom was as a senior partner of Edge & Ellison (now part of Hammonds) where she was responsible for the running of the Commercial Property Department across three offices in London, Birmingham and Leicester. Mrs Mason is a member of the Board of Directors of Standard Life Investment Property Income Trust and MedicX Fund Limited, a fund listed on the London Stock Exchange and is a non-executive director of two AIM listed investment funds, Ptarmigan Property Limited and Atlas Estates. She is also Chairman of the Guernsey Branch of the Institute of Directors and a member of the Chamber of Commerce and the Guernsey International Legal Association.

Voting

Following receipt of notice of each general meeting of the Company, the board of directors of VoteCo will meet to decide how to vote on each resolution to be proposed at such general meeting.

Under the VoteCo articles, the directors of VoteCo are obliged to determine if and how to exercise the voting rights attached to the B Shares held by VoteCo in the interests of the Shareholders as a whole. The directors of VoteCo may take advice from an investment bank of international repute and/or a law firm of international repute in order to determine the best

interests of the Shareholders as a whole in respect of each resolution to be proposed at a general meeting. The directors of VoteCo are under no obligation to follow any advice so obtained. At general meetings of the Company, VoteCo will participate in votes along with the Shareholders by show of hands or by poll as appropriate.

VoteCo Support and Custody Agreement with the Company

VoteCo has entered into an Agreement with the Company, under which the Company agrees, in return for the services provided by VoteCo, to provide VoteCo with funds from time to time in order that VoteCo be able to meet its obligations as they fall due, to pay all expenses of VoteCo, including the fees of the directors of VoteCo and the fees of all advisers engaged by the directors of VoteCo and premiums for directors' and officers' insurance, and to indemnify the directors of VoteCo in respect of all liability that they may incur in their capacity as directors of VoteCo.

Meetings and Reports to Shareholders

All general meetings of the Company will be held in Guernsey. The Company will hold an annual general meeting each year, with the first meeting to be held in 2008.

The Company's audited annual report and accounts will be prepared to 31 December of each year, commencing with its first financial year ending 31 December 2007, and it is expected that copies of the annual report will be sent to Shareholders by 30 April each year, or earlier if possible. Shareholders will also receive an unaudited half-yearly report each year, commencing in respect of the six-month period ending on 30 June 2008, expected to be despatched by 31 August each year, or earlier if possible. For financial periods beginning on 1 January 2008 or thereafter, the Company will also issue interim management statements within the meaning of the Disclosure and Transparency Rules during the period commencing ten weeks after the beginning and six weeks before the end of the first six-month period and the second six-month period of each financial year. As an alternative to issuing the interim management statements, the Company may choose (but is not obliged) to issue unaudited quarterly financial reports. The Company is not required to issue preliminary profit statements.

The Company's audited annual report and accounts will be available through a Regulatory Information Services provider authorised by the London Stock Exchange. The Company is required to send copies of its annual report and accounts to the Guernsey Financial Services Commission as soon as reasonably practicable after their publication. The Company is also required to provide certain statistical information to the Guernsey Financial Services Commission.

The Company's accounts will be drawn up in US Dollars in compliance with US GAAP and the Companies Laws.

Taxation

Information concerning the tax status of the Company is set out in Part 6 of this Registration Document entitled "Certain Tax Considerations". If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Shares, they should seek advice from their independent professional adviser.

PART 2

MANAGEMENT AND ADMINISTRATION OF THE COMPANY

Board of Directors

The Company's Articles of Association provide that the Company's Board of Directors shall be composed of any number of directors, a majority of whom must be Independent Directors. The Directors will meet on a regular basis to review and assess the investment policy and performance of the Company and generally to supervise the conduct of its affairs.

The Independent Directors and their business experience are as follows:

Marc-Antoine Autheman, aged 52, Chairman of the Company, is a resident of Belgium and has nearly 30 years of experience in the public and private finance sectors. He worked in the French Treasury for ten years from 1978 to 1988 working in several roles 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. He was also appointed Financial Counselor at the French Embassy in the United States and chaired the audit committee of the World Bank during this time. From 1997 to 2004, he worked in a number of roles at Crédit Agricole S.A. ("CASA"), including Managing Director responsible for foreign affiliate banks, Chief Executive Officer — Crédit Agricole Indosuez and, most recently, Managing Director CASA — International Banking. Mr. Autheman is currently a senior adviser to the CEO of Calyon (Crédit Agricole SA corporate and investment banking subsidiary) and a non-executive director of Icade, a real estate subsidiary of Caisse des Dépôts. His previous directorships include Banca Intesa and Saudi Fransi. He holds Master's degrees in Law and Economics from the University of Paris.

Keith Dorrian, aged 60, is a Guernsey resident and has over 30 years' experience in the offshore finance industry. Joining Manufacturers Hanover in 1973 he moved to First National Bank of Chicago in 1984. 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 Head of Global Fund Services and Managing Director of the Bank's Fund Administration company in Guernsey in 2001, retiring on 31 December 2003. He is currently a Director of a number of funds and fund management companies and holds the Institute of Directors Diploma in Company Direction.

Christopher Fish, aged 62, retired as the managing director of Close International Private Banking in Guernsey in July 2004 but remains non-executive Chairman of Close International Asset Management Holdings Limited and Close International Bank Holdings Limited. For the past 30 years he has held 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, Guernsey, Jersey and Isle of Man offices. In 1997, he was appointed the senior client partner for Coutts Offshore before taking up his last position as the managing director of Close International Private Banking in 1999. Mr. Fish is resident in Guernsey. He is a director of 10 other listed funds.

Christopher Legge, aged 52, Chairman of the Audit Committee, 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. He is an FCA and holds a BA (Hons) in Economics from the University of Manchester.

The Third Point Director and his business experience is as follows:

James Kelly, aged 57, is a US resident and has been the President of the Investment Manager since 2005. Prior to joining the Investment Manager, he was Chief Executive Officer of International Fund Services (“IFS”), a global leader in hedge fund administration and trade support services that he founded in 1994. Prior to joining IFS, he was President of Moore Capital Management. Prior to forming Moore in 1989, he was at Shearson Lehman and prior to that Drexel Burnham Lambert. He was a CPA and holds a BS in Business Administration from Southern Oregon University.

Mr. Kelly is currently an executive director of International Fund Services Inc., IMS Holdings Company II Inc., Madison Capital Management Inc., 47 Degrees North Capital Management Ltd. and Communities in School — New York Inc.

The summary of the Company’s Articles of Association in Part 8 of this Registration Document contains further information about the structure and practices of the Company’s Board of Directors.

Corporate Governance

The Company is committed to complying, and currently complies, with the corporate governance obligations which apply to Guernsey registered companies and, where possible, the Directors intend to adopt best practice. This may involve the Company having regard to the Code of Corporate Governance produced by the Association of Investment Companies and the Combined Code, where appropriate.

The Company does not currently comply with the Combined Code since there is no published corporate governance regime equivalent to the Combined Code in Guernsey. The Directors acknowledge this non-compliance and will comply with the Combined Code to the extent that they consider it appropriate having regard to the Company’s size, stage of development and resources.

The Directors have adopted a code of directors’ dealings in the Shares, which is based on the Model Code for directors’ dealings contained in the Listing Rules (the “**Model Code**”). The Board of Directors (the “**Board**”) will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Audit Committee

The Company’s Board of Directors has established and will maintain at all times after the closing of the Global Offer an Audit Committee that operates pursuant to written terms of reference. The Audit Committee will consist solely of Independent Directors and will have one member who is financially literate. The Company expects that the Audit Committee will initially consist of Mr. Autheman, Mr. Dorrian, Mr. Fish and Mr. Legge and that Mr. Legge will serve as Chairman. The Company considers Mr Legge to be financially literate.

When formed, the Audit Committee will be responsible for assisting and advising the Company’s Board of Directors on matters relating to:

- the Company’s accounting and financial reporting processes;
- the integrity and audits of the Company’s financial statements;
- the Company’s compliance with legal and regulatory requirements;
- the qualifications, performance and independence of the Company’s independent auditors; and

- the qualifications, performance and independence of any third party that provides valuations for the Company's investments.

The Audit Committee will also be responsible for engaging the Company's independent accountants, reviewing the plans and results of each audit engagement with the Company's independent accountants, approving professional services provided by the Company's independent accountants, considering the range of audit and non-audit fees charged by the Company's independent accountants and reviewing the adequacy of the Company's internal accounting controls.

The Company's Investment Manager

Third Point LLC, a limited liability company formed on 28 October 1996 under the laws of the State of Delaware, United States, is the Investment Manager of the Company. It is also the Investment Manager of the Master Fund.

In its capacity as the Investment Manager of the Master Fund, the Investment Manager is responsible for the management and investment of the Company's assets on a discretionary basis in pursuit of the Company's investment objective. The investment in the Master Fund is subject to the control of the Company's Board of Directors and borrowing and leverage restrictions as set out in this Registration Document.

All investment decisions for the Company are made by professionals of the Investment Manager. Their business experience is as follows:

Key Investment Management Professionals

Daniel S. Loeb, CEO, aged 45

Daniel S. Loeb is the CEO of Third Point LLC, which he founded in 1995. Before founding Third Point, Mr. Loeb was Vice President of high yield sales at Citigroup, a Senior Vice President in the distressed debt department at Jefferies & Co, and began his career as an Associate in private equity at Warburg Pincus. He is a director of American Restaurant Group, Biofuel Energy and Pogo Producing Company. In addition, he is a Trustee of Prep for Prep, a non-profit organisation. Mr. Loeb graduated with an AB in Economics from Columbia University.

Brad Radoff, Partner, Senior Portfolio Manager, aged 33

Brad Radoff rejoined Third Point LLC in 2006. Mr. Radoff began his investing career as an analyst with Third Point in 1997, where he worked on a variety of special situation investments. Mr. Radoff analysed similar investments at Citadel Investment Group in Chicago and Tokyo and at Lonestar Capital Management in San Francisco. He was the General Partner and Founder of Fondren Management, while providing consulting services to Third Point. Mr. Radoff graduated Summa Cum Laude from the University of Pennsylvania with a BS in Economics and a concentration in Finance and Accounting. He is a director of Pogo Producing Company.

Neel Devani, Partner, Portfolio Manager — Distressed, aged 31

Neel Devani joined Third Point LLC in 2004. Mr. Devani is primarily focused on investments in distressed securities. He invests in public and private bank loans, high-yield bonds and common stock of troubled companies with an emphasis on event driven, turnaround, restructuring and post-reorganisation situations. Mr. Devani previously worked at TCW Group in its Special Situations Group investing in distressed debt of highly leveraged companies. Prior to that, he worked at Donaldson, Lufkin & Jenrette in its Investment Banking Group. Mr. Devani graduated with a BA in Honours in Business Administration from the University of Western Ontario.

Munib Islam, Partner, Portfolio Manager — Europe, aged 33

Munib Islam joined Third Point LLC in 2004. Mr. Islam focuses primarily on European equities and special situations. He was an Associate at Oak Hill Capital Management where he focused on LBOs and equity investments in the business and financial services sectors. Prior to that, he was an Associate in the Financial Institutions Group at Lazard LLC. Mr. Islam received his MBA from the Graduate School of Business at Stanford University and graduated with a Bachelors degree in Economics, Magna Cum Laude and Phi Beta Kappa, from Dartmouth College.

Timothy S. Lash, Partner, Portfolio Manager — Technology, Media & Telecom, aged 32

Timothy Lash joined Third Point LLC in 2002. Mr. Lash covers the Technology, Media and Telecom (TMT) sectors. He covers both public and private equity and debt instruments in his target sectors, with a focus on distressed debt, special situations and restructuring stories. Mr. Lash previously worked at 3 Squared Capital as a Principal responsible for the research and trading of technology equities. Prior to that, Mr. Lash was an Associate in the Telecom Services investment banking team at Deutsche Bank Alex Brown. He is a Director of Ception Pharmaceuticals. Mr. Lash graduated as a Joseph Wharton Scholar from the Wharton School of Business at the University of Pennsylvania, with a BS in Economics.

Brigette M. Roberts, MD, Partner, Portfolio Manager — Healthcare, aged 31

Brigette Roberts joined Third Point LLC in 2005 and covers the Healthcare sector. Dr Roberts ran the Healthcare portfolio for DKR Capital. Prior to that, she worked at Sturza's Medical Research, and previously served as an Associate Healthcare Analyst at Thomas Weisel Partners. She graduated from Harvard University with a BA in Physics and Chemistry. Dr Roberts then attended NYU Medical School, where she graduated with an MD and completed one year of general surgical residency.

Jim Carruthers, Portfolio Manager, aged 52

Jim Carruthers joined Third Point LLC in 2005. Mr. Carruthers primarily focuses on short position ideas. Mr. Carruthers was a Founding Partner of Eastbourne Capital, a hedge fund based in California. Formally a Principal at Robertson-Stephens Investment Management (RSIM), he and his colleagues from RSIM formed Eastbourne. Both at RSIM and Eastbourne, Mr. Carruthers concentrated on the investigative due diligence of short positions. Prior to joining RSIM, Mr. Carruthers was an Analyst and Portfolio Advisor at Feshbach Brothers. In addition to his investment career, he has served in management roles in information systems. He is a graduate of the University of Maryland with a BS in Business Administration and holds an MBA from George Washington University.

Jeff Perry, Portfolio Manager, aged 45

Jeff Perry joined Third Point LLC in 2005. Mr. Perry was a Partner at Kynikos Associates, Ltd. and a Senior Portfolio Manager at SAC Capital Advisors. He was also a General Partner and Co-Director of Research at Zweig-DiMenna Associates. Mr. Perry is a Director of Ligand Pharmaceuticals and the Belin-Blank Center for gifted education at the University of Iowa. He graduated Magna Cum Laude from Georgetown University with a BA in American Studies.

Rob Schwartz, Managing Director — Third Point Ventures, aged 45

Robert Schwartz began working as a consultant to Third Point LLC in 2000 and joined the firm in 2005. Mr. Schwartz focuses on private equity investments in the technology space. Mr. Schwartz is a Board Member of Crimson Microsystems, Global Locate, Liga Systems and Technocom, a former board member of Radia Communications, Inc., and President and majority shareholder of RF Associates North, Inc., a leading technical manufacturer's representative firm in North California. He holds two undergraduate Engineering degrees from University of California, Berkeley, where he graduated Valedictorian.

A discussion of the Investment Manager's investment process is set out in Part 3 of this Registration Document.

Potential Conflicts of Interest

Other Activities of the Investment Manager

The Investment Manager will devote only such time to the business of the Master Fund as, in its sole and absolute discretion, it determines to be necessary and appropriate. In addition, the Investment Manager and its owners, members, officers and principals are presently involved in other business ventures. The Investment Manager also serves as the investment manager of other funds and separate accounts which may have substantially the same investment policies as the Master Fund. The Master Fund will have no interest in the foregoing activities. In executing securities transactions, the Investment Manager may combine orders of the Master Fund and these other funds and separate accounts, which may at times reduce the number of securities available for purchase by the Master Fund. Investments will be allocated between the Master Fund and these other funds and separate accounts in a manner that the Investment Manager believes in good faith to be equitable, and whereby the Master Fund's and its shareholders' interests (including the Company's) are not unfairly prejudiced.

The Investment Manager on occasion may purchase or sell securities or other investments for the Master Fund while at the same time selling or purchasing the same investments for one or more of the Investment Manager's other clients. In order to minimise transaction and market impact costs, the Investment Manager may effect cross-transactions in these investments among clients which frequently will, but need not, be executed through brokers at prevailing market prices. Whenever the Fund engages in cross-transactions with a counterparty that may be deemed to be a "proprietary" fund due to the Investment Manager's ownership interest in, or rights to deferred compensation from, such fund, an independent party will be engaged to approve such transactions on behalf of the Master Fund. The Master Fund and the Investment Manager's other clients may also engage in swap transactions, upon the approval of an independent party engaged to approve such transactions on behalf of the Master Fund.

The Investment Manager and its owners, members, officers and principals anticipate that, individually and/or through the Investment Manager or persons or firms that may be deemed affiliates of the Investment Manager, they will organise or become involved in other business ventures in the future. The Master Fund will not share in the risks or rewards of these individuals, the Investment Manager or its affiliates in their other ventures. Accordingly, the Investment Manager and its owners, members, principals and officers may encounter potential conflicts of interest in connection with such other business ventures. The directors and other service providers to the Master Fund may also have conflicts of interest. The Board of Directors of the Master Fund will endeavour to ensure that any conflict of interest is resolved fairly and in the interests of the Master Fund's shareholders, including the Company.

Sharing of Incentive Fee and/or Management Fee

Other investment professionals may receive compensation payments from the Master Fund or the Investment Manager to solicit investors in the Master Fund rather than to the Company.

Investment in the Company by the Investment Manager's CEO

The Investment Manager's CEO intends to make an investment equal to 5 per cent. of the target size of the Global Offer of €500 million on the same terms as any other investor.

Administrator and Registrar for the Company

Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as administrator and secretary of the Company pursuant to an Administration Agreement. The Administrator will be responsible for the Company's general administrative

requirements such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records.

The Administrator is licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 to provide administrative services to closed-ended investment funds and collective investment schemes.

Capita Registrars (Guernsey) Limited ("Capita") has been appointed as Registrar of the Company pursuant to an Offshore Registrar Agreement. Under the terms of this agreement, Capita is responsible for the maintenance of the register of the Company Shareholders and for the processing of issues, redemptions and transfers of Shares.

Further details of the Offshore Registrar Agreement and Administration Agreement are set out in Part 8 of this Registration Document.

PART 3

THE MASTER FUND

The Master Fund, Third Point Offshore Fund, Ltd, is an exempt company with limited liability incorporated under the laws of the Cayman Islands. The Master Fund aims to achieve attractive returns by using an Event Driven value investing strategy based on a bottom up, fundamental approach to evaluate various types of securities throughout companies' capital structures. The Master Fund was incorporated in the Cayman Islands on October 21, 1996 (registration number 69046). The Master Fund's registered office is c/o Walkers SPV Limited, Walker House, Mary Street P.O. Box 908GT, George Town, Grand Cayman, Cayman Islands. The Master Fund has no subsidiaries and does not have a holding company.

Investment Manager of the Master Fund

Third Point LLC, a limited liability company formed on 28 October 1996 under the laws of the State of Delaware, United States, with its registered office at 390 Park Avenue, New York, NY 10022, registration number 0001040273, is the Investment Manager of the Master Fund and is responsible for all investment decisions made on behalf of the Master Fund, subject to the policies and control of the Board of Directors of the Master Fund. All investment decisions relating to the Master Fund are made exclusively by the Investment Manager, except where the Investment Manager elects to allocate or divert a portion of the Master Fund's assets to independent managers to manage on a discrete basis.

Daniel S. Loeb acts as the Chief Executive Officer of the Master Fund and is the managing member of the Investment Manager. Mr. Loeb is responsible for formulating the Master Fund's investment objective and strategies on behalf of the Investment Manager. Mr. Loeb has been the managing member of the Investment Manager since its formation. The Investment Manager is registered as an investment adviser under the US Investment Advisers Act of 1940, as amended.

International Fund Services (Ireland) Limited, a company incorporated under the laws of Ireland, provides all administrative and clerical services to the Master Fund.

Investment Objective and Policy of the Master Fund

As noted, the Master Fund aims to achieve attractive returns by using an Event Driven, bottom up, fundamental approach to evaluate various types of securities throughout companies' capital structures. The Investment Manager identifies companies that may be affected by events such as a restructuring or business unit spin-off, changes in capital structure and/or uses of excess cash flows, management changes, realisation of hidden assets, industry transitions, merger transactions, distress from an overleveraged capital structure or unfavourable litigation outcome, fraud, accounting uncertainty and other events that may, in the Investment Manager's judgment, lead to a material mispricing of a company's securities.

The Investment Manager believes that this investment objective is sustainable due to the large global investment opportunity set and the dynamic nature of the events, and that it will be successful in achieving attractive returns given the complexity of the events combined with the structural inefficiencies of capital markets.

The Master Fund seeks to invest in companies in accordance with its investment objective without regard to the industries in which those companies are engaged. On this basis, the Master Fund is not purposely-diversified.

Special Investments

The Investment Manager reserves the right, in its sole and absolute discretion, to designate private equity or illiquid investments that the Investment Manager believes either lack a readily ascertainable market value or should be held until the resolution of a special event or circumstance, along with corresponding hedge positions, if any, as "Special Investments".

Each Special Investment is represented by a series of Third Point Class S Shares in the capital of the Master Fund. The Company will participate pro rata with other Master Fund investors who elect to do so in Special Investments made by the Master Fund and upon the determination of the Investment Manager to designate an investment as a Special Investment, a pro rata portion of Third Point Class E Shares (based on the NAV of such Third Point Class E Shares) held by each participating Third Point Class E Shareholder and all other shareholders that have elected to participate will be automatically exchanged by way of redemption and issuance of Third Point Class S Shares.

The Third Point Class S Shares issued in respect of such Special Investment will have an initial aggregate NAV (the “**Original Value**”) equal to the fair value (as determined by the Investment Manager) of such Special Investment at the time of the exchange (which will generally be cost if the investment is designated as a Special Investment at the time of the acquisition).

Third Point Class E Shares exchanged for Third Point Class S Shares will be treated as if redeemed as at the date of exchange, but any increase or decrease in the NAV of such Third Point Class E Shares as of such date will not be taken into account for purposes of calculating an Incentive Fee until such time as an Incentive Fee is determined with respect to the Third Point Class E Shares for which such Third Point Class S Shares were exchanged.

Third Point Class S Shares must be held by a shareholder until the Special Investment in respect of which they have been issued is realised (or deemed realised). The Special Investment is deemed realised if the Investment Manager, in its discretion, determines that such investment need not be treated as a Special Investment any longer or the Special Investment is distributed in redemption of the related Third Point Class S Shares. Third Point Class S Shares are not redeemable by a shareholder except in limited circumstances allowed by the Master Fund.

Investment Guidelines

Certain investment guidelines are employed by the Investment Manager in the construction of the Master Fund’s investment portfolio as follows:

- the guideline for the maximum long position is 15 per cent. of the portfolio;
- the guideline for the maximum industry concentration is 30 per cent. of the portfolio;
- the guideline for the maximum gross exposure is generally 250 per cent. of NAV;
- a maximum of 2 per cent. per portfolio company is held in short positions volatile stocks while no more than 5 per cent. in short positions is held for less volatile stocks; and
- the portfolio may include up to a maximum of 10 per cent. short exposure to the technology industry and will not include any net short exposure.

Further guidelines which apply to investments of the Master Fund are set out below.

Investment Process

The investment process begins with the identification of events that could serve as the catalyst for closing the gap between the market price of a security and its fundamental analysis perceived by the Investment Manager. Initial identification of opportunities can come from internal research and institutional knowledge that has accumulated among the investment professionals at the Investment Manager, screening based on valuation criteria, general corporate news flow, interaction with the Investment Manager’s extensive network of buy-side and sell-side contacts as well as industry contacts and consultants and general corporate news flow.

Once a company is identified as a potential investment candidate, the Investment Manager begins a comprehensive research effort that includes extensive modelling of the company’s financial results and conversations with the company’s management, competitors, consultants and other analysts. Many of the investment professionals at the Investment Manager have private equity backgrounds and will approach a potential long investment position as if they

were acquiring the whole company. The Investments Manager's effort in relation to short positions mirrors the opportunity in relation to long positions, i.e., the Investment Manager seeks to identify situations in which similar considerations suggest that the market price exceeds the fundamental value of a security.

The result of this intensive research process is the ability to build a portfolio with core, sometimes concentrated, holdings which the Investment Manager believes have the potential for strong returns. The Investment Manager believes it possesses significant advantages over most of the investment community with respect to this investment process. Please refer to the section entitled "Investment Highlights" in Part 1 of this Registration Document.

The holding period for an investment in the portfolio will reflect the timing of the anticipated events and the consequent realisation of value. This has typically ranged from six months to three years. While the Investment Manager employs a bottom-up approach to building the portfolio, risk is also analysed from a top-down perspective to help achieve optimal risk-adjusted returns.

Investment Strategy of the Master Fund

The Master Fund will seek to enhance its performance, or hedge its portfolio, by the use of leverage, short sales, options, futures and other derivative instruments. These special investment techniques are described below.

Leverage. The Master Fund may, at times, employ leverage designed to enhance returns. Loans to the Master Fund may be arranged through broker-dealers with which the Master Fund maintains customer accounts. The amount of borrowings that the Master Fund may have outstanding at any time may be large in comparison to its capital. Leverage will be closely monitored by the Investment Manager and will be adjusted to suit levels of risk in the portfolio. See "Risk Factors-Risks Relating to the Company's Investment in the Master Fund-The Master Fund may operate with a substantial degree of leverage, which may materially adversely affect the value of the Company's investment in the Master Fund" in this Registration Document.

As a leveraging strategy, the Master Fund may invest in swap transactions. Swaps are contracts for the future delivery of a financial interest in which the counterparties agree to make and take delivery at a specified future date of the value of specified financial instruments, at a specified price or yield.

Short Sales. Selling securities short involves selling securities that the Master Fund does not own. To make delivery to the purchaser of the securities, the Master Fund will borrow securities from a third party lender. The Master Fund will return the borrowed securities to the lender by delivering to the lender the securities the Master Fund receives in the transaction or by purchasing securities in the market. The Master Fund will generally be required to pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender will typically retain its right to receive interest and dividends accruing to the securities, but will pay the Master Fund a fee for the use of the Master Fund's cash as pledged. This fee is based on prevailing interest rates, the availability of the particular security for borrowing and other market factors.

The Master Fund's primary strategy with respect to short sales will be to identify overvalued equities where there is excessive leverage which might trigger a liquidity crisis or bankruptcy. As a secondary strategy, the Investment Manager intends to seek out companies where it believes fraud and accounting irregularities may exist which, upon being revealed, would cause a steep decline in the price of the company's stock. The Master Fund will also sell securities short, in particular exchange-traded funds, as a hedge against the decline in the value of its portfolio investments. See "Risk Factors — Risks Relating to the Company's Investment in the Master

Fund-The Master Fund may engage in short sales of securities, which carries a greater degree of risk than cash investments in securities” in this Registration Document.

Options and Futures. The Master Fund may engage in various investment strategies involving options, including index options, for the purpose of hedging its portfolio positions or in limited circumstances for speculation. When the Master Fund purchases an option, it will be required to pay the price of the option and transaction charges to the broker effecting the transaction. If the option is exercised by the Master Fund, the total cost of the option may be more than the amount of the brokerage costs that would be payable if the security was to be purchased directly. If the option expires unexercised, the Master Fund will lose an amount equal to the costs of the option. The Master Fund may also write (sell) call and put options on securities it owns and those not currently in its portfolio. The Master Fund will engage in the latter practice, known as selling uncovered or naked options, on only an infrequent basis.

The Master Fund may purchase and write futures contracts either directly or through investments in other collective investment vehicles. The Investment Manager has claimed an exemption from registration as a commodity pool operator under the US Commodity Exchange Act pursuant to CFTC Rule 4.13(a)(3), which allows the Investment Manager to invest the Master Fund’s assets in futures, provided that the Master Fund’s overall use of futures is limited. The Investment Manager expects to use futures for hedging and risk management purposes, but may engage in speculative trading of futures contracts as well. A futures contract is an agreement, executed on the floor of a commodity exchange, to sell or buy a specific amount of a commodity or a security at a specific time and price. Unless the contract is sold to another before Settlement Date, participants in the contract must buy or sell the underlying commodity. Futures contracts include those contracts traded on the New York Mercantile Exchange. See “Risk Factors — Risks Relating to the Company’s Investment in the Master Fund. The Master Fund may use various derivative instruments, including options and futures, as part of its investment strategy, which use of derivative instruments may involve additional risks” in this Registration Document.

The Investment Manager will allocate Master Fund’s capital among the various investment strategies discussed below based on the perceived relative attractiveness of the opportunities at the time of investment:

Special Situations

The Master Fund may buy or sell securities in a variety of special situations which afford opportunities for gains based on fundamental analysis coupled with the occurrence of an extraordinary corporate event (other than an event that would be characterised as a risk arbitrage event), including balance sheet arbitrage. The occurrence of certain special situations gives rise to certain investment opportunities, while some investment opportunities arise in anticipation of the occurrence of an extraordinary corporate event. The following is a discussion of the Master Fund’s long-term and short term trading strategies based on both types of special situations. See “Risk Factors — Risks Relating to the Company’s Investment in the Master Fund-The Master Fund may invest part or all of the Company’s capital in securities of companies that are in special business or organisational situations or are otherwise in distress, which investment involves significant risks” in this Registration Document.

Value Investing with a Catalyst. The Master Fund will seek opportunities in undervalued securities in which a potential catalyst for an extraordinary transaction exists. These might take the form of a large security holder advocating the sale of a company whose shares are trading at a substantial discount to the potential sales price, companies considering or engaged in spin-off transactions and other types of reorganisation a company may devise in the face of an external threat or to bolster securities perceived to be undervalued. Particular attention will be paid to the spread between market price and the Investment Manager’s assessment of the fundamental value of the security or potentially restructured package of securities.

Litigation. The Master Fund may purchase shares of companies whose share prices have dropped dramatically in response to the issuance of unfavourable legal decisions. Conversely, the Master Fund may purchase securities in anticipation of legal outcomes which may favourably influence security valuations.

Post-Bankruptcy Equities. The Master Fund may invest in securities issued by companies emerging from bankruptcy or reorganisation proceedings, particularly common stock issued to creditors under a plan of reorganisation. The Investment Manager believes that the market for these securities is typically inefficient due to the lack of institutional ownership and selling pressure generated by former creditors who have become equity holders unwillingly through the plan of reorganisation. The Master Fund may invest in the common stock if it trades at a price which the Investment Manager believes is a sufficient discount to its fundamental value.

Balance Sheet Arbitrage. Balance sheet arbitrage consists of the purchase of securities of an issuer coupled with the sale of other securities of the same issuer to take advantage of attractive price disparities in such securities given the issuer's financial situation. For example, the Master Fund may purchase an issuer's senior debt securities and sell short the issuer's subordinated debt securities and/or equity securities if the Investment Manager determines that the junior securities are significantly overvalued relative to the senior securities. Balance sheet arbitrage typically proves to be successful upon the occurrence of a triggering event within the issuer, such as a default in payment on debt securities or a sharp decline in business operations. Balance sheet arbitrage can offer attractive returns to investors while limiting exposure to the issuer's underlying business and overall market.

Short Term Trading. The Master Fund will also make short term investments based on certain short term events. Such events might cause sharp price movements and may be less related to fundamental valuation than other investments pursued by the Master Fund. Short term trading ideas may result in securities being held for between one day and several weeks. Two examples of short term trading techniques which may be employed by the Master Fund are investments based upon a company's earnings announcements and investments in initial public offerings or new issues.

Earnings Announcements. Significant volatility is often associated with the release of corporate earnings. Such earnings are generally estimated and published by brokerage firms. If the Investment Manager, based on its own research, believes that such "street estimates" significantly under-estimate or over-estimate an issuer's earnings in relation to its own estimate of such earnings, then the Master Fund may take long or short investment positions accordingly.

Initial Public Offers and New Issues. The Master Fund may purchase new issues of high-yield debt, convertible securities and equity securities that may provide short term profits. In addition, the Investment Manager may create long or short positions in securities of companies engaged in the process of secondary stock offerings.

Distressed Securities

The Master Fund will invest in publicly and non-publicly traded debt securities and other debt obligations, such as bank loans, bonds, notes, convertible bonds, mortgage securities, promissory notes and payables to trade creditors of companies that are experiencing significant financial or business distress. Under many circumstances, these instruments will be in default. The Master Fund has no specific limitation on the specific types of securities or other instruments or on the maturity or credit ratings of the securities or other obligations in which it invests.

Companies that are experiencing significant financial or business distress include, but are not limited to, companies that are, or are likely to become, subject to bankruptcy proceedings; companies that are candidates for restructuring or recapitalisation (e.g., through exchange offers, rights offerings, workouts and other extraordinary transactions), liquidation, or sale of all or a portion of their assets; companies currently experiencing operating difficulties, but that

offer the potential for significant earnings and cash flow improvement; and companies in need of “rescue” financing in order to avoid the expense of bankruptcy. See “Risk Factors — Risks Relating to the Company’s Investment in the Master Fund - The Master Fund will invest part or all of the Company’s capital in securities of companies that are in special business or organisational situations or are otherwise in distress, which investment involves significant risks”.

High-Yield Securities

The Master Fund may purchase high-yield securities that are trading at lower prices, or higher yields, than the Investment Manager believes appropriate due to the market overestimating default risk and/or undervaluing the potential recovery of a future reorganisation that would occur if the issuer ultimately did default. Generally, the Investment Manager will seek to achieve a favourable total return based on current cash flow and potential capital appreciation. In addition, such securities may be pay-in-kind or zero coupon securities. The Investment Manager will look for securities of companies that may be involved in extraordinary transactions that could result in the sale of the Company or a similar value-producing transaction. See “Risk Factors — Risks Relating to the Company’s Investment in the Master Fund - The Master Fund may invest part or all of the Company’s capital in non-investment grade, high-yield bonds and preferred securities, and the Company may fail to realise any profits from these investments or lose some or all of the principal amounts of these investments”.

Non-US Securities

In addition to certain non-US arbitrage transactions discussed below, the Master Fund may invest a portion of its net assets in securities of non-US corporate or governmental issuers, primarily of issuers located in emerging markets. The Master Fund’s investing in non-US securities, particularly securities of issuers located in emerging markets, involves considerations not typically associated with investing in securities of US companies. See “Risk Factors — Risks Relating to the Company’s Investment in the Master Fund - Investments in securities of issuers in emerging market countries, may involve additional currency exchange, political, social and economic uncertainties and risks.”

Risk Arbitrage

Risk arbitrage involves the purchase of securities of issuers that are the subject of a takeover attempt, exchange offer, merger or other acquisition prior to the time the market price of the securities fully reflects the value offered in the transaction, with the expectation that the price of the securities will rise. Risk arbitrage positions may involve long and short positions, or a combination thereof. For example, the Master Fund may purchase the security of the target company and sell short the security of the acquirer to be issued in the transaction in the expectation that the short position will be covered by delivery of the acquirer’s security when issued. These positions may be hedged or leveraged through the purchase of put and call options. Currency risk may be hedged in non-US arbitrage transactions by using forward transactions, currency options or borrowing the relevant currency in the cash market.

If the Investment Manager believes that the prospects for a successful consummation of the transaction are high and that the imputed return to the Master Fund from such an investment is sufficient relative to other potential investments, as well as on an absolute basis relative to the Investment Manager’s assessment of the downside risk in the case of non-consummation of the relevant transaction, an investment may be made. If the transaction is not consummated, however, the price of the target company’s shares may decline and the Master Fund may sell such securities at a loss. See “Risk Factors — Risks Relating to the Company’s Investment in the Master Fund - The Master Fund may from time to time engage in risk arbitrage transactions that depend on the realisation of certain underlying corporate events, which events may be delayed or not occur at all.”

Cash Tender Offers and Cash Mergers. At a time that a cash tender or merger is announced, the market price of the securities affected is typically less than the price offered to security holders upon consummation of the transaction. The Investment Manager will evaluate the likelihood of the transaction's consummation, including ability to obtain financing, regulatory, environmental and antitrust issues, quality of the acquiror and its track record in previous transactions, the professionals involved and their track record, the reasonableness and adequacy of the price to be paid compared to previous transactions, industry and market trends, as well as any other relevant issues to be considered. The Investment Manager intends to focus on hostile acquisitions and tender offers, where it believes the risk/reward characteristics to be more favourable than in friendly transactions.

Exchange Offers. In the context of a takeover bid, either hostile or friendly, a transaction may be structured as an exchange offer using securities of the acquiring company in lieu of or in addition to cash. The Investment Manager will attempt to value the new securities to be issued taking into account the structure, liquidity, marketability and other considerations as well as the transaction's likelihood of consummation and probable timing. If the Investment Manager determines that the timing and likelihood of consummation is advantageous and that the value of the package of new securities should exceed the market price of the securities to be exchanged, an investment may be made.

Liquidations. Companies may from time to time propose plans of liquidation pursuant to which all or substantially all of their assets are to be sold and the proceeds of such sales are to be distributed to their stockholders in one or a series of liquidating dividends. The Master Fund may invest in securities of an entity to be liquidated if the Investment Manager believes that the securities of the liquidating entity are trading at a sufficient discount to liquidation value to generate significant gains upon the consummation of the liquidation.

Voluntary Sale Process. If a company announces that it has decided to seek buyers for the company as a whole or for a substantial portion of its assets, the Investment Manager will analyse the prospects of such a sale with respect to, among other things, value, timing, potential buyers, regulatory restraints, the circumstances surrounding the decision to sell the company, and the capitalisation of the subject company. If the Investment Manager determines that the risk/reward characteristics of a potential investment are more favourable relative to other opportunities, as well as on an absolute basis, then an investment may be made.

On the other hand, securities of companies involved in a voluntary sales process may at times trade up to unrealistic levels in relation to their fair value. In such instances, the Investment Manager may sell short securities of such a company and could realise a profit if the sale price is lower than the trading price of shares at the time the company commenced the sale process or if the sale process is abandoned.

Catalysed Sales Process. A company may find itself the target of a dissident shareholder group attempting to force an auction of the company or some other extraordinary transaction involving the company. The Investment Manager will analyse these situations similarly to a voluntary sale transaction after first making a determination of the likelihood of success of the shareholder proposal, proxy fight, or consent solicitation. Among other things, consideration will be given to the identity, track record, apparent motive and financial resources of the dissident group as well as potential defensive manoeuvres or other impediments the subject company may attempt to use. The Master Fund from time to time may align with other holders to act as a principal in these situations and may also initiate on its own, or with others, shareholder proposals, proxy fights, consent solicitations or other methods to influence the subject company in an attempt to maximise the value of the Master Fund's investment.

Minority Squeeze-Outs. A parent company that owns the majority of a subsidiary's stock may propose to purchase from public shareholders the balance of the subsidiary's shares that it does not own. The Investment Manager will analyse these transactions with respect to, among other things, the value of the target, the premium offered over recent and historical stock prices,

probable timing and obstacles to consummation. In these situations, the price of the target often trades in excess of what is initially offered to shareholders and the profit realised by the Master Fund, if any, may depend on the likelihood of an increase in the share price offered to the minority public shareholders.

Non-US Arbitrage. From time to time, the Master Fund may take advantage of risk arbitrage opportunities in non-US markets. In the opinion of the Investment Manager, such transactions offer a unique opportunity to the Master Fund because non-US markets may not have local arbitrageurs investing in such deals and many US investors are either precluded from investing in non-US markets or deterred due to the differences in accounting and legal practices.

Other Investments

Investments in Investment Funds. The Master Fund may invest up to 10 per cent. of its net assets in other investment limited partnerships or pooled investment funds, with such percentage calculated at the time any such investment is made. As a limited partner or shareholder in another investment fund, the Master Fund will bear its rateable share of the underlying investment fund's expenses, including management and incentive fees (typically 20 per cent. of net gains), and will remain subject to both the Management Fee and the Incentive Fee with respect to these assets, as well as the Master Fund's administration fees and other expenses. However, the Master Fund will only bear management and incentive fees of such underlying investment funds with respect to up to 2 per cent. of the net assets of the Master Fund; management and incentive fees charged on any additional assets of the Master Fund invested in such underlying investment funds will be borne by the Investment Manager.

Investments in Joint Ventures and Other Co-Investment Opportunities. The Master Fund may also enter into joint venture arrangements, co-invest with third parties or otherwise participate in pooled investment vehicles with others, if the Investment Manager determines that such an arrangement represents the best way to access a particular investment opportunity or expand the investment expertise available to the Master Fund. The Master Fund may be subject to various costs relating to such ventures, including additional performance-based or fixed asset-based fees or fees payable to the promoters, managers or sub-advisers of such ventures. For ventures involving an investment in a particular transaction or market sector that the Investment Manager determines in its sole discretion would otherwise be difficult to access, any such fees and allocations will be payable in addition to, and will not reduce, the Management Fee and the Incentive Fee. However, the Master Fund will only bear such performance-based or fixed-asset based fees with respect to up to 2 per cent. of the gross assets of the Master Fund. Performance-based or fixed-asset based fees charged on any additional assets of the Master Fund invested in such ventures will either reduce the Management Fee or the Incentive Fee or will be paid by the Investment Manager. The Investment Manager may, in its sole discretion, offer co-investment opportunities to its employees, its affiliates, one or more Shareholders or third parties.

Real Estate Investments. The Master Fund may invest up to 10 per cent. of its net assets in real estate related investments. While some of these investments may be undertaken directly by the Master Fund, most of such investments will be effected indirectly through other investment vehicles or through joint ventures.

Illiquid Investments. The Master Fund may invest up to 15 per cent. of its assets in illiquid investments (including illiquid real estate investments (subject to the Master Fund's 10 per cent. limitation on investment in real estate related-investments) and Special Investments (subject to the Fund's 10 per cent. limitation on Special Investments)), calculated at the time any such illiquid investment is made. For purposes of this percentage limit, illiquid investments means investments that the Investment Manager believes lack a readily ascertainable market value, but does not include investments which may not be actively traded and/or may have legal or contractual limitations on sale, if the Investment Manager believes such investments have a readily ascertainable market value.

Temporary Investments. The Master Fund may, without limitation, hold cash or invest in cash equivalents. Among the cash equivalents in which the Master Fund may invest are: obligations of the United States Government, its agencies or instrumentalities (“**US Government Securities**”); commercial paper rated A1 or higher by the Standard and Poor’s division of The McGraw-Hill Companies, Inc. (“**Standard and Poor’s**”) or Prime 1 by Moody’s Investors Service, Inc. (“**Moody’s**”); and certificates of deposit and bankers’ acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation; and similar money market instruments denominated in other OECD currencies. The Master Fund may also engage in repurchase agreements and may purchase shares of money market mutual funds that invest primarily in US Government Securities and repurchase agreements involving those securities.

Management of the Master Fund

The Master Fund Board of Directors is elected by the holders of the Master Fund Shares. The Master Fund’s Board of Directors meets at least once a year to review and assess the investment policy and performance of the Master Fund and generally to supervise the conduct of its affairs. All directors act in a non-executive capacity for the Master Fund.

The Board of Directors of the Master Fund has the right to terminate the Master Fund at any time and for any reason. In the case of such termination and subject to legal requirements, the Master Fund’s assets (after the satisfaction of creditors’ claims) will be distributed to the holders of shares of the Master Fund within 30 days after completion of a final audit of the Master Fund’s books (which must be performed within 90 days).

In the event the Master Fund is to be terminated, a liquidating trust may be established by the Master Fund’s liquidator to hold Special Investments and any other illiquid securities held by the Master Fund. In that event, the liquidating trust would hold such investments after the liquidation of the Master Fund and would dispose of them at such time and in such manner as the trustee, in the exercise of its fiduciary responsibility, determines. The trustee will distribute the proceeds, if any, after the payment of any fees and expenses attributable to such investments, to the former shareholders of the Master Fund on a pro rata basis. (In the event of the existence of any Special Investments, the trustee will base the distribution of proceeds on the holding of each former shareholder’s Third Point Class S Shares.) See “Termination of the Master Fund” in Part 3 of this Registration Document below.

Composition of the Board

The current members of the Master Fund’s Board of Directors are Daniel S. Loeb, John Banks and David Clive Litton. Mr. Banks and Mr. Litton are considered to be “independent directors” of the Master Fund. Mr. Loeb’s business background is set out above under “Key Investment Management Professionals” in Part 2 of this Registration Document. The business background of each of Mr. Banks and Mr. Litton is as follows:

Mr. Loeb has been the managing member of the Investment Manager since its formation.

David Clive Litton

Since 1999 Mr. Litton has been Managing Director of Devonshire Corporate Services Limited, which is regulated by the Financial Supervision Commission in the Isle of Man as a corporate and trust service provider which also includes the regulation and provision of directorships. Prior to that, Mr. Litton was an Executive Director of Merchant Bankers, Rea Brothers (Isle of Man) Limited. Before joining Rea Brothers Mr. Litton was a Manager of the Fiscal Services Department of Coopers and Lybrand in the Isle of Man. Mr. Litton is a Director of a number of hedge funds. He is also an Associate of the Institute of Bankers, a member of the Society of Trust and Estate Practitioners and a member of the Institute of Directors. Mr. Litton is a resident of the Isle of Man. Mr. Litton has been a Director of the Master Fund from December 1998.

John Banks

John Banks is the Executive Chairman and Proprietor of Bridgewater (IOM) Limited, a company incorporated by him in 1996 and regulated by the Isle of Man Financial Supervision Commission, specialising in company administration and life and pensions consultancy. He is also a Director of Class Managers Limited, incorporated in May 2000 as a Bridgewater Group Company specialising in fund management and administration. He has been actively involved in fund management and third party administration since 1986. He has acted as either Managing Director or as a Director of a number of fund management groups on the Isle of Man prior to which he was involved in the private banking sector as General Manager of one of the leading private Swiss banks. Mr. Banks has been a Director of the Master Fund from December 1998.

He is a Fellow of the Association of Accounting Technicians and a Member of the Securities Institute and the Chartered Institute of Management; he also holds a category 2 Corporate Services Providers licence issued by the Financial Supervision Commission in the Isle of Man. Mr. Banks is resident in the Isle of Man.

The Board of Directors of the Master Fund may from time to time appoint certain officers to act on behalf of the Master Fund.

Corporate Governance

The Master Fund complies with all applicable corporate governance requirements in the Cayman Islands.

Directors' and other Interests

Save as disclosed herein, no Directors of the Master Fund have, or have had since incorporation, any interest in transactions which are unusual or significant to the Master Fund.

The Master Fund has not granted any loans to the Directors or provided any guarantees for their benefit.

There are no existing or proposed Directors' service contracts.

The Cayman Companies Law imposes no requirement on investors in the Master Fund to disclose their shareholdings to any person. As at the date of this Prospectus, none of the investors in the Master Fund will have voting rights attached to the Master Fund Shares they hold that will be different from the voting rights attached to any other Master Fund Shares.

The Directors of the Master Fund may exercise all powers of the Master Fund to borrow or raise money and to secure any obligation or debt as there are no limitations on the Master Fund with respect to borrowing of money.

The Directors of the Master Fund who are in any way, whether directly or indirectly, interested in a contract or proposed contract with the Master Fund shall declare the nature of their interest at a meeting of Directors at which the contract or arrangement is first taken into consideration or at the point at which the Director becomes so interested. The Directors may vote in respect of any contract or proposed contract or arrangement notwithstanding that they may be interested therein and if they do so their vote shall be counted and they may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration. However unless a proper declaration is made a Director may not vote with respect to any contract or arrangement in which he has an interest.

Directors' Remuneration

Under the Articles of Association of the Master Fund the Directors shall be entitled to such remuneration as may be voted to them by the Master Fund in a general meeting. The Directors were paid fees of \$20,000 in the year to 31 December 2006 and are expected to receive fees of

\$26,000 in the year to 31 December 2007. Daniel S. Loeb does not receive any fees in respect of his directorship of the Master Fund.

There is no provision for the retirement of a Director on attaining a certain age.

Auditors

Ernst & Young LLP serves as independent auditor for the Master Fund.

Audit and Remuneration Committees

The Master Fund has not so far established an audit, nominations and corporate governance or management engagement committee as the Board of Directors of the Master Fund is satisfied that any relevant issues can be properly considered by the Board of Directors of the Master Fund.

Management and Incentive Fees

The Third Point Investment Management Agreement

Under the Master Fund Investment Management Agreement, the Investment Manager has responsibility for investment of the Master Fund's assets, subject to the policies and control of the Board of Directors of the Master Fund. The Investment Manager will initiate all orders for the purchase and sale of securities on behalf of the Master Fund, and selects the brokers and dealers with and through whom the Master Fund trades. See "Potential Conflicts of Interest" in Part 2 of this Registration Document.

The Master Fund Investment Management Agreement will be automatically extended as at 1 January in each year for successive one-year terms, except that it may be terminated by the Investment Manager or the Master Fund upon 90 days' written notice given prior to 31 December of any year.

The Investment Management Agreement provides that the Master Fund will exculpate, indemnify and hold harmless the Investment Manager and its members, officers, affiliates, employees and agents and the legal representatives of any of them (each, an "**Indemnified Person**") from and against any loss or expense suffered or sustained by an Indemnified Person by reason of the fact that he, she or it is or was an Indemnified Person, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any actual or threatened action or proceeding (collectively, "**Losses**"), provided that such Losses resulted from: (i) a mistake of judgment or action or inaction taken by an Indemnified Person honestly and in good faith that said Indemnified Person reasonably believed to be in the best interests of the Fund, and, in the case of criminal proceedings, that the Indemnified Person had no reasonable cause to believe was unlawful; or (ii) the negligence, dishonesty or bad faith of any employee, broker or agent of the Indemnified Person, provided that such employee, broker or agent was selected, engaged or retained by the Indemnified Person with reasonable care and, in the case of any employee of the Indemnified Person, such employee is supervised by the Indemnified Person with reasonable care. The Master Fund may, in the sole discretion of the Board of Directors, advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding that arises out of such conduct. As a condition to any such advance, the Indemnified Person agrees to reimburse the Master Fund for such fees, costs and expenses to the extent that it shall be determined that the Indemnified Person was not entitled to indemnification.

Any trade errors will be the responsibility of the Master Fund unless the Investment Manager has acted in a manner, in effectuating any such trade, that constituted bad faith or fraud, willful misconduct or gross negligence.

Management Fee

The Master Fund will pay to the Investment Manager, pursuant to the Master Fund Investment Management Agreement, a fixed management fee (the “**Management Fee**”), payable monthly in advance, equal to the annual rate of 2.00 per cent. of the NAV of each series of shares of the Master Fund (other than Third Point Class S Shares) as of the beginning of each month before the accrual of any Incentive Fee (as defined below). This Management Fee will apply with respect to the Third Point Class E Shares to be owned by the Company.

The Master Fund will accrue the Management Fee on Third Point Class S Shares monthly. Such Management Fee will be payable from the Master Fund, without interest, (a) if a Special Investment is realised or deemed realised during the fiscal year, upon the realisation or deemed realisation of such Special Investment and (b) otherwise, at the end of the fiscal year (or, if the shareholder redeems all of its outstanding Shares prior to the end of the fiscal year, at the time of such redemption), by the liquidation, with respect to each shareholder, of that number of Third Point Class E Shares, of such shareholder sufficient to pay the investor’s pro rata portion of such Management Fee. For the purposes of calculating the Management Fee, Special Investments are valued at cost or, if a Special Investment is designated such after its acquisition, its fair value as of the date any such investment was designated as a Special Investment. The Investment Manager reserves the right to receive the Management Fee on Third Point Class S Shares by a distribution in kind to the Investment Manager of Special Investments equal in value to the Management Fee payable to the Investment Manager.

No Management Fee will be assessed on a Special Investment that has suffered a permanent impairment that the Investment Manager determines, in its discretion, has reduced the value of that Special Investment to zero.

The Investment Manager may, in its sole discretion, reduce, waive or calculate differently the Management Fee with respect to any partner, member or employee of the Investment Manager or its affiliates, such person’s family members and trusts or other entities established for the benefit of such person or his or her family members (each, a “**Related Investor**”). This may be effected by the issuance of a new class of shares of the Master Fund, a rebate of the Management Fee or some other permissible means.

Any closing fees, director’s fees or break-up fees (net of expenses attributable thereto and to any transactions not completed) paid to the Investment Manager or its affiliates as a result of the Master Fund’s investments (collectively, the “**Transaction Fees**”) will generally reduce the Management Fee. If Transaction Fees for a particular month exceed the amount of Management Fees for such month (including the amount of any Management Fee accrued on Third Point Class S Shares), the excess will generally be applied to reduce Management Fees in subsequent months. Other types of fees paid to the Investment Manager from companies in which the Master Fund invests will generally not reduce the Management Fee.

Certain of the Investment Manager’s investment professionals and certain industry consultants retained by the Investment Manager on behalf of the Master Fund may, from time to time, serve as board members of companies in whose securities the Master Fund invests. It is the general policy of the Investment Manager that any cash fees or other compensation paid to the Investment Manager’s employees for their service as board members of a company are to be assigned to the Master Fund or treated as an offset against the Management Fee (including the amount of any Management Fee accrued on Third Point Class S Shares) (with such compensation allocated among the Master Fund and the other funds managed by the Investment Manager in proportion to their investment in such company). However, in the Investment Manager’s sole and absolute discretion, it may permit such employees to retain all or a portion of such compensation.

If new or existing shareholders purchase shares of the Master Fund on any date other than as at the first day of a calendar month, a pro rata portion of the Management Fee will be paid out of

the purchase price of such Master Fund Shares, based on the actual number of days remaining in such partial month.

If shares of the Master Fund are redeemed at any time other than as at the last day of a month during the fiscal year, a pro rata portion of the Management Fee (based on the actual number of days remaining in such partial month) attributable to such shares will be repaid by the Investment Manager to the Master Fund for the benefit of the redeeming shareholder.

Incentive Fee

The Investment Manager also receives an annual incentive fee (the “**Full Incentive Fee**”), generally calculated as of the end of each fiscal year other than an Unrecovered Loss Year (as defined below), equal to 20 per cent. of the net realised and unrealised appreciation in the NAV of each series of shares of the Master Fund (adjusted, on a dollar-for-dollar basis, for any issuance or redemption of Master Fund shares in the applicable series made during the fiscal year) (the “**Adjusted NAV**”). This Incentive Fee (as defined below) will apply to the Third Point Class E Shares owned by the Company. However, a Full Incentive Fee will only be paid with respect to the net realised and unrealised appreciation in the Adjusted NAV of a series of Master Fund Shares in excess of the Prior High NAV (as defined below).

The “**Prior High NAV**” for each series of Master Fund shares is the NAV of such series as at the first day immediately following the date as of which the last Full Incentive Fee with respect to such series was determined (or if a Full Incentive Fee has not yet been determined with respect to such series, the NAV of such series immediately following the initial offering of such series) and will be appropriately adjusted for issuances and redemptions (on a dollar-for-dollar basis for (1) issuances and (2) redemptions made at such time as the Adjusted NAV is the same as, or greater than, the Prior High NAV; on a pro rata basis for redemptions made at such time as the Adjusted NAV is less than the Prior High NAV), taking into account any appreciation or depreciation in value of any realised Special Investment in respect of which the relevant Third Point Class S Shares have been redeemed, and as set out in the following paragraph.

If a series of Master Fund shares depreciates in value for a fiscal year (other than as a result of a redemption), the Prior High NAV of such series will be increased as of the end of such fiscal year by an amount equal to 150 per cent. the net depreciation in the NAV of such series (the “**Adjusted Prior High NAV**”). Thus, a series of Master Fund shares must recover an amount (which, solely for these purposes, will be calculated before taking into account any Incentive Fee) equal to two and-one-half times the amount by which it depreciates in any prior year before the Investment Manager is entitled to the Full Incentive Fee in respect of any appreciation in the NAV of such series. Until this occurs (such period being referred to as a “**Reduced Incentive Fee Period**”), a series of Master Fund shares will be subject to a reduced incentive fee (the “**Reduced Incentive Fee**”) in respect of net realised and unrealised appreciation for a fiscal year (an “**Unrecovered Loss Year**”). The Reduced Incentive Fee will equal 10 per cent., or half of the Full Incentive Fee. For example, if the NAV of a series of Third Point Class E Shares declines by US\$100,000 for a fiscal year from its Prior High NAV of US\$1,000,000 to US\$900,000, the Prior High NAV for such series would then be increased by US\$150,000 to equal an Adjusted Prior High NAV of US\$1,150,000. Until such time as the NAV of the series has appreciated from US\$900,000 to equal the Adjusted Prior High NAV of US\$1,150,000 (adjusted further as described above), and the US\$250,000 amount (before Reduced Incentive Fees) has been recovered, any net appreciation attributable to the series will be subject to the Reduced Incentive Fee at a 10 per cent. rather than a 20 per cent. rate. Appreciation in excess of the Adjusted Prior High NAV will be subject to the Full Incentive Fee rate of 20 per cent. As used herein, and unless otherwise indicated, the term “Incentive Fee” includes the Full Incentive Fee and the Reduced Incentive Fee. The Adjusted Prior High NAV will be appropriately adjusted for issuances and redemptions.

Thus, notwithstanding the fact that past losses have not been fully recovered, a series of Master Fund shares may be subject to a Reduced Incentive Fee. However, the Reduced Incentive Fee will

continue to apply on all such appreciations even after past losses have been fully recovered until such time as the NAV of the series of Master Fund shares (computed without reduction for Reduced Incentive Fees paid) reaches its Adjusted Prior High NAV.

Once the NAV of a series of Master Fund shares, as so computed, equals its Adjusted Prior High NAV, the additional net appreciation on the asset value will be subject to the Full Incentive Fee.

At the end of each fiscal year, each series of Master Fund shares (other than the series of any class issued upon the initial offering of such class, or the “**Initial Series**”) will be redesignated and converted into the Initial Series of such class (after accrual and payment to the Investment Manager of the Management Fee and any applicable Incentive Fee, except as provided below), provided, however, that no redesignation or conversion shall occur with respect to a series of shares of the Master Fund if at the end of such fiscal year either (a) the Adjusted NAV of such series is below the Adjusted Prior High NAV of such series or (b) the Adjusted NAV of the Initial Series (or such other series designated by the Board of Directors of the Master Fund, as set forth below) is below the Adjusted Prior High NAV of such Initial Series. Such redesignations and conversions will be effected at the prevailing NAV per share of the Initial Series, subject to the provisos in the first sentence of this paragraph.

For purposes of this Registration Document, “**Net Profits**” of the Master Fund for any fiscal year, which are allocated to a series, means the excess of (i) the aggregate revenue, income and gains (realised and unrealised) earned on an accrual basis by the Master Fund during the fiscal year from all sources allocated to that series and (ii) any reserves allocated to that series released during the fiscal year over (x) the expenses (including management fees) and losses (realised and unrealised) incurred on an accrual basis by the Master Fund during the fiscal year allocated to that series and (y) any reserves allocated to that class established by the Master Fund during the fiscal year.

For purposes of this Registration Document, “**Net Losses**” of the Master Fund for any fiscal year, which are allocated to a series, means the excess of (i) the expenses (including management fees) and losses (realised and unrealised) incurred on an accrual basis by the Master Fund during the fiscal year allocated to that series and (ii) any reserves allocated to that series established by the Master Fund during the fiscal year over (x) the aggregate revenue, income and gains (realised and unrealised) earned on an accrual basis by the Master Fund during the fiscal year from all sources allocated to that series and (y) any reserves allocated to that series released during the fiscal year.

For purposes of this Registration Document, “**Cumulative Losses**” allocated to a series means all Net Losses allocated to that series reduced, but not below zero, by all Net Profits subsequently allocated to that series.

If shares of the Master Fund are redeemed on a date other than as at the last day of a year, an Incentive Fee calculation with respect to the redeemed series will be made on the redemption date, and if an Incentive Fee has accrued, it will be payable from the Master Fund to the Investment Manager at such time. The calculation of the Incentive Fee will be made as if the redemption date was the end of the fiscal year. In addition, the amount of the Incentive Fee will be pro-rated by multiplying the amount of the Incentive Fee by a fraction, the numerator of which is the number of shares of the Master Fund in that series being redeemed and the denominator of which is the number of shares in that series outstanding immediately prior to the redemption.

The Investment Manager may, in its sole discretion, reduce, waive or calculate differently the Incentive Fee with respect to any Related Investor. This may be effected by the issuance of a new class of Master Fund shares, a rebate of the Incentive Fee or some other permissible means.

Deferred Incentive Fee Agreement

Under the provisions of a deferred incentive fee agreement between the Master Fund and the Investment Manager (the “**Deferred Incentive Fee Agreement**”), the Investment Manager may elect prior to the commencement of each fiscal year of the Master Fund to defer payment of all or a portion of its Incentive Fee for that fiscal year. An Incentive Fee deferral election made for any fiscal year will remain in effect for subsequent years unless and until the Investment Manager elects to change such deferral election. To the extent that the Investment Manager elects to defer the Incentive Fee, the deferred Incentive Fee will become a contractual obligation of the Master Fund. All of the amounts deferred may be deemed invested in a variety of investment vehicles, including the Master Fund, in the same manner as the Master Fund’s assets, such that the deferred Incentive Fee will appreciate or depreciate on the basis of such performance of those investments, except that such deferred amounts will not be reduced by any Management Fee or Incentive Fee. Such investments will be held in a separate account to the investments of the Master Fund. The deferred Incentive Fee and accrued interest and earnings thereon will be an accrued expense of the Master Fund and will reduce the Master Fund’s NAV. The Deferred Incentive Fee Agreement may not be terminated or amended (1) to provide for an accelerated distribution of amounts that have been deferred or (2) to change the termination or amendment provisions, other than by the vote of the holders of a majority of the outstanding shares of the Master Fund provided, however, that such termination or amendment shall not adversely affect the rights of the Investment Manager to payment of amounts credited under such Deferred Incentive Fee Agreement as of the date of such amendment, without the consent of the Investment Manager.

Determination of NAV of the Master Fund

The NAV of a series of the Master Fund shares, including the Third Point Class E shares and Third Point Class S Shares to be owned by the Company, will be equal to the gross assets less the gross liabilities allocable to such series (as the case may be) as of any date of determination. NAV per share of a series of Master Fund Shares is determined by dividing the NAV of that series by the number of outstanding Master Fund shares of that series. Because the various series of Master Fund Shares within a given class of shares will be issued at different dates, the NAV per share of each series of Master Fund shares may differ within a given class. The NAV of the Third Point Class E shares and Third Point Class S Shares of the Master Fund to be owned by the Company, for example, may differ from that of the other Third Point Class E shares and Third Point Class S Shares of the Master Fund that have already been issued to other investors prior to the Company’s investment in the Master Fund. Any Incentive Fee or Management Fee determined with respect to a particular series will be charged against such series.

The Master Fund’s NAV will be calculated as of the close of business on the last Business Day of each Fiscal Period (each, a “**Valuation Date**”). A “**Fiscal Period**” will commence on the first day following the last day of the immediately preceding Fiscal Period and end on the earliest of (1) the date immediately preceding the date on which any Master Fund shares are issued, (2) the effective date of any redemption of Master Fund shares, (3) the last day of each fiscal quarter, (4) the date on which the Master Fund terminates, (5) the date on which the Master Fund Investment Management Agreement terminates or (6) such other date as the Board of Directors of the Master Fund may determine.

To the extent feasible, expenses, fees and other liabilities will be accrued. Reserves for estimated or accrued expenses, liabilities or contingencies, including general reserves for unspecified contingencies, need not be taken in accordance with US GAAP. In calculating NAV, the Incentive Fee with respect to Third Point Class S shares is accrued when the Special Investment in respect of such Third Point Class S Shares is realised or deemed realised and the Management Fee with respect to Third Point Class S Shares is accrued monthly as expenses until paid to the Investment Manager (in the case of the Incentive Fee, if earned) at the end of the fiscal year. The calculation of the Incentive Fee and the Management Fee is described above.

In respect of each series of Third Point Class E Shares (which comprise Master Fund Euro Shares, Master Fund US Dollar Shares and Master Fund Sterling Shares) to be held by the Company, a separate series account has been established in the books of the Master Fund. An amount equal to the proceeds of issue of each share in the Master Fund is credited to the relevant series account. Any increase or decrease in the Master Fund's NAV attributable to a relevant series of issued Master Fund shares (disregarding for these purposes any increases in the Master Fund's NAV due to new subscriptions or decreases due to redemptions or any designated class adjustments (as defined below) is allocated to the relevant series account based on the previous relative net asset value of each such series account. There is then allocated to each series account the "designated Series Adjustments" being those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Master Fund's Board of Directors determine in their sole discretion relate to a single series. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the Master Fund Euro Shares and Master Fund Sterling Shares from the US Dollar into Euro and Sterling respectively will be allocated solely to the relevant Euro or Sterling series of shares in the Master Fund.

The Investment Manager, in consultation with the Master Fund's Administrator, will value the securities held by the Master Fund in accordance with the following methodology. Securities that are listed on a securities exchange (including such securities traded in the after-hours market) shall be valued at their last sales prices reported on the Valuation Date on the principal market (measured by dollar volume of transactions in all securities traded thereon) on which such securities shall have traded on such date. If the Valuation Date is not a date upon which the principal market on which such securities are listed was open for trading, the value shall be based on the last prior date, not more than 10 days before the Valuation Date, on which such market was open. If no such sales of such securities occurred on either of the foregoing dates, such securities shall be valued at the "bid" price for long positions and "ask" price for short positions on the principal market on the Valuation Date (or, if the Valuation Date is not a date upon which the principal market was open for trading, on the last prior date on which such market was so open not more than 10 days before the Valuation Date). Securities that are not listed on a securities exchange but are traded over-the-counter shall be valued at representative "bid" quotations if held long by the Master Fund and representative "ask" quotations if held short by the Master Fund, unless included in the Nasdaq National Market, in which case they shall be valued based upon their last reported sales price (if such prices are available). Long positions in non-US securities shall be valued at the last traded "bid" price, and short positions in non-US securities at the last traded "ask" price, available before the Valuation Date.

Options that are listed on a securities exchange shall be valued at their last sales prices on the Valuation Date on the principal market on which such options shall have traded on such date (or, if the Valuation Date is not a date upon which the principal market was open for trading, on the last prior date on which such market was so open not more than 10 days before the Valuation Date), provided that, if the last sales prices of such options do not fall between the last "bid" and "ask" prices for such options on such date, then the Investment Manager, in consultation with the Administrator of the Master Fund, shall value such options at the mean between the last "bid" and "ask" prices for such options on such date. Options for which no price quotation is available will be valued by an independent market maker, if one is available, or otherwise at its intrinsic value.

The value of any shares held or sold short by the Master Fund in an investment company shall be valued in accordance with the manner in which such shares are valued by such investment company provided, however, that the Investment Manager, in consultation with the administrator of the Master Fund, may make such adjustments in such valuation as it from time to time may consider appropriate. Dividend income, less any withholding taxes, from securities shall be recorded on the ex-dividend date.

The Board of Directors of the Master Fund will meet quarterly, or at such other times as the Board of Directors determines necessary or appropriate, to review the fair valuation determinations made by the Investment Manager.

Administrator of the Master Fund and Administrator Fee

Pursuant to an Administrative Services Agreement (the “**Administration Agreement**”) between the Master Fund and International Fund Services (Ireland) Limited (“**IFS**”), IFS has been retained as the administrator of the Master Fund. Please refer to Part 9 entitled “Additional Information about the Master Fund” for a summary of the Master Fund Administration Agreement and IFS’ responsibilities.

For its services to the Master Fund as Administrator, the Master Fund will pay IFS a monthly fee on a sliding scale based on the Master Fund’s total month-end net assets (before redemptions payable and accrued Incentive Fees), not to exceed a rate of 0.14 per cent. per annum of net assets, plus reimbursement for all out of pocket expenses, using customary billing rates. As an investor in the Master Fund, the Company will bear its pro rata share of such fees in accordance with the NAV of the Master Fund Shares that it will own.

Redemption of Master Fund Shares

Master Fund Shares may be presented to the Master Fund for redemption, in whole or in part, on 60 days’ prior written notice (subject to the discretion of the Master Fund’s Board of Directors to waive such notice), as at the last day of any calendar quarter, subject to the imposition of the lock-up period, the Redemption Fee provisions, and the Gate, all as further described below, or at such other times, with the consent of, and upon such terms of payment as may be approved by, the Master Fund’s Board of Directors, in its sole discretion (such dates being referred to as Redemption Dates). Master Fund Shares will be redeemed at a per Master Fund Share price equal to the NAV of the series of the Master Fund shares being redeemed, after adjustment for the accrued Incentive Fee and Management Fee attributable to the series of Master Fund shares being redeemed. Redemption may be made in US Dollars or, in certain circumstances, in kind.

A Third Point Class E shareholder has the right, upon at least 60 days’ prior written notice, to redeem all or any portion of its Third Point Class E Shares commencing as of the last day of the fourth full fiscal quarter following the issuance of the Third Point Class E Shares being redeemed (an “**Annual Redemption Date**”). After this one year lock-up period, redemptions will be permitted, provided a timely redemption request has been made (i) as at each anniversary of an Annual Redemption Date with respect to such Master Fund Shares without any redemption fee or (ii) as at the last day of any interim calendar quarter, subject to a redemption fee payable to the Master Fund equal to 3 per cent. of the redemption proceeds (the “**Redemption Fee**”). For the purposes of determining the Redemption Fee, if any, applicable with respect to any redemption, the Master Fund Shares will be redeemed on a “first in-first out” basis. Notwithstanding the above, a Gate restricting the ability to redeem Shares Master Fund will apply. Third Point Class S Shares must be held until the Special Investment in respect of which they have been issued is realised or deemed realised. A Special Investment is deemed realised when the Investment Manager determines it should no longer be treated as a Special Investment or the Special Investment is distributed in redemption of the related Third Point Class S Shares. Third Point Class S Shares may not be redeemed by holders.

The application of a Gate means that the aggregate redemptions from the Master Fund (including all outstanding classes of the Master Fund other than Third Point Class S Shares) during any calendar quarter (not to exceed two consecutive calendar quarters) is limited, at the Master Fund’s Board of Directors’ discretion, to 20 per cent. of the Master Fund’s net assets (excluding assets held in Special Investment Accounts) as of the first day of the calendar quarter.

A subscription made as at the first day of a calendar quarter will be deemed to have been made for the full fiscal quarter, so that, for example, a subscription made as of 1 January can be

redeemed as at 31 December of the same year without the imposition of a Redemption Fee (assuming timely notice and the Gate is not imposed).

If redemption requests during any such fiscal quarter exceed the Gate, the Master Fund shareholders requesting such redemptions will be permitted to redeem Master Fund Shares up to the Gate on a pro rata basis. If any Master Fund shareholder is prohibited from redeeming Master Fund Shares as at an Annual Redemption Date as a result of the operation of the Gate, that Master Fund shareholder will be deemed to have made a redemption request with respect to the excess amount for the day immediately following Redemption Date and will be subject to the imposition of the Gate, if applicable, for that subsequent Annual Redemption Date. If a Master Fund shareholder has been subject to the Gate for two consecutive calendar quarters, that Master Fund shareholder will not be subject to the Gate, if any, for the next following calendar quarter, if applicable, but the amount of that Master Fund shareholder's redemption in such calendar quarter will be counted towards the Gate when calculating whether a Gate will be imposed for such calendar quarter or month.

If a Master Fund shareholder is subject to the Gate as at the Annual Redemption Date (to which a Redemption Fee would not apply), no Redemption Fee will be charged on such redemption request rolled forward to the next interim quarterly Redemption Date (as to which a redemption fee would otherwise apply).

Any Master Fund shareholder whose aggregate investment in the Master Fund at any time exceeds 20 per cent. of the net assets of any class of the Master Fund will be promptly notified by the Investment Manager and will be given the opportunity to redeem as at the end of the month next ending, upon 10 days' written notice by the Master Fund shareholder, that amount of its investment that exceeds 20 per cent. of the net assets of any class of the Master Fund, subject to the imposition of any Gate but without the imposition of the Redemption Fee or lock-up period.

Notwithstanding anything else set out in this Part 3, the Master Fund's Board of Directors, in its sole and absolute discretion, may elect to waive the notice requirements set forth above, the lock-up period or all or any portion of the Redemption Fee with respect to any Master Fund shareholder, subject to such conditions as the Master Fund's Board of Directors may impose. Any such waiver will be limited to its particular circumstances and will not be granted on an ongoing basis, via side letters or otherwise.

Unless the Master Fund's Board of Directors consents to the withdrawal of any redemption request, a redemption request will be irrevocable. Payment of approximately 95 per cent. of the aggregate redemption proceeds will normally be effected within 10 Business Days following the applicable Redemption Date by wire transfer upon the request and at the expense of the redeeming Master Fund shareholder. The balance, if any, will be paid to the redeeming Master Fund shareholder after the issuance of the final NAV of the Master Fund for the fiscal month in which the redemption request was effected, but in any event within 60 days after the end of the fiscal month. No interest will be paid on the redemption proceeds between the redemption date and the date(s) of actual payment. In the Master Fund's Board of Directors' sole discretion, the proceeds of any redemption may be paid to the redeeming Master Fund shareholder in the form of a distribution of securities. In its discretion, the Investment Manager may provide assistance to a Master Fund Shareholder in liquidating such securities at the risk and expense of the Master Fund Shareholder.

Suspension of valuations and redemptions

The Master Fund's Board of Directors, by written notice to the Master Fund shareholders, may suspend Master Fund Share valuations and redemptions: (i) during any period when any exchange on which a substantial number of the Master Fund's investments are quoted is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (ii) during the existence of any state of affairs as a result of which, in the

opinion of the Master Fund's Board of Directors, disposal of investments by the Master Fund would not be reasonably practicable or might prejudice the non-redeeming Master Fund shareholders of the Master Fund; (iii) during any breakdown in the means of communication normally employed in determining the price or value of any of the Master Fund's investments, or of current prices in any stock market as aforesaid, or when for any other reason the prices or values of any investments owned by the Master Fund cannot reasonably be promptly and accurately ascertained; or (iv) during any period when the transfer of funds involved in the realisation or acquisition of any investments cannot, in the opinion of the Master Fund's Board of Directors, be effected at normal rates of exchange. The Master Fund's Board of Directors may further limit redemptions as deemed necessary by the Master Fund's Board of Directors, in its sole discretion, to prevent the Master Fund from being deemed to be a personal holding company, foreign personal holding fund or controlled corporation under US tax laws. To the extent that a request for redemption of Master Fund Shares is not withdrawn, the redemption shall be effected in priority as of the first Redemption Date following the recommencement of redemptions. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Compulsory redemption

The Master Fund reserves the right, upon not less than 10 days' prior written notice, to call any or all of a particular shareholder's Master Fund Shares for redemption at any time. Under such circumstances, the Master Fund's Board of Directors will have the irrevocable power to act in the name of such Master Fund shareholder to redeem their Master Fund Shares.

In the event of any compulsory redemption, the redemption price will be (i) the NAV of the series of Master Fund shares to be redeemed on such Redemption Date, less the accrued Management Fee and accrued Incentive Fee, if any, multiplied by (ii) a fraction, the numerator of which is the number of Master Fund Shares being redeemed, and the denominator of which is the number of Master Fund shares of that Class outstanding as of such date. See "Determination of NAV of the Master Fund" above in this Part 3 of the Registration Document. Such Master Fund shareholder will have no Master Fund shareholder rights with respect to the Master Fund Shares to be redeemed after the close of business on the date as of which the redemption price was calculated, except the right to receive the redemption price therefore and the right to receive dividends previously declared but not previously paid.

Use of proceeds

Proceeds received by the Master Fund from the issue of Master Fund Shares, after payment of offering expenses, will be used by the Master Fund in pursuance of its investment policy.

Expenses

All direct expenses relating to the Master Fund's operations, other than those borne by the Investment Manager, will be borne by the Master Fund. In addition, the Master Fund will bear the costs of certain services to be provided to the Master Fund.

Examples of services the costs of which will be borne by the Master Fund include trade support (services including, but not limited to, pre- and post-trade support, risk analysis and risk reporting, software and services provided by third parties and specialised consulting services), fund accounting, auditing, tax preparation, legal fees, insurance (other than fire and theft insurance), interest costs, taxes, custodian and brokerage, and transfer agency services, as well as the fees and expenses of consultants that provide specialised data and/or analysis as to specific companies or sectors in which the Master Fund has made or intends to make an investment. The Master Fund has retained a third party administrator to provide certain of these services. For its services, the administrator will receive compensation at customary rates, together with reimbursement of any out-of-pocket expenses.

The Master Fund will also bear any costs associated with proxy solicitation contests and the preparation of any letters with respect to plans and proposals regarding the management, ownership and capital structure of any portfolio company (and related Hart-Scott-Rodino filings) by the Investment Manager (including regulatory filings of such letters) in connection with the Master Fund's investments. See "Risk Factors — The Master Fund will invest part or all of the Company's capital in securities of companies that are in special business or organisational situations or are otherwise in distress, which investment involves significant risks" in this Registration Document.

The Master Fund will also indemnify the Investment Manager and its members, affiliates, associates, officers, employees or agents, as explained above under "Management and Incentive Fees" in Part 3 of this Registration Document.

All expenses incurred in connection with the organisation of the Master Fund, including the legal and accounting expenses and other costs incurred in organising the Master Fund and in connection with the initial offering of Master Fund Shares, were borne by the Master Fund and have been fully amortised.

Expenses relating to the Master Fund's operations to be borne by the Investment Manager are limited to the following: telephone, publications and periodicals, statistical services, salaries and fringe benefits of personnel employed by the Master Fund or the Investment Manager, travel costs of the Investment Manager incurred in connection with the Master Fund's investments, rent, office equipment, furniture, fire and theft insurance, heat, lighting, cleaning, power, water and utilities.

Termination of the Master Fund

The Master Fund will terminate upon the earlier of the following: (1) the passage of a special resolution to wind up the Master Fund by a vote of the shareholders of the outstanding Master Fund shares at a general meeting pursuant to the Articles of Association of the Master Fund; (2) the transfer to any individual, group or entity of the power to direct or cause the direction of the management and policies of the Investment Manager, or if Daniel S. Loeb is no longer actively engaged in formulating the investment philosophy of the Investment Manager; (3) the occurrence of any event which would make it unlawful for the existence of the Master Fund to be continued; or (4) the passing of a resolution of the Board of Directors to wind up the Master Fund. Upon the occurrence of one of the above events, the Master Fund will begin to liquidate its portfolio investments immediately and will distribute the proceeds to shareholders in the Master Fund, including the Company, as quickly as practically possible. Although certain distributions may be made in the form of securities, the Master Fund will distribute cash to the extent possible. It is anticipated that redemptions would be suspended during the period of time that the Master Fund is being liquidated and dissolved. Due to market conditions and transaction costs, it is likely that the NAV of an investor's Master Fund Shares, including those to be owned by the Company, after such liquidation will be lower than the termination level.

Notwithstanding the above, a liquidating trust may be established by the Master Fund's liquidator to hold Special Investments and any other illiquid securities held by the Master Fund. In that event, the liquidating trust would hold such investments after the liquidation of the Master Fund and would dispose of them at such time and in such manner as the trustee, in the exercise of its fiduciary responsibility, determines, and thereupon distribute the proceeds, if any, after the payment of any fees and expenses attributable to such investments, to the former shareholders of the Master Fund on a pro rata basis (in the event of any Special Investments, based on each shareholder's Third Point Class S shares held with respect to such Special Investment).

Dividend Policy

The Master Fund is not expected to make distributions to its shareholders. The Investment Manager intends that all income received by the Master Fund from its investments will be used first to meet its expenses, with the balance being reinvested in accordance with the Master Fund's investment policy.

PART 4

BROKERAGE AND CUSTODY FOR THE MASTER FUND

Custody of the Master Fund's assets will be held by the Master Fund's prime brokers. As of the date of this Registration Document, the Master Fund has appointed Bear Stearns Securities Corp., Goldman Sachs & Co, Citigroup Global Markets Inc. and UBS Securities LLC (each a "Prime Broker") as the prime brokers of the Master Fund pursuant to separate prime brokerage agreements. Each Prime Broker will be responsible for the safekeeping of those assets of the Master Fund held by it as custodian, except for assets deposited as margin with brokers.

Pursuant to the terms of a prime brokerage and custody agreement (the "Prime Brokerage Agreement") with each Prime Broker, each Prime Broker will provide other services to the Master Fund, which may include margin financing, stock lending, clearance and settlement services. In addition, the terms of each Prime Brokerage Agreement places a limit on the total amount of leverage that the Master Fund may employ. Such limits vary overtime given the value of the various securities held pursuant to such Prime Brokerage Agreements. The Master Fund has no other fixed restriction on leverage. The Prime Brokerage Agreements include provisions requiring the Master Fund to indemnify the applicable Prime Broker for any losses incurred by the Prime Broker in providing services to the Fund so long as the Primer Broker met the applicable standard of care in the Prime Brokerage Agreement. Each Prime Broker will be paid such customary fees for its services as the Master Fund and the Prime Broker negotiate from time to time.

None of the Prime Brokers or any other broker that may be appointed will exercise any investment discretion on behalf of the Master Fund's assets.

The Master Fund reserves the right to change its prime brokerage and custodian arrangements with respect to each Prime Broker by agreement with such Prime Broker, and/or, in its discretion, to appoint additional alternative prime broker(s) and custodian(s).

PART 5

OPERATING AND FINANCIAL REVIEW OF THE COMPANY AND THE MASTER FUND

The Company is a newly-formed investment company that has not yet commenced operations following its incorporation on 19 June 2007. The Company does not have any historical financial statements or other meaningful operating or financial data as at the date of this Registration Document that may be used to evaluate its performance.

OPERATING AND FINANCIAL REVIEW

The following discussion of the Company's and the Master Fund's financial position and results of operations should be read in conjunction with the rest of the Prospectus, of which this Registration Document forms a part, including the financial statements and the related notes thereto set out in Part 10 "Accountant's Report and Financial Information" of this Registration Document. In addition, the unaudited financial information for the Master Fund for the three month period ended 31 March 2007 is set out in "Accountant's Report and Financial Information".

This section contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Registration Document, particularly under the headings "Forward-Looking Statements" and "Risk Factors".

OVERVIEW

The Company is a newly established, limited liability registered closed-ended investment company, registered and incorporated in Guernsey on 19 June 2007. The Company will be organised as a feeder fund that will invest all the proceeds of the Global Offer, net of short term working capital requirements, directly in Master Fund Shares. The Master Fund is an exempt company with limited liability incorporated under the laws of the Cayman Islands.

FUTURE INVESTMENT PERFORMANCE

As the Company is a newly formed investment company, it does not have any historical financial statements or other historical operating or financial data that may be used to evaluate its performance. As the Company will invest its assets entirely in the Master Fund, historical financial statements and other operating and financial data for the Master Fund have been included in this Registration Document. However, the past performance of the Master Fund is not indicative of the future performance of the Master Fund or the Company. Potential investors should read the information set out under the heading "Risk Factors — Risks Relating to the Company's investment in the Master Fund" in this Registration Document.

Dependence on the Investment Manager

The Company is a feeder fund, investing all of the proceeds of the Global Offer (net of short term working capital requirements) in Master Fund Shares. Except in certain limited circumstances, the Company and its Investment Manager will not have investment discretion with respect to the Company's investment in the Master Fund. Instead, the Company will rely on the skills and capabilities of the Master Fund's Investment Manager in selecting, evaluating, structuring, negotiating, executing, monitoring and exiting investments and in managing any uninvested capital of the Master Fund in accordance with applicable investment policies. As a result, the Company's ability to grow its NAV and any returns its investments may generate will depend entirely on the ability of the Master Fund's Investment Manager to identify suitable

investment opportunities and to implement effectively the investment strategy of the Master Fund.

Execution of Investment Strategies

The Company's and the Master Fund's ability to generate increases in their respective NAVs will depend entirely on the ability of the Investment Manager to identify and make investments for the Master Fund that generate positive returns. Both the failure of the Master Fund's investment strategy and the failure of the Master Fund's Investment Manager to implement such strategy appropriately may reduce the NAV of both the Company and the Master Fund and adversely impact the value of the Shares. The success of the Master Fund's investment strategy is dependent on a number of factors, including many that are out of the control of the Investment Manager, such as general economic and political conditions, interest rate movements, foreign currency exchange movements and volatility in the financial markets. Potential investors should read the information set out under the heading "Risk Factors — Risks Relating to the Company's Investment in the Master Fund — Market risk could significantly affect the performance of the Company".

FINANCIAL REPORTING

The Company will prepare financial statements on an annual and semi-annual basis in accordance with US GAAP and the Companies Laws. The Company's financial statements will consist of a statement of assets and liabilities, statement of operations, a statement of changes in net assets, or statement of cash flows, related notes and any additional information that the Directors deem appropriate or that is required by US GAAP and applicable law. The Company's annual financial statements will be audited by an independent accounting firm, currently Ernst & Young, Guernsey. If, as a result of ongoing work by international regulators in relation to convergence of accounting standards, the Company is required to prepare its accounts in accordance with IFRS, then the Company will do so in the future. The Master Fund has historically prepared its financial statements in accordance with US GAAP and intends to continue to do so. Because the Company will not hold a controlling interest in the Master Fund, the Company will not consolidate the results of operations or the assets of the Master Fund in its financial statements. As a result, the Company anticipates that the principal investment that will be recorded as an asset in its financial statements will be its investment in the Master Fund. The Company will provide Shareholders with the financial statements of the Master Fund. In the event that the Company was found to hold a controlling interest in the Master Fund, it would consolidate the results of operations and assets of the Master Fund in its financial statements.

The Company's audited annual report and accounts will be prepared to 31 December of each year, commencing with its first financial year ending 31 December 2007, and it is expected that copies of the annual report will be sent to Shareholders by the following 30 April of each year, or earlier if possible. Shareholders will also receive an unaudited half-yearly report each year commencing in respect of the six-month period ending on 30 June 2008, expected to be despatched by 31 August 2008, or earlier if possible, or, for subsequent unaudited half-yearly reports, by 31 August in each year. The Company will issue interim management statements within the meaning of the Transparency Rules during the period commencing ten weeks after the beginning and six weeks before the end of the first six-month period and the second six-month period of each financial year. As an alternative to issuing the interim management statements, the Company may choose (but is not obliged) to issue unaudited quarterly financial reports.

The Company's audited annual report and accounts, unaudited interim reports and interim management statements (or unaudited quarterly financial reports) will be made available through a Regulatory Information Service Provider authorised by the London Stock Exchange.

The Company is required to send copies of its annual report and accounts to the Guernsey Financial Services Commission as soon as reasonably practicable after their publication. The Company is also required to provide certain statistical information to the Guernsey Financial Services Commission.

MEASURE OF FINANCIAL PERFORMANCE

The Company expects that the primary measure of its financial performance, and the primary measure of the financial performance of the Master Fund, will be the change in net assets resulting from the Master Fund's operating activities during an accounting period and the corresponding change in the Company's and the Master Fund's NAV.

Under US GAAP, the Company's statement of operations reports details of the Company's allocated share of net investment income from the Master Fund (that is, separate disclosure of allocated interest, dividends and expenses). The statement also reports separately the Company's allocated share of the Master Fund's realised and unrealised gains and losses.

The preparation of financial statements in conformity with US GAAP requires management of the Company and the Master Fund to make estimates and assumptions that affect (a) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and (b) the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

THE COMPANY'S FINANCIAL STATEMENTS

The Company will record at each month-end its proportionate share of the Master Fund's income, expenses and realised and unrealised gains and losses. In addition, the Company will accrue its own income and expenses. As the results of operations of the Master Fund will not be consolidated in the Company's financial statements, the Company expects that its total expenses will be limited to the expenses that it incurs directly in connection with its operations. The Company believes that these expenses will consist primarily of auditors' fees, directors' fees and other operational expenses such as insurance premiums, legal fees and the costs of preparing and printing reports to the Shareholders. The Company will not incur expenses in connection with the Global Offer, as all such expenses will be borne by the Investment Manager.

VALUATION OF INVESTMENTS

The value of the investment in the Master Fund will reflect the NAV per share of the Master Fund, as at the reporting date. The valuation of securities and assets held by the Master Fund is discussed in the notes to the Master Fund's financial statements which are set out in Part 10 "Accountant's Report and Financial Information".

IMPACT OF FOREIGN EXCHANGE EXPOSURE ON RETURNS TO SHAREHOLDERS OF THE EURO AND STERLING SHARES IN THE COMPANY

The Shares in the Company are denominated in Euro, US Dollars and Sterling and its financial statements will be prepared in US Dollars. The operational and accounting currency of the Master Fund is the US Dollar, and therefore non-US Dollar subscription monies for Master Fund Shares are converted to US Dollars for operating purposes. Although the foreign exchange exposure of non-US Dollar denominated assets of the Master Fund is generally hedged in order to reduce foreign exchange risk, there can be no assurance that any hedging put in place will mitigate all foreign exchange risk. Moreover, any direct foreign exchange exposure of the Company arising from the incurrence of non-US Dollar-denominated expenses by the Company will not be hedged. Investors in Euro or Sterling denominated Shares of the Company will accordingly have greater exposure to fluctuation in the Euro and Sterling exchange rates against the US Dollar than investors in the US Dollar-denominated Shares. In addition, the costs and any benefit of hedging the foreign currency exposure of the assets attributable to the Master Fund Shares denominated in Euros and Sterling from the US Dollar will be allocated solely to the relevant class of Master Fund Shares (and therefore to the relevant class of Shares in the Company). This may result in variations in the value of the three classes of Shares.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Master Fund should be read alongside the Company's financial statements. The significant accounting policies included in the Master Fund financial statements are reproduced below:

Security transactions and valuation

Securities listed on a national securities exchange or quoted on NASDAQ are valued at their last sales price as of the last Business Day of the period. Listed securities with no reported sales on such date and over-the-counter securities are valued at their last closing bid price if held long by the Master Fund and last closing ask price if held short by the Master Fund. Securities which are not listed are valued at the estimated fair value as determined by the Master Fund's Investment Manager based on dealer quotes and quoted market prices for similar securities. Notwithstanding the foregoing, long positions in non-US securities are valued at the closing bid price and short positions in non-US securities are valued at the closing asked price, in the principal market where they are traded. Private placement securities not registered for public sale are carried at an estimated fair value at the end of the period, as determined by the Master Fund's Investment Manager. Factors considered by the Master Fund's Investment Manager in determining fair value include cost, the type of investment, subsequent purchases of the same or similar investments by the Master Fund or other investors and the current financial position and operating results of the portfolio company. Due to the inherent uncertainty of valuation for these investments, the estimate of fair value for its interest in these investments may differ from the values that would have been used had a ready market existed for the investment, and the difference could be material. The resulting unrealised gains and losses are reflected in the statement of operations.

Income expense and recognition

The Master Fund records securities transactions and related income and expense on a trade-date basis. Realised gains and losses are determined using cost calculated on a specific identification basis. Dividends are recorded on the ex-dividend date. Interest is recorded on an accrual basis. Dividend income on long positions is recognised on the ex-dividend date and the dividend declared on short positions existing on the record date is recognised on the ex-dividend date as an expense in the statement of operations.

Derivative Contracts

In the normal course of business, the Master Fund enters into derivative contracts (“Derivatives”). The Derivatives that the Master Fund invests in are primarily equity options, rights, warrants, forward currency contracts, credit default, index and total return swap contracts and contracts for differences. Typically, Derivatives serve as a component of the Master Fund’s investment strategy and are utilised primarily to structure the portfolio, or individual investments, to help achieve the investment objective of the Master Fund. Market values of Derivatives are determined by using quoted market prices when available; otherwise fair values are based on pricing models that consider the time value of money, volatility, and the current market and contractual prices of referenced financial instruments.

Investments sold short

The Master Fund may sell a security it does not own in anticipation of a decline in the market value of that security. When the Master Fund sells a security short, it must borrow the security and deliver it to the broker-dealer through which it made the short sale. The Master Fund is required to maintain collateral with the broker-dealer from which the security was borrowed. A gain, limited to the value at which the Master Fund sold the security short, or a loss, potentially unlimited in size, will be recognised upon the termination of a short sale and recorded as a net realised gain or loss on investments in the statement of operations. Securities sold short are recorded as liabilities in the Statement of Financial Position in the relevant year.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange as at 31 December of each year. Transactions during any given year are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction and translation gains and losses are included in net increase or decrease in net assets resulting from operations.

RESULTS OF OPERATIONS OF THE MASTER FUND

As the activity of the Master Fund consists of investing in financial instruments, the statutory financial reporting requirements may not provide the most useful means by which to judge the development and performance of the Master Fund. In particular, while these statutory financial reporting requirements classify the result of each investment into various individual items, the Master Fund and the Master Fund’s Investment Manager focus on the overall investment performance. It may also not provide particularly useful insight to compare over time individual items, as they may vary significantly from period to period for very different reasons, including macro-economic conditions, investment strategies deployed, foreign currency transactions for hedging purposes and total assets under management.

Measure of financial performance of the Master Fund

Results of operations of the Master Fund for the financial years ended 31 December 2004, 2005 and 2006 and for the three-month period ended 31 March 2007.

The financial information presented in the following table in respect of the financial years ended 31 December 2004, 2005 and 2006 has been extracted from the financial information set out in Part 10 “Accountant’s Report and Financial Information”. The financial information shown in the following table for the three month period ended 31 March 2007 has been extracted from the unaudited financial information presented in Part 10 “Accountant’s Report and Financial Information”. The results of operations of the Master Fund represent a combination of the results of investment activity, the impact of foreign currency transactions and the non-investment activity, which primarily includes the management fees and incentive fees payable to the Master Fund’s Investment Manager, appreciation of deferred compensation and other expenses.

	Year ended 31 December			3 months ended
	2004	2005	2006	31 March 2007
Net realised and unrealised gain from investment transactions	248,237,643	402,493,452	452,098,547	289,310,398
Income				
Interest	3,712,975	22,548,237	50,509,782	5,723,130
Dividends (net of withholding taxes)	7,116,471	24,387,171	27,287,336	8,120,584
Stock loan income	—	—	5,737,521	14,346,200
Other income	—	674,666	103,667	352,305
Total investment income	10,829,446	47,610,074	83,638,306	28,542,219
Expenses				
Incentive fee	45,408,540	70,149,185	77,278,147	51,277,228
Management fee	9,608,046	37,559,021	47,613,042	13,833,257
Interest	2,383,719	25,916,551	35,980,578	17,913,188
Appreciation of deferred compensation	13,404,179	24,291,323	34,629,516	26,041,645
Dividends on securities sold, not yet purchased	3,699,648	10,603,477	13,077,850	5,055,369
Stock borrow fees	—	—	9,640,955	3,044,039
Administrative and professional fees	2,318,097	3,578,938	4,672,741	806,940
Other expenses	610,698	2,772,587	6,569,811	1,328,785
Total expenses	77,432,927	174,871,082	229,462,640	119,300,451
Net investment loss	(66,603,481)	(127,261,008)	(145,824,334)	(90,758,232)
Net increase in net assets from operations	181,634,162	275,232,444	306,274,213	198,552,166

Notes:

- (1) Dividend Income is net of withholding taxes of US\$ in each period presented respectively US\$2,986,547, US\$8,880,126, US\$6,081,241, US\$3,167,699.
- (2) Stock borrow fees are included in interest expense for the years ended 31 December, 2004 and 31 December, 2005.

Three-month period ended 31 March 2007

Interest income

The Master Fund's interest income represents total interest income earned by the Master Fund from fixed income securities and interest due from brokers.

The Master Fund earned interest income of US\$5,723,130 in the three months ended 31 March 2007.

Dividend income, net

Dividend income represents total dividend income, net of withholding taxes, earned by the Master Fund from equity securities.

The Master Fund's dividend income for the three months ended 31 March 2007 was US\$8,120,584.

Stock Loan and other income

Stock loan income represents the payments made by parties who borrow the Master Fund's securities for the purposes of providing security for short positions for which the Master Fund charges a fee.

Stock loan income for the three months ended 31 March 2007 was US\$14,346,200. Stock loan income in the financial year ended 31 December 2006 was US\$5,737,521. The increase in stock loan income was primarily attributable to attractive stock loan fees earned by the Master Fund in respect of one of its long positions in equity securities.

Other income was negligible in the three month period ended 31 March 2007.

Total expenses

Expenses consist of all the expenses incurred by the Master Fund in connection with the investment strategy of the Master Fund. These expenses include expenses directly related to investment activity such as incentive and management fees payable to the Master Fund's Investment Manager, interest expense, dividend expense on short investments, appreciation of deferred compensation, stock borrowing fees, professional and other fees and other general expenses.

The Master Fund's total expenses were US\$119,300,451 for the three month period ended 31 March 2007.

Net investment (loss)/gain

As a result of the above factors, the Master Fund had a net investment loss of US\$90,758,232 for the three month period ended 31 March 2007.

Net gain on investments

The Master Fund's net gain on investments for the three month period ended 31 March 2007 was US\$289,310,398.

Net increase in net assets resulting from operations

As a result of the above factors, the net increase in net assets resulting from operations was US\$198,552,166 for the three month period ended 31 March 2007.

NAV at period end

The Master Fund's net assets increased by 9.6 per cent. from US\$2,472,227,945 as at 31 December 2006 to US\$2,709,359,233 as at 31 March 2007. This increase reflected the increase in net assets of the Master Fund from operations, together with a net increase from

share capital transactions in the Master Fund of US\$38,579,122 in the three month period ended 31 March 2007.

Comparison of the financial years ended 31 December 2006 and 31 December 2005

Interest income

The Master Fund earned US\$50,509,782 in the financial year ended 31 December 2006 representing a 124 per cent. increase from 31 December 2005. The increase was a result of an increase in the net asset value of the Master Fund, the implementation of the Master Fund's investment strategies resulting in changes to the Master Fund's gross and net exposure to long and short positions in various securities and an increase in the United States federal funds rate during the financial year ended 31 December 2006, being the basis on which cash accrues interest in the Master Fund's prime broker accounts.

Dividend income, net

The Master Fund's dividend income for the financial year ended 31 December 2006 was US\$27,287,336 representing an increase of 11.9 per cent. from 31 December 2005.

Stock Loan and other income

Stock loan income in the financial year ended 31 December 2006 was US\$5,737,521.

Other income was negligible in the financial year ended 31 December 2006.

Total expenses

The Master Fund's total expenses were US\$229,462,640 for the financial year ended 31 December 2006. This represented an increase in total expenses of 31.2 per cent. from 31 December 2005. This increase was largely attributable to (i) an increase in management fees, the amount of which is primarily linked to the NAV of the Master Fund and (ii) incentive fees and an appreciation of deferred compensation, the amounts of which are linked to the NAV and the performance of the Master Fund.

Net investment (loss)/gain

As a result of the above factors, the Master Fund had a net investment loss of US\$145,824,334 for the financial year ended 31 December 2006 which represents a 14.6 per cent. increase from 31 December 2005.

Net gain on investments

The Master Fund's net gain on investments for the financial year ended 31 December 2006 was US\$452,098,547. This net gain on investments represents a 12.3 per cent. increase from 31 December 2005.

Net increase in net assets resulting from operations

As a result of the above factors, the net increase in net assets resulting from operations was US\$306,274,213 for the financial year ended 31 December 2006 which represents a 11.3 per cent. increase from 31 December 2005.

NAV at year end

The Master Fund's net assets increased by 25.2 per cent. from US\$1,975,382,570 as at 31 December 2005 to US\$2,472,227,945 as at 31 December 2006. This increase reflected the increase in net assets of the Master Fund from operations, together with a net increase from share capital transactions in the Master Fund of US\$190,571,162 in the financial year ended 31 December 2006.

Comparison of the financial years ended 31 December 2005 and 31 December 2004

Interest income

The Master Fund earned US\$22,548,237 in the financial year ended 31 December 2005 representing a 507.3 per cent. increase from 31 December 2004. The increase was a result of an increase in the NAV of the Master Fund, the implementation of the Master Fund's investment strategies resulting in changes to the Master Fund's gross and net exposure to long and short positions in various securities and an increase in the United States federal funds rate during the financial year ended 31 December 2005, being the basis on which cash accrues interest in the Master Fund's prime broker accounts.

Dividend income, net

The Master Fund's dividend income for the financial year ended 31 December 2005 was US\$24,387,171 representing an increase of 242.7 per cent. from 31 December 2004. The increase was largely a result of an increase in the net asset value of the Master Fund and the implementation of the Master Fund's investment strategies resulting in an increased holding in dividend yielding securities.

Total expenses

The Master Fund's total expenses were US\$174,871,082 for the financial year ended 31 December 2005. This represented an increase in total expenses of 125.8 per cent. from 31 December 2004. This increase was largely attributable to (i) an increase in management fees, the amount of which is primarily linked to the net asset value of the Master Fund and (ii) incentive fees and an appreciation of deferred compensation, the amounts of which are linked to the net asset value and the performance of the Master Fund.

Net investment (loss)/gain

As a result of the above factors, the Master Fund had a net investment loss of US\$127,261,008 for the financial year ended 31 December 2005 which represents a 91.1 per cent. increase from 31 December 2004.

Net gain on investments

The Master Fund's net gain on investments for the financial year ended 31 December 2005 was US\$402,493,452. This net gain on investments represents a 62.1 per cent. increase from 31 December 2004.

Net increase in net assets resulting from operations

As a result of the above factors, the net increase in net assets resulting from operations was US\$275,232,444 for the financial year ended 31 December 2005 which represents a 51.5 per cent. increase from 31 December 2004.

NAV at year-end

The Master Fund's net assets increased by 70.8 per cent. from US\$1,156,270,122 as at 31 December 2004 to US\$1,975,382,570 as at 31 December 2005. This increase reflected the increase in net assets of the Master Fund from operations, together with a net increase from share capital transactions in the Master Fund of US\$543,880,004 in the financial year ended 31 December 2005.

Liquidity and capital resources

The Company's sources of cash and liquidity needs

The Company's initial source of liquidity will consist of the net proceeds that it receives in connection with the Global Offer. Following the Global Offer an amount to cover short term working capital requirements will be retained in cash by the Directors to provide the Company

with sufficient cash to cover expected costs and expenses during that period. The balance will be invested in the Master Fund.

As the Master Fund is not expected to pay dividends, the Company expects that the primary source of its future liquidity will be either the periodic redemption of shares of the Master Fund owned by it to the extent necessary to provide sufficient cash to fund its subsequent ongoing costs and expenses or by borrowing up to 15 per cent. of NAV in order to fund ongoing working capital requirements.

The Master Fund's source of cash and liquidity needs

The Master Fund uses its cash primarily to fund its investments in accordance with its investment policies, to pay its operating expenses and to fund collateral and margin requirements for investments in which it engages and capital redemption.

The Master Fund's primary source of liquidity is investments made into it by various investors, including the Company and proceeds received from sales of investments and leverage activities in which they engage.

CONTINGENCIES AND CONTRACTUAL OBLIGATIONS OF THE COMPANY AND THE MASTER FUND

Management Agreement and Incentive Fees

The only management and incentive fees are the Management and Incentive Fees payable by the Master Fund under the Master Fund Investment Management Agreement. No fees are payable by the Company under the Investment Management Agreement.

The Management Fee is a fixed fee equal to the annual rate of 2 per cent. of the NAV of the Third Point Class E Shares and Third Point Class S Shares held by the Company and the Incentive Fee is equal to 20 per cent. of the net realised and unrealised appreciation in the NAV of Third Point Class E Shares held by the Company (adjusted, on a dollar-for-dollar basis, for any issuance or redemption of Master Fund Shares in the applicable series made during the fiscal year). Further, if the NAV of the Third Point Class E Shares held by the Company depreciates in value over a financial year of the Master Fund to a lower amount (the "Base NAV"), the base for calculation of the appreciation in NAV in future years, above which a full Incentive Fee will be payable will be increased by an amount equal to 150 per cent. of the net depreciation to a higher amount (the "Adjusted Prior High NAV"). A reduced Incentive Fee will nevertheless be payable in respect of all net realised and unrealised appreciation between the Base NAV and the Adjusted Prior High NAV at the rate of 10 per cent. (adjusted as referred to above). The basis for payment of incentive fees is more fully set out in Part 3 under "Management and Incentive Fees".

Indemnification

In the normal course of business each of the Company and the Master Fund enters into contracts with service providers and other parties that contain a variety of indemnification obligations. The maximum exposure to the Company or the Master Fund, as applicable, is unknown. However, none of the Company or the Master Fund has had prior claims or losses pursuant to these contracts other than legal expenses incurred.

Financial instruments with off-balance sheet risk or concentration of credit risk

In the normal course of its business, the Master Fund invests in various financial instruments and enters into various investment activities with off-balance sheet risk. These financial instruments include securities sold, but not yet purchased, forward currency contracts, credit default swaps, index swaps, total return swaps and contracts for differences. Generally, these financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at specified future dates. Each of these financial instruments contains varying degrees of off-balance sheet risk whereby changes in the market values of the securities Master

Fund the financial instruments or fluctuations in interest rates and index values may exceed the amounts recognised in the statement of assets and liabilities.

The Master Fund's principal clearing activities are with four US registered brokers/dealers located in North America, pursuant to their respective customer agreements. All the investments in securities, securities sold, but not yet purchased and due from brokers are positions with and amounts due from these brokers.

Exposure to market risk

The Company expects to be exposed to a number of market risks as a result of the types of investments that the Master Fund makes. The Company believes that its exposure to market risks will relate primarily to changes in the values of publicly traded and over-the counter ("OTC") securities that are held by the Master Fund for investment, the credit risk of counterparties, movements in prevailing interest rates, changes in foreign currency exchange rates and risks arising from hedging arrangements.

The Master Fund may seek to mitigate such risks through the use of hedging arrangements and derivative instruments, which could subject it to additional risks and which may not be completely effective. The Master Fund's Investment Manager, under the Master Fund Investment Management Agreement, will be responsible for monitoring all these risks and for carrying out risk management activities relating to the Company's investments.

Securities market risks

The Master Fund includes investment in a variety of securities, including equity and debt of corporate entities, options, forwards, futures and swap contracts. The market prices and values of traded securities may be volatile and are likely to fluctuate due to a number of factors beyond the control of the Company or the Master Fund, including actual or anticipated fluctuations in the quarterly, semi-annual and annual results of the issuers of such securities or of other issuers in the industries in which they operate, extraordinary corporate events involving the issuers of such securities, market perceptions concerning the availability of additional securities for sale, interest and currency rate movements, volatility in commodity prices, general economic, social or political developments, industry conditions and changes in government regulation. The Company and the Master Fund will be required to value investments in traded securities at their fair value at the end of each accounting period, which could lead to significant changes in the net asset values and operating results that the Company and the Master Fund report from quarter to quarter.

Credit risks

In the course of their businesses the Master Fund will enter into investment contracts, such as derivative instruments, with third parties. Credit risk is the risk of potential liability or refusal of counterparties to perform the terms of such investment contracts, which may be in excess of the amounts recorded in a Master Fund's respective balance sheet. In the event a counterparty fails to perform the terms of an investment contract the Master Fund, and therefore the Company, may suffer an adverse effect on its results of operations and net asset value.

Interest rate risks

The Master Fund has, and is expected to continue to, incur indebtedness in order to enhance its returns. In addition, the Master Fund is expected to make investments that are sensitive to changes in interest rates. Due to the foregoing, the Company believes that it will be exposed to risks associated with movements in prevailing interest rates. Volatility in interest rates could make it more difficult or expensive for the Company or the Master Fund to obtain debt financing, could negatively cause the prices of long or short positions to move in directions not

initially anticipated and could decrease the returns that the Master Fund's investments generate or cause them to generate losses.

Foreign currency risks

The functional currency of the Company and the Master Fund will be US Dollars. As a result, the investments that are carried as assets in the respective financial statements will be stated in US Dollars. When valuing investments that are denominated in currencies other than US Dollars, the Company and the Master Fund will be required to convert the values of such investments into US Dollars based on prevailing exchange rates as at the end of the applicable accounting period. Due to the foregoing, changes in exchange rates between the US Dollar and other currencies could lead to significant changes in the net asset values that the Company or the Master Fund report from time to time and could subject such net asset values to favourable or unfavourable fluctuations. Among the factors that may affect currency values are trade balances, levels of short term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Company and the Master Fund may engage in a variety of hedging strategies to offset this risk; however, there can be no assurance that such strategies can protect against a decline in asset values.

Hedging arrangements

The foreign exchange exposure of the equity of the Master Fund attributable to the Master Fund Euro Shares and Master Fund Sterling Shares is generally hedged in order to neutralise, so far as possible, the impact of fluctuations in the Euro/US Dollar and Sterling/US Dollar exchange rates respectively. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the shares in the Master Fund denominated in Euros and Sterling from the US Dollar are allocated solely to the relevant class of shares in the Master Fund.

The Company anticipates that the scope of risk management activities undertaken by the Master Fund will vary based on the level and volatility of interest rates, prevailing foreign currency exchange rates, the type of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

While the Master Fund may enter into hedging or derivatives transactions in order to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Master Fund may not seek or be successful in establishing a perfect correlation between the instruments used in a hedging or other derivative transactions and the position being hedged. An imperfect correlation could prevent the Master Fund as the case may be, from achieving the intended result and create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's or the Master Fund's exposure against all changes in the values of their respective investments, because the values of such investments are likely to fluctuate as a result of a number of factors, some of which will be beyond the control of the Master Fund.

RECENT ACCOUNTING PRONOUNCEMENTS

On 13 July 2006, the Financial Accounting Standards Board (“FASB”) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 provides guidance for how uncertain tax positions should be recognised, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Master Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet a “more-likely-than-not” threshold would be recorded as a tax expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after 15 December 2006 and is to be applied to all open tax years as of the effective date. The Master Fund’s Investment Manager has assessed the impact of adopting FIN 48 on the Master Fund’s financial statements and believes the implications of FIN 48 would not have a material impact on the Master Fund’s total net assets and net income.

In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157, “Fair Value Measurements” (“FAS 157”). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after 15 November 2007 and interim periods within those fiscal years. As at 31 March 2007, management of the Master Fund does not believe the adoption of FAS 157 will impact the amounts reported in the financial statements, however, in the future, additional disclosures will be required about the inputs used to develop the measurements of fair value and the effect of certain of the measurements reported in the statement of operations for a fiscal period.

PART 6

CERTAIN TAX CONSIDERATIONS

The following summary discusses certain Guernsey, United Kingdom, United States, Cayman Islands and German tax considerations related to the purchase, ownership and disposition of the Shares based on the applicable law as in effect on the date hereof and current published revenue practice. This summary is intended as a general guide only and does not address all the considerations that may be relevant to purchasers of the Shares. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their shares in connection with their employment may be taxed differently and are not considered. **Prospective purchasers of the Shares are advised to consult with their own tax advisers concerning the consequences of an investment in the Shares under the tax laws of the country in which they are resident and other relevant jurisdictions.**

Guernsey Tax Considerations

The Company

The Company has applied to the Administrator of Income Tax for confirmation that the Company will be eligible for exempt status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. Once the exemption is granted, the Company will need to reapply annually, incurring a fee which is currently £600 per annum.

The conditions of exemption are:

- (i) that the Company be deemed to be an “investment company”;
- (ii) that the Company contracted on an arm’s length basis with a person resident in Guernsey for the provision of managerial and secretarial services and, where appropriate, custodian services in respect of its affairs, unless the Administrator is satisfied that in the circumstances of a particular case it would be unreasonable to require that custodian services are contracted with a person resident in Guernsey; and
- (iii) that no investment or other property situated in Guernsey, other than a relevant bank deposit or an interest in another body to which an exemption from tax has been granted under the Ordinance, be acquired or held.

If the exemption is granted, the Company will not be resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest. The Company will not therefore incur any additional liability to Guernsey tax, provided that the Company is not in receipt of any Guernsey sourced income, other than interest on bank deposits maintained in Guernsey.

In the absence of an exemption, the Company will be treated as resident in Guernsey for tax purposes and will be liable to income tax at the standard rate on its total taxable income.

On 25 November 2002, the Advisory & Finance Committee (now the Policy Council) of the States of Guernsey announced the proposed framework for a structure of corporate tax reform within an indicative timescale. In the announcement, it was stated that any specific recommendations for change would only be placed before the Guernsey States after further consultation with local businesses and review of taxation in other financial centres.

The relevant parts of the announcement are as follows:

- (a) the general rate of income tax paid by Guernsey companies will be reduced to 0 per cent. in respect of the tax year 2008 and subsequent years. Exempt company status is to be abolished;

- (b) it is intended that personal income tax will be maintained at 20 per cent. and VAT will not be introduced; and
- (c) there is no intention to introduce capital gains tax, inheritance, gift or wealth tax or other form of capital taxation.

In September 2005, the Fiscal and Economic Policy Steering Group published detailed proposals on Guernsey's future economic and taxation strategy. In March 2006 an independent Working Group set up at the request of the Treasury and Resources Department confirmed the earlier recommendation that the general rate of income tax to be paid by all Guernsey companies (other than certain regulated banking entities) would be reduced to 0 per cent. in respect of tax year 2008 and subsequent years. This recommendation was approved by the States of Guernsey in June 2006. The changes are not expected to have any material impact on the Company, as it is intended that the regime for granting exempt tax status, as it applies to the Company, will continue regardless of the proposed changes to the general corporate tax regime.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax), gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration. Document duty is payable on the creation or increase of authorised share capital at the rate of 0.5 per cent. of the authorised share capital of a company incorporated in Guernsey up to a maximum of £5,000 in the lifetime of the company. No stamp duty is chargeable in Guernsey on the issue, transfer, conversion or redemption of Shares.

Shareholders

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Shares owned by them. Should any dividends be paid, Shareholders will receive dividends without deduction of Guernsey Income Tax.

Whilst the Company is not required to deduct Guernsey income tax from dividends on any Share (if applicable) paid to Guernsey residents, the Company is required to make a return to the Administrator of Income Tax, on an annual basis, when renewing the Company's exempt tax status, as described above, of the names, addresses and gross amounts of income distributions paid to Guernsey resident shareholders during the previous year.

Shareholders resident in Guernsey who hold their Shares to liquidation of the Company will not, subject to the general provisions on legal avoidance, be liable to Guernsey income tax on the liquidation proceeds received. Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of any Shares owned by them.

With regard to the proposals for the restructuring of the corporate tax regime in Guernsey from 2008, discussed above under the heading "The Company", other than those changes mentioned, no further changes are proposed that would impact upon the position of non-Guernsey resident holders of Shares. Such holders will not be subject to Guernsey tax on the redemption or disposal of their holding of Shares.

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, has agreed to apply equivalent measures to those contained in the EU Savings Tax Directive (2003/48/EC), with the exception that the EU resident individual to whom interest is paid will incur a retention tax on such payment (currently set at a rate of 15 per cent.) where they have not agreed to exchange certain information about their identity, residence and savings income with the tax authorities in their Member State of residence. However, no retentions or exchanges of information under the EU Savings Tax Directive as implemented in Guernsey are expected to apply to holdings of Shares where payment in respect of such holdings are made by a Guernsey paying agent

United Kingdom Taxation

The Company

The Directors intend to manage the affairs of the Company so that for United Kingdom corporation tax purposes, the central management and control of the Company is not exercised in the United Kingdom, and so that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein). Accordingly, the Company should not be subject to UK corporation tax on income and capital gains arising to it other than on any United Kingdom source income.

Shareholders

(i) *Disposal of Shares*

The Directors have been advised that the offshore fund rules in Chapter V Part XVII of the Income and Corporation Taxes Act 1988 (the “**Taxes Act**”) should not apply to Shareholders who subscribe for Shares in the Company. Accordingly, any disposal of Shares by a Shareholder might, depending on their circumstances, give rise to a chargeable gain for UK tax purposes, as described below.

(a) UK Resident Shareholders

A disposal of Shares by a Shareholder who is resident or, in the case of an individual, ordinarily resident in the United Kingdom for United Kingdom tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation on chargeable gains, depending on the Shareholder’s circumstances and subject to any available exemption or relief.

On a subsequent disposal (which includes a redemption) by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes, the Shares may attract taper relief which reduces the amount of chargeable gain according to how long, measured in years, the Shares have been held. Holders of Shares who are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

The conversion of Shares of one Currency Class into Shares of another Currency Class will not result in a disposal for the purposes of UK taxation of chargeable gains. Instead, the redesignated Shares will be treated as the same asset as the original holding of Shares, acquired at the same time and for the same chargeable gains tax base cost as the original holding.

(b) Non-UK Resident Shareholders

An individual Shareholder who is not resident in the United Kingdom for tax purposes but who carries on a trade in the United Kingdom through a branch or agency may be subject to UK taxation on chargeable gains on a disposal of Shares which are acquired for use by or for the purposes of the branch or agency. A Shareholder who is an individual who has ceased to be resident or ordinarily resident in the United Kingdom for tax purposes for a period of less than five years of assessment and who disposes of Shares during that period may also be liable, on his return to the United Kingdom, to UK taxation on chargeable gains (subject to any available exemption or relief).

(ii) *Distributions by the Company*

Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax or corporation tax, as applicable, in respect of dividend or other income distributions of the Company. Where investments of the Company are distributed in specie to Shareholders other than by way of dividend, such distributions may represent a part-disposal of Shares for UK tax purposes.

(iii) *Anti-Avoidance*

The attention of individuals ordinarily resident in the United Kingdom for UK tax purposes is drawn to the provisions of Chapter 11 of Part XIII of the Income Tax Act 2007. Those provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Company on an annual basis.

More generally, the attention of Shareholders is also drawn to the provisions of Sections 703 to 709 of the Taxes Act, which give powers to HM Revenue & Customs to cancel tax advantages derived from certain transactions in shares.

The Taxes Act also contains provisions in Sections 747 to 756, that may subject certain UK resident companies under the “controlled foreign companies” rules, to UK corporation tax on the undistributed income and profits of the Company. The provisions may affect UK resident companies which have an interest (together with any connected or associated companies) such that at least 25 per cent. of the Company’s profits for an accounting period could be apportioned to them if, at the time, the Company is controlled by residents of the United Kingdom.

If the ownership of the Company were to be such that it would be a close company if it were resident in the United Kingdom, certain adverse tax consequences could result including the chargeable gains accruing to it may be apportioned to a Shareholder who is resident or ordinarily resident and, if an individual, domiciled in the United Kingdom who holds, alone or together with associated persons, more than ten per cent. of the Shares as a result of the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992.

(iv) *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers or intermediaries or where the Shares are issued to a depositary, or clearing system, or nominees or agents. No UK stamp duty or SDRT will be payable on the issue of the Shares. No UK stamp duty will be payable on the transfer of the Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the United Kingdom and no matters or actions relating to the transfer are performed in the United Kingdom. Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

(v) *ISAs/PEPs and SIPPs/SSAs*

Investors resident in the United Kingdom are recommended to consult their tax and/or investment advisers in relation to the eligibility of the Shares for savings schemes (for example, PEPs, ISAs, SIPPs and SSAs).

Shares allotted under the Offer for Subscription or subsequently acquired in the secondary market may be eligible for inclusion in an ISA although the account manager should be asked to confirm ISA eligibility. Eligibility for inclusion of the Shares in an ISA is subject to the usual subscription limits applicable (for the tax year 2007/08 an individual may invest £7,000 worth of stocks and shares in a maxi ISA or £4,000 for the stocks and shares component of a mini ISA).

Although no new PEPs may be opened and no further subscriptions made to existing PEPs, the Shares may be qualifying investments for existing PEPs provided that the PEP manager has acquired such Shares under the Offer for Subscription or by purchase in the market and is satisfied on the subject of eligibility.

The Shares acquired under the Offer for Subscription are expected to be eligible for inclusion in SIPPs and SSASs, although this should be confirmed independently by investors with their professional tax or financial advisers before investment.

Cayman Islands Taxation

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Master Fund will be received free of all Cayman Islands taxes. The Master Fund is registered as an “exempted company” pursuant to the Companies Law (as amended). The Master Fund has received an undertaking from the Governor in Council of the Cayman Islands to the effect that, for a period of 20 years from the date of such undertaking, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Master Fund, or to the shareholders thereof (including the Company), in respect of any such property or income.

Germany

The following information is intended only as a general guide to certain German income tax considerations and does not purport to be a complete analysis of all potential German tax consequences of holding Shares. The information is in no case intended to replace individual professional tax advice. The description is limited to the German taxation of German Shareholders with unrestricted tax liability in Germany (hereinafter referred to as the “German Shareholders”). The tax position of certain categories of Shareholders who are subject to special rules (such as banks or insurance companies) is not considered. The information is based on an interpretation of the tax laws in effect as of January 11, 2007. Current law and taxation practices may change at any time, even retroactively, as the case may be. German Shareholders and prospective investors are strongly advised to seek advice from their tax advisers regarding the tax consequences of their investment in Shares in the Company.

Taxation of German Shareholders

The Company intends to comply with the tax calculation and reporting requirements for taxation of German Shareholders pursuant to §§ 2, 3, 4, 5 and 8 of the German Investment Tax Act (“InvStG”).

Furthermore, the Company intends to comply with these requirements also with regard to the Master Fund to the extent necessary in order to ensure that income and gains/losses derived by the Master Fund are attributed to the Company pursuant to §§ 2, 3, 4, 5 and 8 InvStG. The Company can, however, not guarantee that such requirements will be met in practice, which may result in negative tax consequences (deviating from the tax consequences explained in the following). The following tax information is valid only if and to the extent the requirements for an application of §§ 2, 3, 4, 5 and 8 InvStG are met with respect to the Company and the Master Fund. To the extent that the Master Fund invests into further investment funds, additional reporting requirements would apply and if such additional reporting requirements are not met, which cannot be guaranteed, the taxation would adversely deviate from the following information.

Ongoing taxation

German Shareholders will be subject to tax on any distributions and undistributed net income of the Company, comprising the distributions and undistributed net income derived by the Company from the Master Fund. For tax purposes, the undistributed net income (so-called deemed distributions) will be deemed to have accrued to the German Shareholders at the end of the relevant fiscal year of the Company. For German individual Shareholders holding their Shares as private assets (hereinafter referred to as “**Private Investors**”), distributions and deemed distributions will be deemed to be income from investment of capital within the meaning of Section 20 paragraph 1 No. 1 of the German Income Tax Act (Einkommensteuergesetz,

“EStG”). If the Shares are held by German Shareholders as part of business assets (hereinafter referred to as “**Business Investors**”), the distributions and deemed distributions will be deemed to be business income.

The deemed distributions of the Master Fund are attributed to the Company at the end of the fiscal year of the Master Fund.

Exemptions

Among others, the following exemptions from the aforementioned taxation are available:

Capital gains derived by the Company or the Master Fund on the acquisition and later sale of securities and subscription rights to shares in corporations, and also gains from derivative transactions (Termingeschäfte) by which the Company or the Master Fund generate a cash settlement or an amount or benefit determined by reference to a variable underlying will, whether distributed or retained, remain exempted from taxation for Private Investors.

Such capital gains derived from sales and derivative transactions are generally deemed to be business income of Business Investors if actually distributed to them (but not if capitalised by the Company). There are exemptions available if gains derived from the sale of shares in corporations are distributed. In this case, the income is halved for tax purposes (Halbeinkünfteverfahren) pursuant to Section 3 No. 40 lit. a) EStG or the privilege granted to German Shareholders being subject to corporation tax pursuant to Section 8b paragraph German Corporate Income Tax Act (Koerperschaftsteuergesetz, “KStG”) (subject to the restriction set forth in section 8b paragraph 3 KStG) provided that the Company has published the required information on the distributed capital gains derived from the sale of shares in corporations in compliance with Section 5 paragraph 1 sentence 1 lit. c) ee) and ff) InvStG.

With regard to dividends which are received by the Company and the Master Fund, respectively, and paid to the German Shareholders as part of a distribution or are attributed to the German Shareholders as part of a deemed distribution, the aforementioned procedure (Halbeinkünfteverfahren) pursuant to Section 3 no. 40 lit. d) EStG or the privilege granted to corporation tax entities pursuant to Section 8b paragraph 1 KStG (subject to the restriction set forth in section 8b paragraph 5 KStG) are applicable if the Company has published the required information in compliance with Section 5 paragraph 1 sentence 1 lit. c) cc) and dd) InvStG. This will not apply for the purpose of trade tax (Gewerbsteuer).

Sale of Shares

If Shares are held by a Private Investor, the gains on the sale are taxable, inter alia, if the sale occurs within one year of their acquisition (so-called “**Private Sales Transaction**”). Business Investors must always pay tax on all capital gains without regard to the number of Shares held or the duration of the investment. Any capital gains derived from a sale by Business Investors may, however, be partially exempted from taxation, any loss suffered from the sale may be partially insignificant for tax purposes. The relevant extent of such effects will be determined pursuant to the so-called Aktiengewinn (“**gains from shares**”). The Aktiengewinn includes dividend income as well as both realised and unrealised capital gains from shares held by the Company if and to the extent that such earnings have not yet been distributed to the German Shareholders or attributed to them as part of deemed distributions. The Aktiengewinn of the Company includes the Aktiengewinn of the Master Fund on a pro-rata basis. The privilege is subject to certain reporting requirements which are intended to be complied with.

Private Investors (and possible also Business Investors) are not subject to tax with the so-called Zwischengewinn (“**interim profit**”) in case of a disposal of Shares, irrespective of the duration of their participation. The Zwischengewinn was abolished for hedge funds in 2006. From a German tax law perspective, the master feeder structure at hand qualifies as a hedge fund because the articles of association enable the hedge fund to employ leverage and short selling.

Withholding tax (Kapitalertragsteuer) — In case a payment or credit of distributions of the Company or of proceeds from a sale of Shares is carried out through a credit institution acting within Germany (or an equivalent institution) which acts as custodian or administers shares (“custodian case”) or which pays out or credits the distributions or proceeds against surrender of the share certificates (“over-the-counter transaction case”), such institution, in general, has to retain German withholding tax.

In case of distributions the withholding tax is levied from the distribution and the deemed distribution, excluding dividend income, gains on the sale of securities and subscription rights to shares incorporations and gains from derivative transactions (Termingeschäfte).

In case of a sale of a Share, withholding tax is levied on the earnings deemed to be distributed per Share to German Shareholders of the Company for German tax purposes since the Company was established. As a general rule, this is the sum of the (positive) deemed distributions of the Company (less deemed distributed dividend income) unless they were, upon a distribution, subject to withholding tax. If the disbursing credit institution had purchased the Share (or sold the Share) and kept the Share as custodian since then, withholding tax will be withheld only on such earnings which are deemed to have accrued during the period of custodian (less deemed distributed dividend income), and which were not yet subjected to withholding tax upon a distribution. The withholding tax amounts to 31.65 per cent. (custody case) or 36.925 per cent. (over-the-counter transaction case) (both including solidarity surcharge). The tax withheld can generally be credited against the relevant German Shareholder’s personal or corporate income tax, as the case may be, or be refunded in the course of the relevant German Shareholder’s tax assessment. Proposals of the Federal Ministry of Finance have been published that contemplate a reform of the Investment Act as well as a reform of the taxation of income from capital investments. These changes may or may not have an impact on the taxation of Shareholders.

Outlook (German draft tax legislation)

Draft bill on Flat Taxation (Abgeltungsteuer)

A draft bill which as of June 2007 is in the legislative process would introduce a flat tax (Abgeltungsteuer) on investment income and private capital gains as elements of a corporate tax reform. The flat tax would be levied by a German withholding agent as a withholding tax on interest income, dividend income and capital gains from the disposal of securities, if the income is generated from assets held as non-business assets. The flat tax would be levied irrespective of any holding period. Payment of the flat tax would replace any income tax on such investment income or private capital gains. The envisaged flat tax would be levied at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) on the relevant gross income. Tax payers would be entitled to apply for a tax assessment if that would be more favourable. According to the draft law, the flat tax would become effective on 1 January 2009. It would be levied on capital gains from assets acquired after 31 December 2008.

If the flat tax was introduced as proposed, proceeds from the sale of the Shares could be subject to withholding obligations as described if the shares are held through a German credit institution as custodian (including a German permanent establishment of a foreign institution).

As of June 2007, it remains unclear whether the envisaged legislative change will become effective.

Revision of German fund regulatory law (Investmentgesetz)

As of June 2007, a draft of German fund regulatory law is in the legislative process. If enacted, the bill would alter the scope of application of the German fund tax rules substantially. Under the draft, fund units that the investor cannot redeem and that are not subject to investment supervision in their country of domicile would not be treated as fund units any longer. This would also apply for German tax purposes. As the investor cannot redeem shares in the Company and as the Company is domiciled in Guernsey and the Master Fund is domiciled in the

Cayman Islands, it is likely that the German fund tax rules would not be applicable to German investor in Shares of the Company. It is unclear whether the draft bill will become effective.

United States Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, SHAREHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY SHAREHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SHAREHOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE COMPANY IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) SHAREHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The Company

The following is a summary of the US federal income tax treatment of the Company. This summary is based on the tax laws of the United States, including the US Internal Revenue Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

For US federal income tax purposes, the Company and the Master Fund are treated as corporations. The Company and the Master Fund intend to conduct their affairs such that no material amount of income realised by the Company or the Master Fund will be effectively connected with the conduct of a US trade or business or otherwise subject to regular US federal income taxation on a net income basis. As a result, it is anticipated that no material portion of the gains realised by the Company or the Master Fund (other than gains, if any, realised on the disposition of US real property interests) will be subject to US federal income taxation, but generally dividend and interest income will be subject to US Federal withholding tax as discussed further below. To the extent, if any, that the Company or the Master Fund is considered to be engaged in a US trade or business, its share of any income that is effectively connected with such US trade or business will be subject to regular US Federal income taxation (currently imposed at a maximum rate of 35 per cent.) on a net income basis and an additional 30 per cent. US “branch profits” tax. In addition, it is possible that the Company or the Master Fund would be subject to taxation on a net income basis by state or local jurisdictions within the United States. Any such taxation would adversely affect the Company’s ability to make payments in respect of the Shares.

Because the Company is organised under the laws of Guernsey and the Master Fund is organised under the laws of the Cayman Islands, each of them will be considered to be a non-US person for purposes of US tax laws. As a result, any dividends received by the Company or the Master Fund from US sources will be subject to US withholding tax at a rate of 30 per cent. However, US source interest income received by the Company generally will be exempt from US federal income and withholding tax under the exemption for “portfolio interest” or under another statutory exemption. Interest on corporate obligations will not qualify as “portfolio interest” to a non-US person that owns (directly and under certain constructive ownership rules) 10 per cent. or more of the total combined voting power of the corporation paying the interest, or, with respect to certain obligations issued after 7 April 1993, if and to the extent the interest is determined by reference to certain economic attributes of the debtor (or a person related thereto). In addition, interest on US bank deposits, certificates of deposit and certain obligations with maturities of 183 days or less (from original issuance) will not be subject to withholding tax. Any, interest (including original issue discount) derived by the Company from US sources

not qualifying as “portfolio interest” or not otherwise exempt under US law will be subject to US withholding tax at a rate of 30 per cent.

Because of the composition of its assets and nature of its income the Company is a PFIC for US federal income tax purposes. A non-US corporation is treated as a PFIC for US federal income tax purposes in any taxable year in which either (a) at least 75 per cent. of its gross income is “passive income” (as defined below) or (b) on average at least 50 per cent. of the value of its assets is attributable to assets that produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, certain royalties, rents and gains from commodities and securities transactions. In determining whether a non-US corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25 per cent. interest (by value) is taken into account. The Company’s status as a PFIC will subject US Holders (as defined below) to certain adverse US federal income tax consequences, as described below.

US Holders

The following is a summary of the material US federal income tax consequences of the purchase, ownership and disposition of the Shares by a US Holder (as defined below). This summary deals only with initial purchasers of the Shares by US Holders that will hold the Shares as capital assets. The discussion will not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of the Shares by particular investors, and does not address state or local tax laws. In particular, this summary does not address tax considerations relevant to certain types of investors that are subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Shares as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes or investors whose functional currency is not the US Dollar).

As used herein, the term “US Holder” means a beneficial owner of the Shares that is, for US federal income tax purposes, (i) a citizen or resident of the US, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to US federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in a partnership that holds the Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the US federal income tax consequences to their partners of the acquisition, ownership and disposition of the Shares by the partnership.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE SHARES, INCLUDING TAX CONSEQUENCES UNDER THE PFIC RULES, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

Dividends paid out of current or accumulated earnings and profits (as determined for US federal income tax purposes) of the Company, if any, will generally be taxable to a US Holder as foreign

source dividend income, and will not be eligible for the dividends received deduction allowed to corporations or for the preferential 15 per cent. tax rate applicable to qualified dividend income of individuals and certain other non-corporate taxpayers. Dividends in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the Shares and thereafter as capital gain. However, the Company is not required to maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should therefore assume that any distribution by the Company with respect to its Shares will constitute ordinary dividend income. In addition, a portion of certain dividends may constitute "excess distributions" subject to the special rules described under "Passive Foreign Investment Company Considerations" below. US Holders should consult their own tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from the Company.

Sale or Other Disposition

Upon a sale or other disposition of the Shares, a US Holder generally will recognise gain or loss for US federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the US Holder's adjusted tax basis in the Shares. However, any sale or disposition of the Shares will be subject to special tax treatment under the PFIC rules described below, which could have an adverse effect, including requiring the recognition of additional income. Unless a mark to market election or a qualified electing fund ("QEF") election is made as described below, any loss will be a capital loss, and will be a long-term capital loss if the Shares have been held for more than one year. Any gain or loss will generally be US source for foreign tax credit purposes. Generally, a redemption of the Shares held by a US Holder will be treated as a sale, exchange or other disposition for US federal income tax purposes only if the redemption is not "essentially equivalent to a dividend" or is "substantially disproportionate" with respect to the US Holder or results in a complete termination of the US Holder's interest in the Company, in each case after taking into account applicable attribution rules. If a redemption of the Shares is not treated as a sale, exchange or other disposition, it will be treated as a distribution from the Company for US federal income tax purposes (see "Dividends" above).

Foreign Currency

A US Holder's tax basis in the Shares will generally be its US Dollar cost. The US Dollar cost of the Shares purchased with foreign currency will generally be the US Dollar value of the purchase price on the date of purchase or, in the case of the Shares traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects), on the settlement date for the purchase. Such an election by an accrual basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Any foreign currency received on the sale or other disposition of Shares will have a tax basis equal to its US Dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the US Dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase the Shares or upon exchange for US Dollars) will be US source ordinary income or loss.

The amount realised on a sale or other disposition of the Shares for an amount in foreign currency will be the US Dollar value of this amount on the date of sale or disposition. On the Settlement Date, the US Holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US Dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of the Shares traded on an established securities market that are sold by a cash basis US Holder (or an accrual basis US Holder that so elects), the

amount realised will be based on the exchange rate in effect on the Settlement Date for the sale, and no exchange gain or loss will be recognised at that time.

Passive Foreign Investment Company Considerations

Under the PFIC regime, a US Holder will generally be subject to special rules with respect to (i) any “excess distribution” (generally, any distributions received by the US Holder on the Shares in a taxable year that are greater than 125 per cent. of the average annual distributions received by the US Holder in the three preceding taxable years or, if shorter, the US Holder’s holding period for the Shares), and (ii) any gain realised on the sale or other disposition of the Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the US Holder’s holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. A US Holder will be subject to similar rules with respect to distributions to the Company by the Master Fund (which itself is a PFIC), dispositions by the Company of all or any part of its investment in the Master Fund, distributions to the Master Fund from companies in which it invests which themselves are PFICs and dispositions by the Master Fund of such investments in PFICs. Some of the Master Fund’s investments will be treated as investments in equity interests in PFICs for US federal income tax purposes. While the effect of the PFIC rules in the context of such a tiered PFIC ownership structure is not entirely clear, the foregoing rules may cause a US Holder to recognise ordinary income in excess of its actual economic income from its investment in the Shares.

A US Holder may avoid the interest charge and certain other adverse PFIC consequences described above by making a QEF election to be taxed currently on its share of the PFIC’s undistributed income. A US Holder that makes a valid QEF election must report for US federal income tax purposes its pro rata share of such QEF’s ordinary earnings and net capital gain, if any, for each taxable year for which the Company is a PFIC, regardless of whether or not any distributions are made. No portion of any such inclusions of ordinary earnings will be eligible to be treated as “qualified dividend income”. For non-corporate US Holders, any such net capital gain inclusions would be eligible for taxation at the preferential capital gains tax rates. A US Holder’s adjusted tax basis in the shares would be increased to reflect any taxed but undistributed earnings and profits. Notwithstanding the discussion set forth above under “Dividends,” any distribution of earnings and profits that previously had been taxed would not be taxed again when a Shareholder receives such distribution, but would result in a corresponding reduction in the adjusted tax basis in the shares. US Holders would not, however, be entitled to a deduction for their pro rata share of any net losses that the QEF incurs with respect to any year. The ordinary earnings and capital gains of each QEF any potential investor owns or is deemed to own will be determined in the QEF’s functional currency and, when deemed distributed, will be translated into US Dollars using the average exchange rate for the QEF’s taxable year. If exchange rates move between the time of deemed distribution and the time of actual distribution, distributions of previously taxed amounts will result in the recognition of ordinary gains or losses.

US Holders may make a timely QEF election with respect to each PFIC whose stock they own, or are deemed to own through ownership of the Shares, by filing a copy of IRS Form 8621 for each such PFIC with their US federal income tax return for the first year in which they hold the Shares. The Company will use reasonable efforts to inform Shareholders of the PFIC status of any underlying portfolio company in which it holds an interest through the Master Fund. However, the Company may not be able to determine the status of a portfolio company without obtaining information that is available only to the management of such company. Because the Company will not control the management of any portfolio company in which it holds an interest through the Master Fund, it may be difficult for the Company to obtain such

information, and any information that it does obtain may not be accurate or complete. The Company will use reasonable efforts to prepare and send to Shareholders information necessary to satisfy the US federal income tax obligations of a US Holder who has made a QEF election. As described above, however, it may be difficult to obtain such information regarding portfolio companies that are PFICs and any information that the Company does obtain may not be accurate or complete. The potential benefit of a QEF election will be reduced to the extent accurate information regarding such PFICs is not obtained.

Alternatively, US Holders may possibly avoid some of the adverse tax consequences described above by making a mark to market election with respect to the Shares, provided that the Shares are “marketable”. The Shares will be treated as marketable if they are regularly traded. The Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. There can be no assurance that actual trading volumes of the Shares will be sufficient to permit a mark to market election. Moreover, because a mark to market election with respect to the Company would not apply to the Company’s interest in the Master Fund and any equity interests in lower-tier PFICs owned by the Master Fund, it appears that a US Holder generally will continue to be subject to the PFIC rules with respect to all such direct and indirect PFIC interests. As a result, a mark to market election may not be desirable (and possibly could be undesirable). US Holders should consult their tax advisers regarding the availability and desirability of a mark to market election in view of the nature of the investments of the Company.

A US Holder that makes a mark to market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Shares at the close of the taxable year over the US Holder’s adjusted basis in the Shares. An electing Shareholder may also claim an ordinary loss deduction for the excess, if any, of the US Holder’s adjusted basis in the Shares over the fair market value of the Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains for prior years. Gains from an actual sale or other disposition of the Shares will be treated as ordinary income, and any losses incurred on a sale or disposition of the Shares will be treated as an ordinary loss to the extent of any net mark to market gains for prior years. Once made, the election may not be revoked without the consent of the IRS unless the Shares cease to be marketable. If the Company is a PFIC for any year in which the US Holder owns its Shares but before a mark to market election is made, the interest charge rules described above will apply to any mark to market gain recognised in the year the election is made.

A US Holder must file an annual return on Internal Revenue Service Form 8621, reporting distributions received and gains realised with respect to each PFIC in which it holds a direct or indirect interest.

Potential US investors should consult their own tax advisers regarding the application of the PFIC regime to an investment in the Shares, including the need to make one of the above described special elections to avoid some of the potential adverse tax effects of the PFIC regime.

Controlled Foreign Corporations Considerations

The Company will not be treated as a controlled foreign corporation (a “CFC”) for US federal income tax purposes since less than 50 per cent. of its total voting power will be held by US citizens or residents.

US Tax-Exempt Entities

US tax-exempt investors generally are subject to US income tax on their “unrelated business taxable income” (“UBTI”). UBTI is generally defined as the excess of the amount of gross income from any unrelated trade or business conducted by a tax-exempt entity over the deductions attributable to such trade or business, subject to certain modifications. Those

modifications provide that UBTI generally does not include interest, dividends, or gains from the sale of securities not held as either inventory or primarily for sale to customers in the ordinary course of business, except to the extent that any such income is generated by an asset financed with “acquisition indebtedness” within the meaning of Section 514 of the US Internal Revenue Code. Accordingly, the income that a US tax-exempt entity derives from an investment in the Shares generally should not give rise to UBTI under Section 511 of the US Internal Revenue Code, except to the extent that such entity’s acquisition of the Shares is debt financed.

The Company constitutes a PFIC for US federal income tax purposes. Under Treasury Regulations, a tax-exempt entity is not considered to be a shareholder in a PFIC. Therefore, the tax-exempt entity would not be subject to the PFIC tax rules, except to the extent that a dividend paid by such PFIC would be taxable under UBTI provisions of the US Internal Revenue Code. Hence, a tax-exempt entity would only be subject to tax under the PFIC regime in respect of an excess distribution from, or any gain realised on the sale of the shares of a PFIC, in limited circumstances. Additionally, these Treasury Regulations provide that a tax-exempt entity that is not taxable under the PFIC rules may not make a “qualifying electing fund” election under Section 1295 of the US Internal Revenue Code. Moreover, different rules may apply to certain types of tax-exempt entities, such as charitable remainder trusts. Accordingly, potential tax-exempt investors are urged to consult their own tax advisers regarding the tax consequences of an investment in the Shares.

Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to the Shares by a US paying agent or other US intermediary to a US Holder may be reported to the US Internal Revenue Service and to the US Holder as may be required under applicable regulations. Backup withholding may apply to reportable payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. The US Holder may credit amounts withheld against its US federal income tax liability and claim a refund for amounts in excess of its tax liability if the required information is provided to the US Internal Revenue Service. Certain US Holders (including, among others, corporations) are not subject to backup withholding. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Transfer Reporting Requirements

A US Holder who purchases the Shares may be required to file Form 926 (or similar form) with the IRS if the purchase, when aggregated with all transfers of cash or other property made by the US Holder (or any related person) to the Company within the preceding 12 month period, exceeds US\$100,000 (or its equivalent). A US Holder who fails to file any such required form could be required to pay a penalty equal to 10 per cent. of the gross amount paid for the Company’s Shares (subject to a maximum penalty of US\$100,000, except in cases of intentional disregard). US Holders should consult their tax advisers with respect to this or any other reporting requirement that may apply to an acquisition of the Shares.

Taxation of Non-US Holders

For US federal income tax purposes, a Shareholder of the Company who is a Non-US Holder (as defined below) will not be subject to US federal income taxation on amounts paid by the Company in respect of the Shares or gains recognised on the sale, exchange or redemption of the Shares, provided that such income and gains are not considered to be effectively connected with the conduct of a trade or business carried on by the Shareholder in the United States. In limited circumstances, an individual holder who is present in the United States for 183 days or more during a taxable year may be subject to US income tax at a flat rate of 30 per cent. on gains realised on a disposition of the Shares in such year. Individual Shareholders who at the time of

their death are not citizens, former citizens or residents of the United States should not be subject, by reason of the ownership of Shares, to any US federal gift or estate taxes.

For these purposes, the term “Non-US Holder” means any person that is not a US Holder.

Special rules may apply in the case of Non-US Holders (i) that conduct a trade or business in the United States or that have an office or fixed place of business in the United States, (ii) that have a “tax home” in the United States or (iii) that are former citizens or long-term residents of the United States.

In the case of Shares held in the United States by a custodian or nominee for a non-US person, US backup withholding taxes may apply to distributions in respect of Shares held by such Shareholder unless such Shareholder properly certifies as to its non-US status or otherwise establishes an exemption from backup withholding.

Taxation of Residents of Other Countries

The receipt of dividends by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Company or the Master Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company or the Master Fund. The Directors, the Company and each of the Company’s agents shall have no liability in respect of the individual tax affairs of Shareholders. Shareholders are urged to consult with their tax advisers about the implications of an investment in the Company in their home countries.

PART 7

INVESTMENT RESTRICTIONS, TRANSFER RESTRICTIONS AND CERTAIN ERISA CONSIDERATIONS

The Company has elected to impose the restrictions described below on the Global Offer and on the future trading of the Shares so that it will not be required to register the offer and sale of the Shares in the Global Offer under the US Securities Act, so that it will not have an obligation to register as an investment company under the US Investment Company Act and related rules and to address certain ERISA, US Internal Revenue Code and other considerations. The transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Shares to trade such securities. Due to the restrictions described below, investors in the Shares are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of Shares made other than in compliance with the restrictions described below.

INVESTMENT RESTRICTIONS

US Investors

Each US person, and each person in the United States, who acquires Shares in the Global Offer will be required to deliver to the Company a duly executed purchaser letter (in a form acceptable to the Company) (a “**Purchaser Letter**”). The form of Purchaser Letter for Accredited Investors may be obtained from the Company. In the Purchaser Letter, each person will be required to represent:

Qualified Institutional Buyer and Qualified Purchaser Status

It is a “qualified institutional buyer” (a “**QIB**”) as defined in Rule 144A, (ii) it is purchasing the Shares from the Joint Lead Managers only for its account or for the account of another entity that is a QIB, (iii) it is not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers and (iv) it is not a participant-directed employee plan, such as a plan described in subsections (a)(1)(i)(D), (E) or (F) of Rule 144A.

It is a “qualified purchaser” (a “**QP**”) within the meaning of Section 2(a)(51) and related rules of the US Investment Company Act.

It understands that, subject to certain exceptions, to be a QP, it must have US\$25 million in “investments” as defined in Rule 2a51-1 of the US Investment Company Act.

Transfer Restrictions

It understands and agrees that the Shares are being offered in a transaction not involving any public offering within the United States within the meaning of the US Securities Act and that the Shares have not been and will not be registered under the US Securities Act, that the Company has not been and will not be registered as an investment company under the US Investment Company Act and that the Shares are subject to the transfer restrictions (the “**Transfer Restrictions**”) set forth in this Prospectus and in the Transferee Letter (defined below). It agrees that, if in the future it decides to offer, resell, pledge or otherwise transfer the Shares, such Shares will be offered, resold, pledged or otherwise transferred only in compliance with such transfer restrictions.

It understands that any certificates representing Shares acquired by it will bear a legend reflecting, among other things, the transfer restrictions.

It agrees that, prior to any transfer of the Shares or any interest therein (other than in the case of an offshore transfer in accordance with Regulation S (a “**Regulation S Transfer**”), the transferee must sign and deliver a letter to the Company a duly executed transferee letter (in a form acceptable to the Company) (a “**Transferee Letter**”). The form of Transferee Letter may be

obtained from the Company. In the case of a Regulation S transfer, it must sign and deliver to the Company a duly executed surrender letter (in a form acceptable to the Company) (a “Surrender Letter”). The form of Surrender Letter may be obtained from the Company.

US Investment Company Act

It understands and acknowledges that the Company has not registered, and does not intend to register, as an “investment company” (as such term is defined in the US Investment Company Act and related rules) and that the Company has elected to impose the transfer and offering restrictions with respect to persons in the United States and US persons described herein so that the Company will qualify for the exemption provided under Sections 3(c)(7) and 7(d) of the US Investment Company Act and will have no obligation to register as an investment company even if it were otherwise determined to be an investment company.

It understands and acknowledges that (i) the Company will not be required to accept for registration of transfer any Shares in the United States or to a US person that are not being acquired by a QP, (ii) the Company may require any person who is required to be a QP, but is not, to transfer the Shares immediately in a manner consistent with the restrictions set forth in this Prospectus, (iii) pending such transfer, the Company is authorised to suspend the exercise of the meeting and consent rights relating to the relevant Shares and the right to receive distributions in respect of the relevant Shares and (iv) if the obligation to transfer is not met, the Company is irrevocably authorised, without any obligation, to transfer the Shares represented thereby, as applicable, in a manner consistent with the restrictions set forth in this Prospectus and, if such Shares are sold, the Company shall be obliged to distribute the net proceeds to the entitled party.

ERISA

No purchase or other acquisition of Shares may be made by any entity that is (i) an “employee benefit plan” (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Title 1 of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or any other state or laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company and its general partner (or other persons responsible for the investment and operations of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title 1 of ERISA or Section 4975 of the US Internal Revenue Code, or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of (i), (ii) and (iii), a “Plan”). The Board of Directors may refuse to register a transfer of Shares to any person they believe to be a Non-Qualified Holder or a Plan investor. If any Shares are owned directly or beneficially by a person believed by the Board of Directors to be a Non-Qualified Holder or a Plan investor, the Board of Directors may give notice to such person requiring him either (i) to provide the Board of Directors within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board of Directors that such person is not a Non-Qualified Holder or a Plan investor or (ii) to sell or transfer his Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Board of Directors with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his Shares.

The Global Offer

It has received a copy of this Prospectus. It understands and agrees that this Prospectus speaks only as of its date and that the information contained therein may not be correct or complete as of any time subsequent to that date.

It is not purchasing the Shares with a view to, or for offer or sale in connection with, any distribution thereof (within the meaning of the US Securities Act) that would be in violation of the securities laws of the United States or any state thereof.

It became aware of the Global Offer of the Shares and the Shares were offered to the investor (i) solely by means of this Prospectus, (ii) by direct contact between it and the Company or (iii) by direct contact between it and the Joint Lead Managers. It did not become aware of, nor were the Shares offered to it by any other means, including, in each case, by any form of general solicitation or general advertising. In making the decision to purchase the Shares, it relied solely on the information set forth in this Prospectus and other information obtained by it directly from the Company or from one or more initial purchasers as a result of any inquiries by the investor or one or more of the investor's advisors.

General

It understands that there is no established market for the Shares in certificated form and that it is unlikely that such a public market will develop.

It acknowledges that the Joint Lead Managers have each acted as agents for the Company in connection with the sale. It consents to the actions of each Joint Lead Manager in this regard and hereby waives any and all claims, actions, liabilities, damages or demands it may have against the Joint Lead Managers in connection with any alleged conflict of interest arising from the engagement of the Joint Lead Managers as agents of the Company with respect to the sale by the initial purchaser of the Shares to it.

It acknowledges that the Joint Lead Managers, the Company and their respective affiliates and others will rely on the acknowledgments, representations and warranties contained in its Purchaser Letter as a basis for exemption of the sale of the Shares under the US Securities Act, the US Investment Company Act, under the securities laws of all applicable states, for compliance with ERISA and for other purposes. It agrees to promptly notify the Company if any of the acknowledgments, representations or warranties set forth herein are no longer accurate.

It understands and acknowledges that no agency of the United States or any state thereof has made any finding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the Shares.

It agrees to provide, together with a completed and signed Purchaser Letter, a completed and signed Substitute IRS Form W-9. The Substitute IRS Form W-9 is attached to the form of Purchaser Letter.

It has received, carefully read and understands this Prospectus, and has not distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offer materials concerning the Shares to any persons within the United States or to any US persons, nor will it do any of the foregoing. It understands that this Prospectus is subject to the requirements of the Prospectus Rules and the Listing Rules and the information herein, including any financial information, may be materially different from any disclosure that would be provided in a registered US offering.

It understands and acknowledges that none of the Company, the Master Fund, the Joint Lead Managers nor any of their respective affiliates, makes any representation as to the availability of any exemption under the US Securities Act for the re-offer, re-sale, pledge or transfer of the Shares. It understands that the Shares to be purchased by it are "restricted securities" as defined in Rule 144(a)(3) under the US Securities Act.

In making the investment decision with respect to the Shares, it has:

- A. not relied on the Company, the Master Fund, the Joint Lead Managers or any of their respective affiliates (except, where the Shares are acquired under the Global Offer, to the extent of the information in this Prospectus);

- B. had access to such financial and other information concerning the Company and the Shares as it deems necessary in connection with its decision to purchase the Shares; and
- C. investigated the potential US tax consequences, including applicable federal, state and local consequences, affecting it in connection with its purchase and any subsequent disposal of the Shares (including in particular the potential consequences under the PFIC rules).

It acknowledges that the Company, the Master Fund, the Investment Manager, the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations or agreements made by it are no longer accurate or have not been complied with, it will immediately notify the Company and, if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

Non-US Investors

Each non-US purchaser of the Shares in the Global Offer will be deemed to have represented, acknowledged and agreed as follows (terms used below that are defined in Regulation S have the meanings given to them in Regulation S):

It and the person, if any, for whose account it is acquiring the Shares are not US persons (as defined in Rule 902 of Regulation S) and are purchasing the Shares outside the United States in an offshore transaction meeting the requirements of Regulation S.

It and the person, if any, for whose account it is acquiring the Shares are Non-United States persons as defined in CFTC Rule 4.7(a)(1)(iv). Under CFTC Rule 4.7(a)(1)(iv) “Non-United States person” means:

- A. a natural person who is not a resident of the United States;
- B. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- C. an estate or trust, the income of which is not subject to United States income tax regardless of source;
- D. an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-US persons or otherwise as qualified eligible persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-US persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the Commission’s regulations by virtue of its participants being Non-United States persons; or
- E. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

The Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States and may not be offered or sold in the United States or to US persons absent registration or an exemption from registration under the US Securities Act.

The Company has not registered and will not register under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not required and will not be required to be registered under the US Investment Company Act.

It understands that each global certificate for Shares offered and sold in the Global Offer pursuant to Regulation S will contain a legend substantially in the form set forth in this Prospectus.

No portion of the assets used by it to acquire, and no portion of the assets used by it to hold, an interest in the Shares or beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” (within the meaning of Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or any other state or local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company and its general partner (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code, or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement.

It has received, carefully read and understands this Prospectus, and has not distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Shares to any persons within the United States or to any US persons, nor will it do any of the foregoing. It understands that this Prospectus is subject to the requirements of the Prospectus Rules and the Listing Rules and the information therein, including any financial information, may be materially different from the disclosure that would be provided in a US offering.

It acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under the US securities laws, including without limitation whether it is a qualified purchaser as defined in Section 2(a)(51)(A) of the US Investment Company Act and related rules, and to require any such person that has not satisfied the Company that such person is holding appropriately under the US securities laws to transfer such Shares or interests immediately under the direction of the Company.

It acknowledges that the Company may receive a list of participants holding positions in its securities from one or more book-entry depositories.

In respect of each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the Global Offer that (i) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive and (ii) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (a) the Shares acquired by it in the Global Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive or (b) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.

If applicable, it is entitled to subscribe for the Shares comprised in the Global Offer under the laws of all relevant jurisdictions which apply to it, that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid any issue, transfer or other taxes due in connection with its acceptance in any jurisdiction and that it has not taken any action or omitted to take any action which will or may result in the Joint Lead Managers or the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal and regulatory requirements of any jurisdiction in connection with the Global Offer or its acceptance of participation in the Global Offer.

It acknowledges that the Company, the Master Fund, the Investment Manager and the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations or agreements made by it are no longer accurate or have not been complied with, it will immediately notify the Company and, if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

TRANSFER RESTRICTIONS

Shares in Certificated Form

Shares in certificated form can only be transferred:

- to a transferee that delivers to the Company a duly executed Transferee Letter in a form acceptable to the Company; or
- in an offshore transfer in accordance with Regulation S in connection with which the transferor delivers to the Company a duly executed Surrender Letter in a form acceptable to the Company.

Certificated Share Legend

Shares in certificated form will bear the following legend:

The shares evidenced hereby (the “Shares”) of Third Point Offshore Investors Limited (the “Company”) have not been and will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or any state securities laws in the United States, and the Company has not been and will not be registered as an investment company under the US Investment Company Act of 1940, as amended (the “US Investment Company Act”). These securities and any beneficial interest therein may not be reoffered, resold, pledged or otherwise transferred, except:

- (1) *in an offshore transaction in accordance with Regulation S under the US Securities Act (“Regulation S”) to a person outside the United States and not known by the transferor to be a US person, by pre-arrangement or otherwise, upon surrender of this share certificate and delivery of a written certification that such transferor is in compliance with the requirements of this clause (1). The terms “US person” and “offshore transaction” shall have the meanings set forth in Regulation S;*
- (2) *in a transaction, that is exempt from the registration requirements of the US Securities Act to a transferee who is within the United States or a US person and who delivers a written certification that:*
 - such transferee is (i) all of the following: (a) a qualified institutional buyer (as defined in Rule 144A under the US Securities Act) or an Accredited Investor (as defined in Rule 501(a) under the US Securities Act), (b) not a broker-dealer that owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers and (c) not a participant directed employee plan, such as a plan described in subsections (a)(1)(i)(d), (e) or (f) of Rule 144A under the US Securities Act; or (ii) acquiring such securities pursuant to another available exemption from the registration requirements of the US Securities Act, subject to the right of the Company to require delivery of an opinion of counsel and to require delivery of other information satisfactory to the Company as to the availability of such exemption;*
 - such transferee is a qualified purchaser (as defined in the US Investment Company Act and related rules, a “Qualified Purchaser”);*
 - no portion of the assets used by such transferee to purchase, and no portion of the assets used by such transferee to hold, the Shares or any beneficial interest therein*

constitutes or will constitute the assets of (1) an “employee benefit plan” (within the meaning of Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) that is subject to Title 1 of ERISA, (2) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the “US Internal Revenue Code”) or any other state or local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA) to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title 1 of ERISA or Section 4975 of the US Internal Revenue Code or (3) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of (1), (2), (3) a “Plan”); and

d. such transferee is acquiring the Shares and any beneficial interest therein for its own account as principal, or for the account of another person who is able to and shall be deemed to make the representations, warranties and agreements in this clause (2); or

(3) to the Company or a subsidiary thereof.

Each of the foregoing restrictions is subject to any requirement of law that the disposition of the property of the holder of these securities or the property of any investor account or accounts on behalf of which such holder holds these securities be at all times within the control of such holder or of such accounts and subject to compliance with any applicable state securities laws.

The Company and its agents shall not be obligated to recognise any resale or other transfer of these securities or any beneficial interest therein made other than in compliance with these restrictions. The Company may require any US person or any person within the United States who is required by these restrictions to be a Qualified Purchaser, but is not, to transfer these securities or such beneficial interest either (i) to a person or entity that is in the United States or a US person and who is a Qualified Purchaser or (ii) to a non-US person in an offshore transaction. Pending such transfer, the Company is authorised to suspend the exercise of the meeting and consent rights relating to the Shares and the right to receive distributions in respect of the Shares. If the obligation to transfer is not met, the Company is irrevocably authorised, without any obligation, to transfer the Shares in a manner consistent with these restrictions and, if such Shares are sold, the Company shall be obliged to distribute the net proceeds to the entitled party.

Transfers of these securities or any interest therein to a person using assets of a Plan to purchase or hold such securities or any interest therein will be void and of no force and effect and will not operate to transfer any rights to such person notwithstanding any instruction to the contrary to the Company or its agents. If any such transfer is not treated as being void for any reason, these securities or such interest therein will automatically be transferred to a charitable trust for the benefit of a charitable beneficiary and the purported holder will acquire no right in these securities.

Shares in Non-Certificated Form

Shares in non-certificated or book-entry form, held by depositaries may be freely transferred through the facilities of the London Stock Exchange, or of another designated offshore securities

market (as defined in Regulation). Any person acquiring Shares in non-certificated form will be deemed to have represented, acknowledged and agreed as follows:

- The Shares have not been, and will not be, registered under the US Securities Act and accordingly, may not be offered or sold or otherwise transferred in the United States or to, or for the account or benefit of, US persons unless registered or an exemption from registration is available.
- The Company has not registered and will not register under the US Investment Company Act and the Company has put in place restrictions to ensure that the Company is not required and will not be required to be registered under the US Investment Company Act.
- If it is a US person it is, and each account for which it is purchasing is, a “Qualified Purchaser” within the meaning of section 3(c)(7) of the US Investment Company Act.
- No portion of the assets used by it to acquire, and no portion of the assets used by it to hold, an interest in the Shares or beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” (within the meaning of Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or any other state or local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company and its general partner (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code, or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement.

Global Certificate Legend

The global certificates representing the Shares held in non-certificated form will each contain the following legend:

Third Point Offshore Investors Limited (the “Company”) has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “US Investment Company Act”). This security and any beneficial interest herein may not be reoffered, resold, pledged or otherwise transferred in the United States or to US persons, except to persons who are qualified purchasers (as defined in the US Investment Company Act and related rules, a “Qualified Purchaser”). By acquiring this security or a beneficial interest herein, each acquirer shall be deemed to represent, warrant and agree with the Company that: (1) it is either: (A) outside the United States and not a US person or (B) a Qualified Purchaser; (2) it will not offer, resell, pledge or otherwise transfer this security or a beneficial interest herein in the United States or to a US person other than to a Qualified Purchaser; and (3) no portion of the assets used by it to purchase, and no portion of the assets used by it to hold, this security or a beneficial interest herein constitutes or will constitute the assets of (1) an “employee benefit plan” (within the meaning of Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) that is subject to Title 1 of ERISA, (2) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the “US Internal Revenue Code”) or any other state or local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations

that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code or (3) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each, a “Plan”). The Company and its agents shall not be obligated to recognise any resale or other transfer of this security or any beneficial interest herein made other than in compliance with these restrictions.

The Company and its agents may require any person within the United States or any US person who is required under these restrictions to be a Qualified Purchaser but who is not a Qualified Purchaser at the time it acquires this security or a beneficial interest herein to transfer this security or such beneficial interest either (A) to a person or entity that is in the United States or a US person and who is a Qualified Purchaser or (B) to a non-US person in an offshore transaction.

Transfers of this security or any interest herein to a person using assets of a Plan to purchase or hold this security or any interest herein will be void and of no force and effect and will not operate to transfer any rights to such person notwithstanding any instruction to the contrary to the Company or any of its agents. If any such transfer is not treated as being void for any reason, this security or such interest herein will automatically be transferred to a charitable trust for the benefit of a charitable beneficiary and the purported holder will acquire no right in this security.

The terms “US person” and “offshore transaction” shall have the meanings set forth in Regulation S under US Securities Act of 1933, as amended.

Each US person purchasing Shares at any time that is not required to execute the above letter will be deemed to have represented, acknowledged and agreed as follows:

- The Shares have not been, and will not be, registered under the US Securities Act and accordingly, may not be offered or sold or otherwise transferred in the United States or to, or for the account or benefit of, US persons unless registered or an exemption from registration is available.
- The Company has not registered and will not register under the US Investment Company Act and that the Company has put in place restrictions to ensure that the Company is not required and will not be required to be registered under the US Investment Company Act.
- It is, and each account for which it is purchasing is, a “Qualified Purchaser” within the meaning of section 3(c)(7) of the US Investment Company Act.
- No portion of the assets used by it to acquire, and no portion of the assets used by it to hold, an interest in the Shares or beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” (within the meaning of Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or any other state or local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company and its general partner (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code), or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement.

CERTAIN ERISA CONSIDERATIONS

General

The following is a summary of certain considerations associated with the purchase of the Shares by (i) an “employee benefit plan” (within the meaning of Section 3(3) of ERISA) that is subject to part 4 of Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or provisions under any Similar Law, and (iii) entities whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of (i), (ii) and (iii), a “Plan”). This summary is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Shares on behalf of, or with the assets of, any employee benefit plan, consult with their counsel to determine whether such employee benefit plan is subject to part 4 of Title I of ERISA, Section 4975 of the US Internal Revenue Code or any Similar Laws.

ERISA and the US Internal Revenue Code do not define “plan assets”. However, the Plan Asset Regulations generally provide that when a Plan subject to Part 4 of Title I of ERISA or Section 4975 of the US Internal Revenue Code (an “ERISA Plan”) acquires an equity interest in an entity that is neither a “publicly offered security” (as defined in the Plan Asset Regulations) nor a security issued by an investment company registered under the US Investment Company Act, the ERISA Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by “benefit plan investors” is not significant or that the entity is an “operating company,” in each case as defined in the Plan Asset Regulations. For purposes of the Plan Asset Regulations, equity participation in an entity by “benefit plan investors” will not be significant if they hold, in the aggregate, less than 25 per cent. of the value of each class of equity interests of such entity, excluding equity interests held by any person (other than a “benefit plan investor”) who has discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates of such person. For purposes of this 25 per cent. test, “benefit plan investors” include employee benefit plans subject to Part 4 of Title I of ERISA or Section 4975 of the US Internal Revenue Code, including “Keogh” plans, individual retirement accounts and pension plans maintained by US corporations, as well as any entity whose underlying assets are deemed to include “plan assets” under the Plan Asset Regulations (for example, an entity 25 per cent. or more of the value of any class of equity interests of which is held by “benefit plan investors” and which does not satisfy another exception under the Plan Asset Regulations).

It is anticipated that (i) the Shares will not constitute “publicly offered securities” for purposes of the Plan Asset Regulations, (ii) the Company will not be an investment company registered under the US Investment Company Act and (iii) the Company will not qualify as an operating company within the meaning of the Plan Asset Regulations.

Plan Asset Consequences

If the Company’s assets were deemed to be “plan assets” of an ERISA Plan whose assets were invested in the Company, this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Company, and (ii) the possibility that certain transactions that the Company, the Master Fund or any of its subsidiaries might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the US Internal Revenue Code and might have to be rescinded. A non-exempt prohibited transaction, in addition to imposing potential liability upon fiduciaries of the ERISA Plan, may also result in the imposition of an excise tax under the US Internal Revenue Code upon a “party in interest” (as defined in ERISA), or “disqualified person” (as defined in the US Internal Revenue Code), with whom the ERISA Plan engages in the transaction.

Fiduciaries of such plans should consult with their counsel before purchasing or holding the Shares.

Because of the foregoing, the Shares may not be purchased or held by any person investing “plan assets” of any Plan.

Representation and Warranty

In light of the foregoing, by accepting an interest in the Shares, each Shareholder will be deemed to have represented and warranted, or will be required to represent and warrant in writing, that no portion of the assets used to purchase or hold the Shares constitute or will constitute the assets of any Plan. Any purported purchase or holding of the Shares in violation of the requirement described in the foregoing representation will be void. If such purchase is not treated as being void for any reason, the Shares will automatically be transferred to a charitable trust for the benefit of a charitable beneficiary and the purported holder will acquire no right in the Shares.

PART 8

ADDITIONAL INFORMATION ABOUT THE COMPANY

1 Incorporation and Administration

- 1.1 The Company is a registered closed-ended investment company incorporated in Guernsey with limited liability on 19 June 2007 under the provisions of the Companies Law, with registered number 47161. The Company continues to be registered and domiciled in Guernsey. Its registered office is at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL and its telephone number is +44(0) 1481 745 000. The Company operates under the Companies Laws and ordinances and regulations made thereunder and has no subsidiaries or employees.
- 1.2 The Directors confirm that the Company has not traded and that no accounts of the Company have been made up since its incorporation on 19 June 2007. The Company's accounting period will end on 31 December of each year, with the first year end on 31 December 2007.
- 1.3 Save for its entry into the material contracts summarised in paragraph 6 of this Part 8 and certain non-material contracts, since its incorporation the Company has not carried on business nor incurred borrowings. The Company has received a certificate from HM Greffier in Guernsey entitling it to commence business and exercise borrowing powers.
- 1.4 Changes in the authorised and issued share capital of the Company since incorporation are summarised in section 2 below.
- 1.5 Ernst & Young LLP has been the only auditor of the Company since its incorporation. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales. The annual report and accounts will be prepared according to US GAAP.
- 1.6 There has been no significant change in the trading or financial position of the Company since its incorporation.

2 Share Capital

- 2.1 At the date of this Registration Document, the authorised share capital of the Company is an unlimited number of Shares of no par value (which upon issue the Directors may classify as Sterling Shares, Euro Shares and US Dollar Shares) and an unlimited number of B Shares of no par value.
- 2.2 All B Shares are to be unlisted and held at all times by VoteCo. The B Shares carry no right to distribution of profits or in the winding-up of the Company. The Shares and the B Shares may be divided into at least three classes denominated in Sterling, Euros and US Dollars having the rights hereinafter described.

The Articles provide that, at all times, the aggregate issued number of B Shares shall be 40 per cent. of the aggregate issued number of Shares and B Shares, rounded up to the nearest whole number of B Shares where necessary so that for every three new Shares issued, two new B Shares will be issued to VoteCo and for every three Shares cancelled, two B Shares held by VoteCo will be cancelled. Where three Shares are held in treasury, two B Shares will be held in treasury.

The Articles further provide that the ratio of issued Sterling B Shares to Euro B Shares to US Dollar B Shares shall at all times approximate as closely as possible the ratio of issued US Dollar Shares to Euro Shares to Sterling Shares, so that whenever a number of Shares is converted from one Currency Class to another as set out under "Conversion of Shares" in section 3.6 below, a corresponding number of B Shares shall be converted so as to maintain the ratio as described above.

- 2.3 The maximum issued share capital of the Company (all of which will be fully paid) immediately following the Global Offer will consist of a maximum of €700 million worth of Shares (including Shares issued pursuant to the Over-allotment Option), whether issued as Euro Shares, US Dollar Shares or Sterling Shares.

On 25 June 2007 the holders of the two issued Shares in the Company, First Ovalap Limited and Second Ovalap Limited, passed a written special resolution approving the cancellation of the entire amount which will stand to the credit of the share premium account immediately after the Global Offer, conditionally upon the issue of the Shares pursuant to the Global Offer and the payment in full thereof. An application will be made to the Royal Court of Guernsey to confirm the reduction of the share premium account. The distributable reserve arising on this cancellation, when confirmed by the Royal Court, will enable the Company to effect purchases of its own Shares.

- 2.4 The Directors are entitled to allot Shares of the Company for cash or otherwise and classify such shares as Euro Shares, US Dollar Shares or Sterling Shares (or any other currency of their choice or with such other special rights as they may determine). Neither the Companies Laws nor the Articles of Association confer any rights of pre-emption in favour of existing Shareholders in respect of the unissued share capital. Under the Articles, the Directors have the right to issue further classes of shares in the Company, including shares or other securities convertible into the existing classes of Shares, without Shareholder approval provided that such shares or securities are issued on terms which do not adversely affect the interests of existing Shareholders.

As at the date of this Prospectus, none of the investors in the Company will have voting rights attached to the Shares they hold that will be different from the voting rights attached to any other of the Shares.

- 2.5 Subject to the exceptions set out in section 3.10 of this Part 8 in the section headed “Transfer of Shares”, Shares are freely transferable and Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Shares in a winding-up of the Company or a winding-up of the business of the Company.
- 2.6 Since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.7 All of the Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.

3 Summary of the Company’s Memorandum and Articles of Association

The Articles of Association of the Company provide that the objects of the Company include carrying on business as an investment company. The objects of the Company are set out in full in Clause 3 of its memorandum of association, copies of which are available for inspection at the addresses specified in section 14 of Part 8 of this Registration Document.

The Articles contain provisions, among others, to the following effect:

3.1 Shares generally

The Company’s share capital is represented by an unlimited number of Shares of no par value and an unlimited number of B Shares of no par value. All B Shares are to be unlisted and held at all times by VoteCo. The B Shares carry no rights to distribution of profits or in the winding-up

of the Company. The Shares may be divided into at least three classes denominated in Sterling, Euros and US Dollars having the rights hereinafter described.

The Articles provide that, at all times, the aggregate issued number of B Shares shall be 40 per cent. of the aggregate issued number of Shares and B Shares, rounded up to the nearest whole number of B Shares where necessary, so that for every three new Shares issued, two new B Shares will be issued to VoteCo and for every three Shares cancelled, two B Shares held by VoteCo will be cancelled. Where three Shares are held in treasury; two B Shares will be held in treasury.

The Articles further provide that the ratio of issued Euro B Shares to US Dollar 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, so that whenever a number of Shares is converted from one Currency Class to another as set out under “Conversion of Shares” in section 3.6 below, a corresponding number of B Shares shall be converted so as to maintain the ratio as described above.

Shareholders shall have the following rights:

3.2 Voting

Shareholders and holders of B Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company. Each holder of Shares and B Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in the case of a separate class meeting, have one vote in respect of each Share or B Share held by him 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 by him, one and a half votes in respect of each Euro Share or Euro B Share held by him and two votes in respect of each Sterling Share or Sterling B Share held by him. Fluctuation in currency exchange rates will not affect the relative voting rights applicable to the Shares and B Shares. In addition, all of the Company’s Shareholders will have the right to vote on all material changes to the Company’s investment policy.

3.3 Dividends

(a) Although the Board of Directors does not expect to declare any dividends, the Company may, by ordinary resolution, declare dividends but no dividend is to exceed the amount recommended by the Board of Directors. No dividend will be paid other than out of the profits of the business of the Company.

(b) The Board of Directors may at any time declare and pay such interim dividends as appear to be justified by the position of the Company.

(c) All unclaimed dividends may be invested or otherwise used by the Board of Directors for the benefit of the Company until claimed and the Company will not be constituted a trustee in respect thereof. No dividend will bear interest against the Company. Any dividend unclaimed after a period of 12 years from the date of declaration of such dividend will be forfeited and revert to the Company.

(d) The Board of Directors is empowered to create reserves which will be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board of Directors may also carry forward any profits.

(e) Holders of B Shares have no entitlement to receive dividends.

3.4 Capital

On a winding-up of the Company, after paying all the debts attributable to and satisfying all the liabilities of the Company, Shareholders will be entitled to receive by way of capital any surplus assets of the Company attributable to the Shares as a class in proportion to their holdings. Holders of B Shares have no such entitlement. See “Distribution on winding-up” below for further details.

3.5 Distribution on winding-up

(a) On a winding up the surplus assets remaining after payment of all creditors will be divided among the classes of Shares then in issue (if more than one) in the same proportions as capital is attributable to them at the relevant winding up date as calculated by the Board of Directors or the liquidator in their discretion. Holders of B Shares have no entitlement to the surplus assets remaining after payment of all the creditors of the Company.

Within each such class, such assets will be divided *pari passu* among the Shareholders of that class in proportion to the number of Shares of that class held at the commencement of the winding-up, subject in any such case to the rights of any Shares which may be issued with special rights or privileges. Holders of B Shares have no such entitlement.

(b) On a winding-up the liquidator may, with the authority of a special resolution, divide amongst the Shareholders or different classes of Shareholders in specie the whole or any part of the assets of the Company and may set such value as they deem fair upon any one or more class or classes of property and may determine the method of division of such assets between Shareholders or different classes of Shareholders. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as they deem fit but no Shareholder will be compelled to accept any assets in respect of which there is any outstanding liability.

(c) Where the Company is proposed to be or is in the course of being wound-up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation or part compensation for the transfer or sale of assets, shares, policies or other like interests for distribution among the Shareholders or may enter into any other arrangements whereby the Shareholders may, in lieu of receiving cash, shares, policies, or other like interests in the transferee, participate in the profits of or receive any other benefit from the transferee.

3.6 Conversion of Shares

The Articles incorporate provisions to enable Shareholders of any one Currency Class of Shares to convert all or part of their holding into any other Currency Class of Shares on a monthly basis (commencing in August 2007) in accordance with the detailed provisions of the Articles summarised below:

(a) On the last day of each calendar month (or, where such day is not a NAV Calculation Date, the immediately preceding NAV Calculation Date) (each a “**Conversion Calculation Date**”) in each year a Shareholder may elect to convert some or all of their Shares of one class into Shares of any other class (of which Shares are in issue at the relevant time) by giving at least 15 Business Days’ notice before the relevant Conversion Calculation Date, specifying the number and Currency Class of Shares to be converted from and the Currency Class of Shares into which they are to be converted, either through submission of the relevant instruction mechanism (for Shareholders holding Shares in uncertificated form in CREST or any other relevant system) or through the return of the relevant Share certificate to the Registrar in the case of Shares held in certificated form.

The Board of Directors may amend the process for conversion (including the frequency of Currency Class conversions in any one year and the procedure for giving notice of conversion) in such manner as they see fit for the purposes of facilitating conversions of Shares in uncertificated

or certificated form or to facilitate electronic communications. Any conversion notice once given shall be irrevocable without the consent of the Directors. The date on which conversion shall take place shall be a date determined by the Board of Directors being not more than 20 Business Days after the relevant Conversion Calculation Date.

(b) Conversion shall be effected by way of redesignation of Shares of one Currency Class into Shares of another Currency Class or in any such other manner as the Board of Directors may determine. Fractions of Shares arising on such conversion will be rounded down to the nearest whole Share.

(c) Conversion will be on the basis of the ratio of the last reported NAV per Share of the Currency Class of Shares to be converted from (less the costs of effecting such conversion), to the last reported NAV per Share of the Currency Class of Shares to be converted to (each as at the relevant NAV Calculation Date).

(d) Should the aggregate month-end NAV of any Currency Class of Shares fall below the US Dollar equivalent of \$50 million, the Directors, in accordance with the Articles, have the right to compulsorily convert such Currency Class of Shares into the Currency Class of Shares then in issue with the greatest aggregate value in US Dollar terms as at the corresponding Conversion Calculation Date. Any such compulsory conversion will take place in substantially the same manner specified for voluntary conversion in paragraphs (a) to (c) above.

(e) Upon conversion a corresponding number of B Shares shall be converted in a similar manner as described in this section 3.6.

3.7 Variation of Share Rights

The rights attaching to the Shares of each class may be varied with the consent in writing of the holders of three-quarters of the issued shares of the relevant class or with the sanction of a special resolution of Shareholders of the relevant class passed at a general meeting at which at least one third of the issued Shares of that class are represented (or, if adjourned due to lack of quorum, at which two Shareholders of the relevant class are represented).

3.8 Notice requiring disclosure of interests in Shares

(a) The Board of Directors has power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder (an “**interested party**”) who has any interest in the Shares held by such Shareholder and the nature of such interest. Such notice will require any information in response to the notice to be given in writing within such reasonable time as the Board of Directors shall determine.

(b) The Board of Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than 1/10th of the paid up capital of the Company as at that date, calculated on a class by class basis. If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period, the Board of Directors in their absolute discretion may serve a direction notice on that Shareholder.

The direction notice may direct that in relation to the Shares in respect of which the default has occurred (“**default shares**”) and any other Shares held by such Shareholder, the Shareholder will not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of Shares concerned, the direction notice may additionally direct that dividends on such Shares be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) will be registered until the default is rectified.

3.9 Commission

The Company may pay commission in money or Shares to any person in consideration for his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any Shares in the Company provided that the rate or amount of commission will be fixed by the Board of Directors. The Company may also pay brokerage fees.

3.10 Transfer of Shares

(a) The Articles provide that the Board of Directors may implement such arrangements as they, in their absolute discretion, think fit in order for any class of Shares to be admitted to settlement by means of the CREST system. If the Board of Directors implement any such arrangements, no provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:

- (i) the holding of Shares of that class in uncertificated form;
- (ii) the transfer of title to Shares of that class by means of the CREST system; or
- (iii) the CREST Guernsey Requirements.

(b) Where any class of Shares is, for the time being, admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with and subject to the CREST Guernsey Requirements. Unless the Board of Directors otherwise determine, Shares held by the same Shareholder or joint Shareholders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the CREST Guernsey Requirements. Title to such of the Shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system and as provided in the CREST Guernsey Requirements. Every transfer of Shares from a CREST account of a CREST member to a CREST account of another CREST member will vest in the transferee a beneficial interest in the Shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed.

(c) Subject to such of the restrictions of the Articles as may be applicable, any Shareholder may transfer all or any of his certificated Shares by an instrument of transfer in any usual form or in any other form which the Board of Directors may approve. The instrument of transfer of a certificated Share must be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee. The Board of Directors may refuse to register a transfer of any Share in certificated form or uncertificated form which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis on the London Stock Exchange. The Board of Directors may also refuse to register any transfer of certificated Shares unless such transfer is in respect of only one class of Shares, is in favour of a single transferee or no more than four joint transferees, is delivered for registration to the registered office or such other place as the Board of Directors may decide, and is accompanied by the relevant share certificate(s) and such other evidence as the Board of Directors may reasonably require to evidence the right of the transferor to make the transfer.

(d) Subject to such of the restrictions of the Articles as may be applicable, any Shareholder may transfer all or any of their uncertificated Shares by means of a relevant system authorised by the Board of Directors in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Companies Law or such as may otherwise from time to time be adopted by the Board of Directors on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles will apply in respect of an uncertificated Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the Shares to be transferred.

(e) The Board of Directors may only decline to register a transfer of an uncertificated Share in the circumstances set out in regulations issued for this purpose under the Companies Law or under the Articles such as may from time to time be adopted or as provided in the Listing Rules or the CREST Guernsey Requirements and where, in the case of a transfer to joint Shareholders, the number of joint Shareholders to whom the uncertificated Share is being transferred exceeds four.

(f) The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board of Directors may decide and either generally or in respect of a particular class of Share except that, in respect of any Shares which are participating securities, the register must not be closed without the consent of CRESTCo.

(g) No purchase or other acquisition of Shares may be made by any entity that is (i) an “employee benefit plan” (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Title 1 of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or any other state, local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company and its general partner (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code, or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of (i), (ii) and (iii), a “Plan”). If any Shares are owned directly or beneficially by a person believed by the Board of Directors to be a Non-Qualified Holder or a Plan investor, the Board of Directors may give notice to such person requiring him either (i) to provide the Board of Directors within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board of Directors that such person is not a Non-Qualified Holder or a Plan investor or (ii) to sell or transfer his Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Board of Directors with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his Shares.

(h) The Board of Directors may, in its absolute discretion, refuse to register a transfer of any Share (a) to any person it has reason to believe is a Non-Qualified Holder or Plan investor or (b) that is not permitted under the US Securities Act and any state securities laws in the United States, provided that the Board of Directors will not exercise this discretion if to do so would prevent dealings in Shares from taking place on an open and proper basis on the London Stock Exchange.

(i) A forfeited Share will be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms as the Board of Directors thinks fit, including (if applicable) with or without all or any part of the amount previously paid on the Share being credited as paid. At any time before such a sale or disposition the forfeiture process may be cancelled. No proceeds of any forfeiture will be paid to any person whose Shares have been forfeited.

(j) A person whose Shares have been forfeited will cease to be a Shareholder in respect of the forfeited Shares but will, notwithstanding the forfeiture and if applicable, remain liable to pay to the Company all monies which at the date of the forfeiture were payable by them to the Company in respect of the Shares with interest thereon from the date of forfeiture until payment at such rate (not exceeding 15 per cent. per annum) as the Board of Directors determines and the Board of Directors may enforce payment without any allowance for the value of the Shares at the time of forfeiture.

(k) The Board of Directors may accept from any Shareholder on such terms as agreed a surrender of any Shares in respect of which there is a liability for calls or in circumstances where a Non-Qualified Holder determines that they are not qualified to hold the Shares. Any surrendered Share may be disposed of in the same manner as a forfeited Share.

3.11 Alteration of capital and purchase of Shares

The Company at any time may by ordinary resolution resolve to raise share capital of such amount to be divided into Shares and B Shares as the resolution shall prescribe from time to time.

The Company may by special resolution reduce its share capital, share premium account, and any capital redemption reserve fund in any manner and with and subject to any authority and consent required by the Companies Law.

3.12 Notices

(a) A notice may be given by the Company to any Shareholder either personally or by sending it by post in a pre-paid envelope addressed to the Shareholder at his registered address. A notice sent by post will be deemed to have been served 24 hours after the time when the notice was posted. Any document or notice that may be sent by the Company by electronic communication will be deemed to be received 24 hours after the time at which it was sent.

(b) A notice may be given by the Company to the joint Shareholders of a Share by giving the notice to the joint Shareholder first named in respect of the Share in the register of members.

(c) Notice for any general meeting must be sent not less than ten days before the meeting provided that, with the written consent of Shareholders entitled to receive notice of such meetings, a meeting may be convened by shorter notice or no notice at all and in any manner they think fit.

(d) The notice must specify the time and place of the general meeting and, in the case of any special business, the general nature of the business to be transacted. The accidental omission to give notice of any meeting or the non-receipt of such notice by any Shareholder will not invalidate any resolution, or any proposed resolution otherwise duly approved, passed or proceeding at any meeting.

3.13 Pre-emption Rights

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of Shares and no pre-emption rights have been introduced in the Articles in respect of the Shares. The Articles do, however, confer rights of pre-emption in respect of B Shares in favour of the existing holder of B Shares.

4 Board of Directors

The Company's Articles of Association provide that the Board of Directors shall be composed of any number of directors, a majority of whom must be Independent Directors. The Directors meet on a regular basis to review and assess the investment policy and performance of the Company and generally to supervise the conduct of its affairs.

4.1 Board Structure, Practices and Committees

The structure, practices and committees of the Company's Board of Directors, including matters relating to the size, independence and composition of the Board of Directors, the election and removal of directors, requirements relating to Board of Directors action, and the powers delegated to Board of Directors committees are governed by the Company's Articles of Association. The following is a summary of certain provisions of those Articles of Association that affect the Company's corporate governance. This summary is qualified in its entirety by reference to all of the provisions of the Articles of Association. Because this description is only a

summary of certain of the Articles of Association, it does not necessarily contain all of the information that potential investors may find useful. The Company therefore urges potential investors to review the Articles of Association in their entirety.

4.2 Size, Independence and Composition of the Board of Directors

The Company's Board of Directors, which upon completion of the Global Offer will have five members, shall not be subject to any maximum or minimum unless otherwise determined by a resolution of Shareholders. At least a majority of the Directors holding office must be independent of the Investment Manager and its affiliates, as determined by the full Board of Directors in light of the Association of Investment Companies Code of Corporate Governance, itself based on the Combined Code. If the death, resignation or removal of an Independent Director results in the Board of Directors having less than a majority of Independent Directors, the remaining Directors will endeavour to ensure that the vacancy is filled promptly. Pending the filling of such vacancy, the Board of Directors may temporarily consist of less than a majority of Independent Directors and those Directors who do not meet the standards for independence may continue to hold office.

In addition, the Company's Articles of Association prohibit the Board of Directors from consisting of a majority of Directors who are citizens or residents of the United States, and if, as a result of the relocation, removal, death or resignation of a Director, a majority of the Directors would be citizens or residents of the United States, one or more Directors who is a US citizen or resident shall be deemed to have resigned concurrently with such relocation, death or resignation in order to maintain the majority of the Directors as non-US citizens or residents.

4.3 Election and Removal of Directors

At the first annual general meeting and at each annual general meeting thereafter (a) any Director who is not an Independent Director must retire, (b) any Director, other than a Director who is not an Independent Director, who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year must retire by rotation; and (c) such further Directors (if any) must retire by rotation as would bring the number retiring by rotation up to one-third of the number of Directors in office at the date of the notice of the meeting. Retiring Directors may be presented for re-election at the same annual general meeting. Vacancies on the Board of Directors may be filled, and additional Directors may be added, by a resolution of Shareholders or a vote of the Directors then in office, provided that the appointment of any new Directors would not cause the Board of Directors to exceed its authorised size and that any new Directors satisfy certain eligibility requirements. Those eligibility requirements generally provide, among other things, that:

- a person may not be appointed to the office of Director by the sitting members of the Board of Directors unless they have been recommended by the nominating and governance committee; and
- Shareholders may not nominate a person for election to the Board of Directors unless they comply with certain advance notice requirements.

A Director may be removed from office for any reason by a written resolution requesting his resignation signed by all other Directors then holding office or by a resolution duly passed by Shareholders. A Director will be automatically removed from the Board of Directors if he or she becomes bankrupt, insolvent or suspends payments to his or her creditors, if he or she becomes a citizen or resident of the United States and such residency or citizenship results in a majority of the Board of Directors being citizens or residents of the United States or if he or she becomes prohibited by law from acting as a Director.

4.4 Action by the Board of Directors

The Company's Board of Directors may take action in a duly convened meeting in which a quorum is present or by a written resolution signed by all Directors then holding office. When action is to be taken at a meeting of the Board of Directors, the affirmative vote of a majority of the Directors then holding office is required for any action to be taken. In the event that an equal number of votes is cast, the Chairman will have the casting vote. The Directors may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage, pledge or charge all or part of its property or assets as security for any liability or obligation of the Company or any third party.

4.5 Transactions in which a Director has an Interest

A Director who, directly or indirectly, has an interest in a contract, transaction or arrangement with the Company or the Master Fund is required to disclose the nature of his or her interest to the full Board of Directors. Such disclosure may generally take the form of a general notice given to the Board of Directors to the effect that the Director has an interest in a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may after the date of the notice be made with that company, firm or affiliates thereof. A Director may participate in any meeting called to discuss or any vote called to approve the transaction in which the Director has an interest and any transaction approved by the Board of Directors will not be void or voidable solely because the Director was present at or participates or votes in the meeting in which the approval was given; provided that the Board of Directors or a board committee authorises the transaction in good faith after the Director's interest has been disclosed or the transaction is fair to the Company at the time it is approved.

Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately, and in such case each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment. None of the Directors has, or has had since incorporation, any interest, direct or indirect, in any transactions which are unusual in their nature or significant to the business of the Company. See "Potential Conflicts of Interest" in Part 2 of this Registration Document.

4.6 Directors' Remuneration

The annual remuneration for Directors shall not exceed £30,000 per Director, £35,000 for the chairman of the Audit Committee and £50,000 for the Chairman, or such higher amount as may be approved by ordinary resolution of Shareholders. The Third Point Director has waived his entitlement to a fee. The Directors are entitled to be repaid by the Company all reasonable out-of-pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Directors or of committees of the Directors or general meetings of the Company's Shareholders. If any Director, having been requested, shall render or perform extra or special services, he may be paid such remuneration as the Directors think fit either as a lump sum or as a salary or by way of commission or otherwise in addition to, or in substitution for, his ordinary remuneration as Director. A Director is not required to retire upon reaching a certain age.

4.7 Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets (present and future) and uncalled capital, to enter into options, futures, options on futures, swaps and other synthetic or derivative financial instruments and/or to issue debentures, loan stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, provided always that the aggregate principal amount outstanding of all borrowings by the Company shall not at the time of borrowing

exceed 15 per cent. of NAV. Notwithstanding the foregoing and without prejudice to the power of the Company to invest in transferable securities, the Company may not lend to or act as guarantor on behalf of third parties.

5 Directors' and Other Interests

5.1 No Director of the Company has in respect of the five years preceding the date of this Registration Document:

- (a) save as set out in section 5.7 below, been a member of the administrative, management or supervisory bodies or partner of any companies or partnerships;
- (b) any unspent convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- (c) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- (d) been associated with any bankruptcy, receivership or liquidation in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager (with the exception of Christopher Legge who was a director of Aspect Sterling Pcc Ltd which was a feeder fund that voluntarily wound up in circumstances where investors received a final distribution in excess of their investment).

5.2 There are no outstanding loans granted by the Company to Directors or principals, nor are there any guarantees provided by the Company for the benefit of any Director or principal.

5.3 No Director or principal has any potential conflicts of interests between any duties the Director or principal owes to the Company and any private interests and/or other duties, except that (i) James Kelly is an affiliate of the Investment Manager and (ii) a number of Directors and principals currently serve, and may in the future serve, as directors of other companies engaged in the making of investments, some of which companies have investment strategies similar to or overlapping with that of the Company.

5.4 No Director or principal has had any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company since its incorporation.

The services of the Directors are provided under the terms of letters of appointment between the Company and each Director dated 21 June 2007 subject to termination in accordance with the Articles of Association. Each Director other than the Chairman and the Chairman of the Audit Committee will be paid an initial annual fee of £30,000. The Chairman of the Audit Committee will receive an initial annual fee of £35,000. The Chairman will receive an initial annual fee of £50,000. These fees may be waived at the discretion of each Director. The Third Point Director has waived his entitlement to a fee.

There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.

There are no arrangements between the Company and the Directors providing for benefits upon termination of employment.

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 him in connection with the performance of his duties as a Director of the Company.

5.5 Over the five years preceding the date of this Registration Document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Marc-Antoine Autheman	ICADE	IXIS CIB Icade EMGP Banca Intesa Banque Saudi Fransi
James Kelly	International Fund Services Inc. IMS Holdings Company II Inc. Madison Capital Management Inc. 47 Degrees North Capital Management Ltd. Communities in School New York Inc.	International Fund Services (N.A.) LLC International Fund Services (UK) Ltd. IFS Futures (Ireland) Ltd. Offshore Financial Solutions Ltd. Investment Management Services Inc. IMS Holding Company Inc. IMS Advisors Inc. IMS Management System Inc. and Foreign Exchange International Inc.
Christopher Fish	Aries Trust Boussard & Gavaudan Holdings Ltd. Blenheim Fiduciary Group Ltd. Close Fund Services Ltd. Close International Asset Management Hldgs Ltd. Close International Bank Hldgs Ltd. CMA Global Hedge PCC Ltd. Collette Trust Dawnay, Day Sirius Ltd. Harlequin Insurance PCC Ltd. Heritage Insurance Brokers Ltd. Hugo Trust Iceni Ltd. LLCF Charitable Trust Loudwater Trust Ltd. Louvre Fiduciary Group Ltd. Mannequin Insurance PCC Ltd. Montaigne Trust Morant Wright Japan Income Trust Ltd. New Star Financial Opportunities Fund Ltd. Parkway Administration Guernsey Ltd. Polygon Insurance PCC (Guernsey) Ltd. Premier Asian Assets Trust Ltd. Prodesse Investment Ltd. Racine Charitable Trust Teesland Advantage Property Income Trust Ltd. UK Commercial Property Trust	Addison Racing Ltd. Adirondack Trust Company Ltd. Aegis Euro Fund Ltd. Aegis US\$ Fund Ltd. Alkhaldia Berth SA Alkhaldia Land SA Alkhaldia SA Al Mulk Hldgd Ltd. Al Shams Hldgs Ltd. Arkesdon Aviation Ltd. Artem Ltd. Canaletto Hldgs Ltd. Canaletto Holdings SA Clock House Ltd. Close Bank Cayman Ltd. Eaton Realty Ltd. Elstreet Ltd. Glavestone Jersey Ltd. H H Berlin Residential PLC (not launched) Kafinvest Operating Ltd. KRSF Investments Ltd. Lake Grace Ltd. Magna Hldgs Ltd. Magna Petrochemicals Ltd. Merstal Ltd. Mersy Investments Ltd. Novastel Ltd. Palmyra Investments Ltd. Parfrance Hldgs Ltd. Royal London Property Investment Company Ltd. (not launched) Safingest International SA Saggitta International Ltd.

<i>Name</i>	<i>Current directorships/partnerships Ltd</i>	<i>Previous directorships/partnerships</i>
		Samar Telecoms Ltd. Sentry Select Diversified Income Fund PCC Ltd. (not launched) SKO Investments International Ltd. Sutto Ltd. Teuco Consultoria Economica Sociedade Unipessoal Limitada Trans Properties Ltd. Trans Securities Ltd. Tusmore Park Hldgs SA Vintem Ltd. Wahid Investments Ltd. Winstar Ltd. Zenobia Maritime Ltd
Keith Dorrian	AB Alternative Strategies PCC Ltd. AB Asia Pacific Growth Fund Ltd. AB International Fund PCC Ltd. Arab Bank Fund Managers (Guernsey) Ltd. ACUS (Channel Islands) Ltd. Babcock & Brown Public Partnerships Ltd. Bear Stearns Global Growth Fund Ltd. Helios Alternative Strategies Ltd. ELVEN Investments Ltd. Eagle & Dominion Ltd. Eurocastle Investments Ltd. Guernsey Training Agency Ltd. HSBC Global Absolute Ltd. Hermes Absolute Return Fund (Guernsey) Ltd. Hermes Commodities Investment Fund Ltd. HCIF Index Sub Fund Ltd. Jade Asia Pacific Fund Inc. Jade (General Partner) Inc. MasterCapital Fund Ltd. Montier Long Short Equity Fund of Funds Ltd. Montier Multistrategy Fund of Funds Ltd. Montier Asset Management Ltd. Montier High Alpha Fund of Funds Ltd. Montier High Alpha Closed end Fund of Funds Ltd. Montier Multi Strategy Closed End Fund of Funds Ltd. UK Commercial Property Trust Ltd. City Road Investment PCC Ltd. K A N Consulting Ltd.	Ashmore Management Company (Guernsey) Ltd. Asset Holder PCC No 2 Ltd. Boyer Allan Japan Fund Inc. Boyer Allen Management Ltd. Boyer Allan Pacific Fund Inc. Boyer Allan (Holding) Inc. Dalton Capital (Guernsey) Ltd. Dalton General partner Ltd. Delphi Global Fund Ltd. Danube Property Company Ltd. Finch Management and Marketing Ltd. Henderson Management Company (Guernsey) Ltd. H R Properties Ltd. Management International (Guernsey) Ltd. Port Fund Managers (Guernsey) Ltd. The Finch Fund Ltd. The Finch innovation Fund Ltd. The Sherpa Fund Ltd. Total Return Alternative Strategies Ltd.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Christopher Legge	Avonview Ltd. BH Macro Ltd. Burland Investments Inc. Caledonian Ltd. Certidor Ltd. Crownstone European Properties Ltd. GM Trustees Ltd. Goethe Holdings Ltd. Goethe Management Ltd. High Desert Properties, Inc. Jancap Insurance PCC Ltd. Lone Star Properties, Inc. Multi-Manager Investment Programmes PCC Ltd. Nisshin Insurance Guernsey PCC Ltd. North Twenty, Inc. Pinnacle Peak, Inc. Prestyne Ltd. South Twenty, Inc. Tredoric Ltd. Wizard Properties Ltd. Yorksaf Insurance Company Ltd.	Ernst & Young LLP Ernst & Young Guernsey Ltd. Marshall Secretarial Services Ltd. New Street Nominees Ltd. Aspect Sterling PCC Ltd.

5.6 Based on information provided to the Board of Directors by the individual Directors and principals, the Company expects that none of the Directors of the Company will have any ownership interests in any Shares immediately following Admission.

Except as set out above, none of the Directors or principals are expected to have any ownership interests in the Shares of the Company immediately following the Global Offer.

5.7 The Company is not aware of any party that, immediately following the closing of the Global Offer, would, directly or indirectly, jointly or severally, exercise control over the Board of Directors of the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control over the Company.

5.8 Other than in relation to the B Shares held by VoteCo, a description of which is set out under the heading “VoteCo” in Part 1 of this Registration Document, the Company is not aware of any persons that will, immediately following Admission directly or indirectly, have an ownership interest of 5 per cent. or more of the share capital of the Company.

5.9 The Company will maintain Directors’ and Officers’ liability insurance on behalf of the Directors at the expense of the Company to the extent that the Company is able to obtain such insurance.

6 Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) are contracts which have been entered into by the Company since incorporation, and which are or may be material or are contracts entered into by the Company which contain any provisions

under which the Company has any obligation or entitlement which is or may be material to the Company at the date of this Registration Document:

6.1 Placing Agreement

The Company, the Directors, Daniel S. Loeb and the Investment Manager have entered into a placing agreement dated 2 July 2007 with the Joint Lead Managers (“**Placing Agreement**”). Under the terms of the Placing Agreement, subject to certain conditions, the Joint Lead Managers have severally agreed to use reasonable endeavours to procure purchasers for, failing which to purchase, the Shares, in each case at the Offer Price. The Placing Agreement contains, amongst others, the following provisions:

- The Company has appointed UBS as Global Co-ordinator and Bookrunner to the Global Offer.
- The Company has appointed UBS and Société Générale as Joint Lead Managers to the Global Offer.
- The obligation of the Company to issue the Shares and the obligation of the Joint Lead Managers to procure subscribers for, or failing which to subscribe for, the Shares is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, amongst others, (i) the execution of a purchase memorandum between the Joint Lead Managers, the Investment Manager and the Company setting out the number of Shares of each class to be issued pursuant to the Global Offer and (ii) that Admission occurs on or before 8.00 a.m on 23 June 2007 or such other time or date as the Company and the Global Co-ordinator may agree in writing.
- The Investment Manager has agreed to pay or cause to be paid (together with any applicable value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst other things, the admission of the Shares to the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange, all of the Joint Lead Managers’ properly incurred out of pocket expenses and the fees and disbursements of the Joint Lead Managers’ counsel in connection with the transactions contemplated in the Placing Agreement. In addition, the Company has, in certain circumstances and subject to certain exceptions, agreed to pay to and reimburse the Joint Lead Managers in respect of all and any SDRT and any other similar tax charge or duty and any related costs, fines, penalties or interest.
- The Company, its Directors and the Investment Manager have given certain customary warranties to the Joint Lead Managers including, amongst others, warranties in relation to the business, the accounting records and the legal compliance of the Company, the Investment Manager and the Master Fund and in relation to the information contained in the Prospectus. The Company and, in certain circumstances and subject to certain limitations, the Investment Manager have agreed to indemnify the Joint Lead Managers against certain liabilities, including in respect of the accuracy of the information contained in this Prospectus, losses arising from a breach of the Placing Agreement and in respect of certain other losses suffered or incurred in connection with the Global Offer.
- Under the Placing Agreement, the Investment Manager’s CEO, Daniel S. Loeb, intends to subscribe for 5 per cent. of the target size of the Global Offer of €500 million on the same terms as any other investor, either directly or through an investment vehicle.
- In connection with this subscription, Mr. Loeb has agreed with the Global Co-ordinator not to sell any such Shares subscribed under the Placing Agreement before the expiry of 12 months from the closing of the Global Offer without the prior consent of the Global Co-ordinator. This undertaking is subject to customary exceptions, including acceptance of an unconditional or recommended general offer to all holders of Shares made in accordance

with the City Code and a disposal pursuant to an offer by the Company purchase its own Shares made on identical terms to all Shareholders.

- Neither Bank will be entitled to any commission of any form in connection with the investment by Mr. Loeb in the Company.

The Placing Agreement is governed by English law.

6.2 Company Investment Management Agreement

A management agreement dated 29 June 2007 between the Company and the Investment Manager (“**Company Investment Management Agreement**”) whereby the Investment Manager is appointed to manage and invest the investments of the Company in pursuit of the Company’s investment objective and policy.

The Company Investment Management Agreement contains provisions under which the Company exempts the Investment Manager from all liabilities and indemnifies the Investment Manager against all liabilities suffered by the Investment Manager in its capacity as Investment Manager except where due to the gross negligence, wilful default, fraud of, or material breach of the Company Investment Management Agreement by, the Investment Manager. The Investment Manager indemnifies the Company against all liabilities suffered by the Master Fund as a result of the gross negligence, wilful default, fraud of, or material breach of the Company Investment Management Agreement by, the Investment Manager.

The Company Investment Management Agreement may be terminated by either party by the giving of 24 months’ written notice to the other party, although in certain circumstances the agreement may be terminated forthwith by notice in writing by the Company to the Investment Manager. Termination may be effected without notice in the case of fraud, wilful default, gross negligence or material breach of the Company Investment Management Agreement or the Master Fund Investment Management Agreement by the Investment Manager, termination of the Master Fund Investment Management Agreement, involuntary loss of the Investment Manager’s regulatory approval, change of control of the Investment Manager, significant adverse change in the management or operations of the Investment Manager, loss of key personnel (i.e. Daniel S. Loeb) and where the Company’s entire holding in the Master Fund is redeemed otherwise than in the circumstances set out in paragraphs (c)(ii), (c)(iii), (g) and (h) under the heading “Withdrawal from the Master Fund” in Part 1 of this Registration Document.

Upon termination, in the circumstances set out in the aforementioned paragraphs (c)(ii), (c)(iii), (g) and (h) on less than 24 months’ notice the Company is liable to pay compensation to the Investment Manager by reference to any notice actually given, the 24 month notice period specified in the Company Investment Management Agreement and the most recently calculated quarterly NAV of the Master Fund. By virtue of the consequential redemption of the Master Fund Company’s shareholding in the Master Fund any performance fee payable by the Master Fund in respect of its Master Fund Shares will be crystallised. Any redemption fee payable to the Master Fund in respect of the Company’s shareholding in the Master Fund will be offset against the Company’s liability to pay compensation under the Management Agreement.

In circumstances where the Company Investment Management Agreement is terminated prior to the seventh anniversary of Admission in the circumstances set out paragraphs (c)(ii), (c)(iii), (g) and (h) under the heading “Withdrawal from the Master Fund” in Part 1 of this Registration Document, the Investment Manager is entitled to be paid compensation of an amount equal to that portion of the costs and expenses of the Global Offer which is deemed not to have been amortised by the Investment Manager. For these purposes amortisation is to be on a straight line basis over a seven year period and on the assumption that amortisation will have occurred in respect of the relevant years at the rate of one-seventh of such costs and expenses for every 2 per cent. of the Master Fund NAV paid by way of fees from the Master Fund pending redemption or compensation paid by the Company and pro rata for any greater or lesser percentage.

Pursuant to the Company Investment Management Agreement, the Investment Manager has agreed to provide or procure the provision to, the Company with regular reports containing specified financial information in relation to the assets of the Company, in addition, to provide the Company with all such other information in its possession as may be required in order to enable the Company to discharge its continuing obligations as a company listed on the London Stock Exchange. The Company has acknowledged that the Investment Manager may from time to time also provide certain other investors in the Master Fund with information concerning the portfolios of the Master Fund.

6.3 Administration Agreement

The Company is a party to an Administration Agreement with Northern Trust International Fund Administration Services (Guernsey) Limited dated 29 June 2007 pursuant to which the Administrator provides day-to-day administration of the Company and acts as secretary and administrator to the Company including maintenance of accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value of the Shares.

For the provision of the services under the Administration Agreement, the Administrator is entitled to receive a fee of an administration and accounting fee, charged quarterly in arrears and calculated on the end of quarter Net Asset Value in incremental tiers as follows: for the first £500 million: 2 basis points per annum; and above £500 million: 1.5 basis points per annum. The administration and accounting fee is subject to a minimum payment of £4,250 per month.

The Administrator is also entitled to a corporate governance (including company secretarial and compliance services) annual fee of £30,000, payable quarterly in arrear and a one off set up fee calculated on a time spent basis which will not exceed £25,000. The Company will also reimburse the Administrator quarterly for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company.

The Administrator may delegate the whole or any part of its functions under the Administration Agreement to any delegate, sub-contractor or agent approved in writing by the Company and its Directors.

The Administration Agreement, which is governed by the laws of Guernsey, may be terminated by either party serving on the other party 90 days' written notice (due to expire on the last day of any calendar month). The Administration Agreement may be terminated immediately if: (1) either of the parties has committed a material breach or is in material breach of any of the terms of the Administration Agreement (unless such breach has been remedied within 30 days after notice requiring the breach to be remedied); (2) either of the parties is going into liquidation or a resolution to that effect has been passed (except a voluntary liquidation for the purposes of reconstruction or amalgamation) (3) the Administrator is no longer permitted or qualified to perform its obligations pursuant to any applicable law or regulation; or (4) without the Company's approval, the Administrator is deemed to be resident for tax purposes or has a permanent establishment or other taxable presence elsewhere than Guernsey.

The Administration Agreement also allows for the agreement to be immediately terminated by the Company if the parties cannot reach an agreement as to the amount of remuneration the Administrator shall receive.

The Administrator will generally not be liable for any loss, cost, expense or damage suffered by the Company or otherwise arising directly or indirectly as a result of or in the course of discharge by the Administrator of its duties under the Administration Agreement in the absence of negligence, fraud, bad faith, wilful default or material breach. The Company will indemnify the Administrator against all actions, proceedings, claims and demands which may be made against, suffered or incurred by the Administrator in respect of any loss or damage suffered or alleged to have been suffered by any party in connection with the performance by the Administrator of its duties under the Administration Agreement otherwise than as a result of

some act of negligence, fraud, bad faith, wilful default or material breach on the part of the Administrator.

6.4 Registrar Agreement

Capita Registrars (Guernsey) Limited (“**Capita**”) has been appointed as Registrar of the Company pursuant to the Offshore Registrar Agreement dated 29 June 2007. Under the Offshore Registrar Agreement, Capita has agreed to act as registrar and paying agent of the Company for a minimum annual fee payable by the Company of £5,000. The Company shall also pay Capita additional fees in respect of the performance by Capita of other tasks requested of it by the Company upon submission by Capita of invoices in respect of such additional fees at the end of each month. Capita shall be entitled to reimbursement by the Company of any other fees and expenses reasonably disbursed by it in connection with the performance of its services under the Offshore Registrar Agreement.

The Offshore Registrar Agreement may be terminated by either party serving the other party three months’ written notice (such notice not to be effective within the first year after the date of the Offshore Registrar Agreement), although in certain circumstances the Offshore Registrar Agreement may be terminated forthwith by notice in writing by either party to the other. The Offshore Registrar Agreement contains an indemnity in favour of Capita against all claims brought by a third party against Capita in the course of carrying out its duties under the Offshore Registrar Agreement except where such claims arise from the negligence, fraud or wilful default of Capita.

6.5 Subscription Agreement

The Company has agreed to subscribe for Third Point Class E Shares and the Master Fund has undertaken to allot such shares by means of a subscription agreement entered into between the Master Fund and the Company on 2 July 2007 (the “**Subscription Agreement**”). The Subscription Agreement is conditional, among other things, on Admission and receipt of funds by IFS, as administrator of the Master Fund and the Master Fund Administrator’s satisfaction that anti-money laundering laws and regulations have been complied with.

In the Subscription Agreement, which is governed by the law of the Cayman Islands, the Company has provided certain indemnities to the Master Fund and others and made certain representations including that it has the power and authority to subscribe for the Third Point Class E Shares and is otherwise eligible to subscribe pursuant to relevant laws and regulations.

6.6 VoteCo Support and Custody Agreement

Pursuant to an agreement between the Company and VoteCo dated 29 June 2007 governed by English law, the Company has agreed, in return for the services provided by VoteCo, to provide VoteCo with funds from time to time in order to enable VoteCo to meet its obligations as they fall due. Under the agreement the Company has agreed to pay all the expenses of VoteCo, including VoteCo’s Directors’ fees, the fees of all advisers engaged by the VoteCo Directors and premiums for Directors’ and officers’ insurance.

In addition, the Company has also agreed to indemnify the VoteCo Directors in respect of all liability that they may incur in their capacity as VoteCo Directors.

As at the date of this Prospectus and save as disclosed in this section, there are no other contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company at any time which contain any provision under which the Company has any obligation or entitlement which is or may be material to the Company.

7 Related Party Transactions

No member of the Company has entered into any related party transaction since incorporation.

8 Litigation

Since its incorporation the Company is not, nor has been, involved in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any governmental, legal or arbitration proceedings pending or threatened by or against the Company which may have, or have since incorporation had, a significant effect on the Company's financial position or profitability. Prospective investors should note that the Master Fund is currently involved in one court action. Please refer to the discussion of Risks Relating to the Company and to section 7 of Part 9 of this Registration Document: Additional Information about the Master Fund.

9 No Significant Change

There has been no significant change in the trading or financial position of the Company since its incorporation.

10 Effect of the Global Offer on the Company and the Master Fund

As at the date hereof the Company's issued and fully paid share capital is £2 representing the issue of two subscriber shares of £1 each. The Company is targeting to raise €500 million (subject to increase) through the Global Offer (excluding the Over-allotment Option) but in any event the total amount raised under the Global Offer will not exceed €700 million (including the Over-allotment Option). The net proceeds of the Global Offer will be invested immediately into Third Point Class E Shares, with the effect that the Master Fund's cash and its shareholders equity will each increase by the amount of the proceeds of the Global Offer, less the Company's short term working capital requirements.

11 Working Capital

The Company is of the opinion that it has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of the Prospectus.

12 City Code on Takeovers and Mergers

The City Code on Takeovers and Mergers applies to the Company.

13 Consents

Ernst & Young LLP has given and not withdrawn its written consent to the inclusion of the Accountant's report in Part 10 of this Registration Document, in the form and context in which it appears.

14 Documents Available for Inspection

Copies of the following documents will be available for inspection at the offices of Herbert Smith LLP, legal counsel to the Company, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), until the date of Admission:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Memorandum and Articles of the Master Fund; and
- (c) the Prospectus.

In addition, copies of the Prospectus are available free of charge from the registered office of the Company and the offices of the Administrator. Copies of the Prospectus are also available from the Document Viewing Facility, UK Listing Authority, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

PART 9

ADDITIONAL INFORMATION ABOUT THE MASTER FUND

1 Incorporation and Administration of the Master Fund

The Master Fund is an exempted company with limited liability organised under the provisions of the Companies Law (2004 Revision) of the Cayman Islands. The Master Fund was incorporated in the Cayman Islands on 21 October, 1996. The Master Fund's registered office is c/o Walkers SPV Limited, Walker House, P.O. Box 908GT, George Town, Grand Cayman, Cayman Islands, British West Indies. Its principal business address is c/o International Fund Services (Ireland) Limited, Third Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland and its telephone number at that address is 011-35-31-707-5000.

The Master Fund's investments are managed by the Investment Manager. The Investment Manager and its affiliates also act as the investment manager or general partner of several other investment funds and separate accounts, the investment programmes of which may be substantially identical to that followed by the Master Fund.

The Master Fund's Administrator, a company incorporated under the laws of Ireland, provides all administrative and clerical services to the Master Fund.

2 Capital Structure of the Master Fund

The Master Fund has an authorised share capital consisting of US\$2,000,000 divided into 200,000,000 Participating Shares of US\$0.01 each ("Participating Shares") of which 16,720,027 were in issue on 31 March 2007. The Participating Shares currently offered are available for issue in three classes (each, a "Class") of shares: Third Point Class E, Class F and Class S, and within each Class there will be one or more separate series.

The Board of Directors of the Master Fund has the right to create additional classes, series and subseries for an investor as it determines appropriate in its sole discretion.

Each Master Fund Share is fully paid and non-assessable. There are no pre-emptive or other subscription rights. In the event of liquidation, each Master Fund Share is entitled to its proportion of the NAV of the series of which it is a part, divided by the number of shares outstanding.

Each series of a Class has equal rights and privileges with each other series of that Class. Each Shareholder of the Master Fund is entitled to one vote at all Master Fund shareholder meetings, and one vote per Master Fund Share if a poll is called. The Master Fund Shares are entitled to participate equally in any dividends declared. Each Master Fund Share is entitled to one vote per Master Fund Share on matters submitted to a vote of Shareholders of the Master Fund.

At meetings of Shareholders of the Master Fund, except as otherwise provided in the Articles of Associations of the Master Fund, one or more shareholders present in person or by proxy will constitute a quorum for the conduct of business, and the shareholders generally will be authorised to act by a vote of a majority of the Master Fund Shares represented in person or by proxy at the meeting, or by a unanimous written resolution. Cayman Islands law requires certain matters to be approved by a special resolution, which requires the approval of two-thirds of the votes cast at a meeting or approval by a unanimous written resolution. However, any measure that would affect the rights of the shareholders of a particular Class may be effected only with the prior authorisation of a three-fourths majority of the Class affected voting at a Class meeting or with the written consent of three-fourths of the Class affected.

Under the Master Fund's Articles of Association the Board of Directors of the Master Fund has the power to classify or reclassify any unissued Shares of the Master Fund into one or more additional series or classes by setting or changing in any one or more respects their relative

rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions on subscription or redemption.

In providing services to the Master Fund, neither the Investment Manager nor the Master Fund's Administrator acts as guarantor or offeror of the Master Fund Shares.

Third Point Class E Shares will participate in gains and losses arising from "new issues" and will be issued only to persons who do not fall within the proscription of Rule 2790 (the "**Rule**") of the Conduct Rules of the NASD, Inc. and will have an interest in an account ("**New Issue Account**") maintained by the Master Fund for investments in "new issues" (as defined in the Rule). Net Profits and Net Losses in the New Issue Account for a fiscal year will be allocated generally to the Third Point Class E Shares and the other outstanding classes of shares of the Master Fund that have an interest in the New Issue Account. Allocated business costs, including but not limited to commissions, operating expenses and interest, will be charged on a monthly basis against gains allocated to the Third Point Class E shareholders in each fiscal year. To determine which class of shares a shareholder shall receive, each shareholder will be obliged to furnish to the Master Fund such information as may be required by the Master Fund for that purpose.

3 Summary of the Master Fund's Memorandum and Articles of Association

The Articles of Association of the Master Fund provides that the objects of the Master Fund are unrestricted and that the Master Fund has full power and authority to carry out any object not prohibited by any law as defined under section 7(4) of The Companies Law of the Cayman Islands ("**Law**").

The Articles of Association of the Master Fund contain provisions, inter alia, to the following effect:

3.1 *Share Capital of the Master Fund*

The share capital of the Master Fund is currently US\$2,000,000 divided into 200,000,000 participating shares of \$0.01 par value.

The Directors have power to determine the designations, preferences, privileges, payment obligations, limitations and rights, including voting and dividend rights, of each class or series of Master Fund Shares.

3.2 *Special Investments*

On identifying a particular Special Investment that the Master Fund Investment Manager believes would be a suitable investment, the Master Fund will make such Special Investment and the Master Fund will allocate a pro rata portion of the assets attributable to the existing members to an investment account created in respect of a series of a new class of Third Point Class S Shares ("**Special Investment Shares**"). Immediately upon the making by the Master Fund of a Special Investment, the Master Fund Investment Manager will determine the cost of such Special Investment or, if the investment is designated a Special Investment subsequent to its purchase, the Master Fund Investment Manager will determine its fair market value at such time. A Special Investment may be revalued at fair value if circumstances warrant.

A pro rata portion of each series of each class of Master Fund Shares having a NAV (after taking into account accrued expenses and liabilities, including any accrued incentive fee), in the aggregate, equal to the net cost of the Special Investment (after taking into account any interest in the Special Investment attributable to any deferred fee account), will be exchanged for a new series of Third Point Class S Shares.

On the realisation of all or a portion of a particular Special Investment or upon a determination by the Master Fund Investment Manager, in its sole discretion, that such Special Investment should no longer be maintained as a Special Investment, all (or, if only a portion of the Special

Investment is realised or deemed realised, a portion) of a member's series of Special Investment Shares attributable to such Special Investments will be:

- (a) in the case where such member continues to hold Master Fund Shares, exchanged for new Master Fund Shares of the series from which the Master Fund Shares had originally been exchanged to create the Special Investment Shares (“**Original Series**”); and
- (b) in the case where such member no longer holds any other Master Fund Shares, such member will receive payment in cash and/or in kind in respect of the Special Investment Shares, net of the accrued management fee and incentive fee applicable to such members Master Fund Shares.

3.3 Variation of share capital

The Master Fund may:

- (a) increase its share capital by ordinary resolution;
- (b) may reduce its share capital in any way by special resolution; and
- (c) alter (without reducing) its share capital by ordinary resolution by:
 - (i) consolidating and dividing all or any of its share capital into shares of a larger amount;
 - (ii) sub-dividing any or all of its shares into shares of a smaller amount; or
 - (iii) cancelling any shares which have not been taken or agreed to be taken by any person and diminishing the amount of its share capital by the amount of the shares so cancelled.

3.4 Modification of the rights attaching to shares

The rights attaching to each class or series of Master Fund Shares may (unless otherwise provided by the terms of the shares of that class or series) be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of the relevant class or series or with the sanction of a resolution passed at a separate meeting of the holders of shares in such class or series by a majority of three-fourths of the votes cast.

3.5 Redemption of shares

The Master Fund may redeem all or any portion of Master Fund Shares on receipt of a written request from a Master Fund shareholder (“**Redemption Notice**”).

The period of notice required for redemption is such as is determined by the Directors of the Master Fund from time to time.

Redemption of Master Fund Shares will be made on the applicable last day of each calendar quarter and such other days as the Directors may from time to time determine (“**Redemption Day**”) following the receipt of the request.

Master Fund Shares may only be redeemed following the expiration of any applicable period during which Master Fund Shares may not be redeemed by the shareholder (“**Lock-Up Period**”).

Where the Redemption Notices received in respect of any Redemption Day relate, in aggregate, to Master Fund Shares with a NAV of more than 20 per cent. of the NAV of the Master Fund (as at the last day of the quarter immediately preceding the quarter in which the relevant Redemption Day occurs), then the Directors may, in their absolute discretion, reduce each Redemption Notice pro rata so that only aggregate Master Fund Shares with a NAV equal to 20 per cent. (or a higher percentage as the Directors may determine) of the NAV of the Master Fund are redeemed on the applicable Redemption Day.

A shareholder whose Redemption Notice is reduced as a result of the foregoing is deemed to have submitted a Redemption Notice for the balance of unredeemed Master Fund Shares for the following Redemption Day subject to the discretion of the Directors to reduce requests for redemptions on a pro rata basis to ensure that no more than 20 per cent. of NAV of the Master Fund is redeemed on any Redemption Date as described above. If a Redemption Notice is not satisfied in full for two successive applicable Redemption Days, then the balance of the Master Fund Shares to which the Redemption Notice relates will be redeemed in their entirety. The amount of Master Fund Shares being redeemed will however be counted towards the 20 per cent. limit when calculating whether a restriction will be imposed on redemption requests by other shareholders.

Master Fund Shares will be redeemed at an amount equal to the NAV of the Master Fund Share calculated at the relevant redemption date after adjustment for any accrual of incentive fees, the payment of the management fee to the Investment Manager and any other fees.

Upon not less than 10 days written notice to a member, the Master Fund may compulsorily redeem any or all of a shareholder's Master Fund Shares for any reason.

The Company may compulsorily redeem any or all of a shareholder's Master Fund Shares whenever any transfer of Master Fund Shares occurs in breach of the Articles or whenever any redemption would cause the value of Master Fund Shares to fall below US\$500,000 or such other minimum amount as may be determined by the Directors.

Redemption of Master Fund Shares may be subject to a redemption fee at a rate not exceeding 3 per cent. of the NAV of such shares, as the Directors may determine.

Third Point Class S Shares are not redeemable by a shareholder, unless otherwise determined by the Directors. A shareholder who redeems all of its shares at a time when it owns Third Point Class S Shares in respect of a Special Investment will continue to hold such Third Point Class S Shares until the Special Investment attributable to such Third Point Class S Shares is realised, deemed realised by the Master Fund Investment Manager or distributed.

3.6 Dividends of the Master Fund

The Master Fund in general meeting may declare dividends on the Master Fund Shares up to the amount recommended by the Directors. The Directors may from time to time pay interim dividends as appears to be justified to the Directors by the profits of the Master Fund.

Any unclaimed dividend may be used by the Directors for the benefit of the Master Fund until claimed and any dividend still unclaimed 12 years after the date of its declaration will be forfeited and will revert to the Master Fund.

3.7 Distribution on winding-up

On a winding-up, investors in the Master Fund will be entitled to the surplus assets remaining after payment of all the creditors of the Master Fund.

3.8 Transfer of Master Fund Shares

Subject to the provisions of the Articles of Association of the Master Fund, a shareholder requires the prior written consent of the Directors of the Master Fund in order to sell, assign, convey or dispose of his Master Fund Shares. Such a transfer of shares must be by an instrument in writing and in any usual or common form in use in Ireland or in any other form approved by the Directors but need not be under seal. The instrument of transfer must be signed by or on behalf of the transferor.

The Board of Directors of the Master Fund may decline to register any transfer of shares unless: (i) the transfer instrument and any other evidence reasonably required by the Board of Directors is deposited with the Master Fund or such other place as the Directors may reasonably require;

and (ii) the instrument of transfer relates to shares of one series of a class only. Registration of share transfers may be suspended by the Board of Directors for no more than 30 days in any year.

3.9 Master Fund voting

Shareholders in the Master Fund are entitled to receive notice of, and to attend and vote at, general meetings of the Master Fund. Each Shareholder attending in person or by proxy at a general meeting has, on a show of hands, one vote and, on a poll, one vote for each share held by him.

3.10 Notice of general meetings of the Master Fund

Shareholders in the Master Fund who are entitled to receive notices of any general meeting will be given at least 21 clear days' notice specifying the place, day and time of the meeting and, in the case of special business, the general nature of such business.

Notwithstanding the above, a meeting may validly be called on shorter notice if so agreed by: (i) in the case of an annual general meeting, all the shareholders entitled to attend and vote at the meeting; or (ii) in the case of any other general meeting, by a majority of shareholders entitled to attend and vote at the meeting together holding 95 per cent. in nominal value of the Master Fund Shares.

3.11 Borrowing powers of the Master Fund

The Directors of the Master Fund may exercise all the powers of the Master Fund to borrow money and to charge its assets.

3.12 Number of Master Fund Directors

Unless otherwise determined by the Master Fund by ordinary resolution in general meeting, the number of Directors of the Master Fund will not be less than one.

3.13 Powers of Master Fund Directors

The business of the Master Fund will be managed by the Directors, who may exercise all such powers of the Master Fund as are not by the law or by the Articles of Association required to be exercised by the Master Fund in general meeting.

3.14 Appointment of Master Fund Directors

The Directors of the Master Fund may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed will hold office only until the annual general meeting and will then be eligible for re-election.

3.15 Removal of Directors

Directors may be removed from office by an ordinary resolution of the Master Fund in a general meeting.

3.16 Master Fund Directors' remuneration

The Directors of the Master Fund are entitled to such remuneration as may be voted to them by the Master Fund in general meeting. The Directors are entitled to such remuneration in addition to any remuneration received by the Directors as a result of their appointment to an executive or salaried office. The Directors are also entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors, any committee of the Directors, general meetings of the Master Fund or in connection with the business of the Master Fund.

4 Directors' and Other Interests

4.1 No Director of the Master Fund has in respect of the five years preceding the date of this Registration Document:

- (i) save as set out in section 4.6 below, been a member of the administrative, management or supervisory bodies or partner of any companies or partnerships;
- (ii) any unspent convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- (iii) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- (iv) save as set out below in the list of directorships of the Directors and the principals, been associated with any bankruptcy, receivership or liquidation in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager.

4.2 There are no outstanding loans granted by the Master Fund to Directors, nor are there any guarantees provided by the Company for the benefit of any Director.

4.3 No Director has any potential conflicts of interests between any duties the Director owes to the Master Fund and any private interests and/or other duties, except that: (i) James Kelly is an affiliate of the Investment Manager and (ii) a number of Directors currently serve, and may in the future serve, as directors of other companies engaged in the making of investments, some of which companies have investment strategies similar to or overlapping with that of the Master Fund.

4.4 No Director has had any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Master Fund and which was effected by the Master Fund since its incorporation.

4.5 There are no arrangements between the Master Fund and the Directors providing for benefits upon termination of employment.

4.6 Over the five years preceding the date of this Registration Document, the Directors hold or have held and may continue to hold the following directorships (apart from their directorships of the Master Fund) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Daniel S. Loeb	American Restaurant Group, Inc. Biofuel Energy Corporation Pogo Producing Company Third Point Resources Ltd.	Ception Therapeutics, Inc. Ligand Pharmaceuticals, Inc. Massey Energy Company Radia Communications, Inc.
David Litton	AIM Pre-IPO Company Ltd. Akanthos Arbiirage Fund Ltd. Amazing Holdings Pic, Amazing Ltd. Amazing Taiwan Ltd. Ankur Services Ltd. Axion Global Equity Master Fund Ltd. Axion Global Equity Fund Ltd. Banwell Ltd. Bayside Development Corp Bayside Development Corporation Ltd. Boston Equity Fund, Inc. Boston Research Fund, Inc. Boston Technology Opportunity Fund,	Advisory Convertible Arbitrage Fund (1), Inc. Advisory Credit Opportunities Fund, Inc. Advisory European (General Partner), Inc. Advisory European Equity Fund (1), Inc. Advisory European Equity Market Neutral Fund, Inc. Advisory Leveraged European Equity Market Neutral, Inc. Advisory Leveraged US Equity Market

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
	Inc.	Neutral Fund Ltd.
	Bournemouth Investments Ltd.	Advisory Leveraged US Equity Market
	Brookhouse Ltd.	Neutral Fund, Inc.
	Capri Ltd.	Advisory Qualitative US Equity Fund,
	Clough Offshore Fund, Ltd.	Inc.
	Crescendo Management International	Advisory US Equity Market Neutral
	Ltd (re American Fund)	Overseas Fund Ltd.
	D J Foundation Ltd.	Advisory US Equity Overseas Fund Ltd.
	Daikoku Ltd.	Ailsa US Equity Fund
	Devonshire Corporate Services Ltd.	AIM Offshore Alternative Asset
	Devonshire Management Ltd.	Partners, Ltd.
	Dolebury Ltd.	Anusha Protector Ltd.
	Drawbridge Global Macro Fund Ltd.	Axiom Fund, Ltd.
	Drawbridge Global Macro Master	Bridgewater (IOM) Ltd.
	Fund Ltd.	Bridgewater Secretaries Ltd.
	Drawbridge RV Plus Fund Ltd.	Capra Global Managed Assets Ltd.
	Drawbridge RV Plus Master Fund Ltd.	Capra Global Managed Assets II, Ltd.
	Drawbridge Special Opportunitys Fund	CGMA Special Accounts II, LLC
	Durga Enterprises Ltd.	CGMA Special Accounts LLC
	Durrington Investments Ltd.	Chicane Ltd.
	Durrington Holdings Ltd.	Chicane Ltd.
	Falco Consultancy Ltd.	Chicane Ltd.
	Fongkue Ltd.	Class Managers Ltd.
	Four Corners Absolute, Freedom Ltd.	Crane Dollar Master Fund Ltd.
	Hanishon Ltd.	Crane Dollar Offshore Fund Ltd.
	GLS 193 Fund Ltd.	Crane Dollar Yen Offshore Ltd.
	GLS Offshore Global Opportunities	Durrington Investments Ltd.
	Fund Ltd.	Durus Life Sciences Int'l Fund Ltd.
	Green Cay Emerging Markets Funds,	Durus Life Sciences Master Fund Ltd.
	LDC	E.H.B. Ltd.
	Green Cay Emerging Markets Fund,	Elite Commercial Property Investment
	Inc.	Fund Plc.
	Harvest Offshore Investors Ltd.	Incubatum Ltd.
	Harvest Master Enhanced Ltd.	JNC Fund Ltd.
	Harvest Offshore Enhanced Ltd.	SPC, JNC Master Fund Ltd.
	Heathway Investments Ltd.	SPC, K Capital (US Dollar) Ltd.
	Icahn Fund II Ltd.	K Capital CIP (BVI) Ltd.
	Icahn Fund III Ltd.	K Capital Credit Default Swap Fund
	Icahn Fund Ltd.	Ltd.
	Icahn Sterling Fund Ltd.	K Capital Credit Opportunities (BVI)
	IMS Global Investments I Ltd.	Ltd.
	IMS Global Investments II Ltd.	K Structure Arbitrage Offshore Fund
	IMS Global Investments V Ltd.	Ltd.
	IIW Jersey Ltd.	Lehman Offshore Multi-Strategy Fund
	IMS Global Investments X Ltd.	II NV
	Leawood Nominees Ltd.	LRA Capital Master Fund Ltd.
	LIB Alternative Investments (Cayman	Marsico Aggressive Global
	Islands), Ltd.	Opportunities Ltd.
	Lib Global Diversity Fund Ltd.	Merton Management Company Limited
	Loomis Sayles Consumer Discretionary	Navigator Compass Fund Ltd.
	Hedge Fund I Ltd.	Navigator Compass Master Fund Ltd.
	Loomis Sayles Consumer Discretionary	Pearl Direct Lending Ltd (Silverback)
	Loomis Sayles Consumer Discretionary	Ridgecrest Partners Ltd.
	Hedge Fund II Ltd.	River Run Fund Ltd.
	Loomis Sayles Consumer Discretionary	Silverback III Ltd.
	Hedge Fund Ltd.	Silverback Master Ltd.
	Lydian Overseas Partners Ltd.	Silverback Offshore Ltd.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
	Lydian Overseas Partners Master Fund Ltd.	Tala Partners Offshore Ltd.
	Lydian Global Opportunities Fund Ltd.	The Siebels American Relative Value Fund Ltd.
	Lydian Global Opportunities (Master) Fund Ltd.	The Siebels American Relative Value Fund (Cayman) Ltd.
	Lydian Global Plan Assets Fund Ltd.	The Siebels Hard Asset Fund, Ltd.
	Lydian Global Plan Assets Fund Ltd.	The Siebels Hard Asset Fund (Cayman), Ltd.
	Maidor Ltd.	The Siebels Multi Fund (Cayman), Ltd.
	Manx Healthcare Group Ltd.	The Siebels Multi Fund Ltd.
	Marcap Overseas, Ltd. (M2)	Third Point Opportunities Ltd.
	Marcstone Overseas Euro Master Fund Ltd.	Third Point Resources Ltd.
	Marcstone Overseas Euro, Ltd.	Third Point Ultra Ltd.
	Marcstone Overseas Ltd.	Threadneedle Global Crescendo Master Fund Ltd.
	Marcstone Overseas Master Fund Ltd.	WCM European Opportunity Fund X Fund Ltd.
	Modulus Europe Ltd.	XMARK Fund, Ltd.
	Modulus Europe (Master) Ltd.	Zeus Equity Arbitrage Master Fund Ltd.
	Modulus International Ltd.	Zeus Fixed Income Arbitrage Ltd.
	Modulus Select (Master) Fund Ltd.	Zeus Fixed Income Arbitrage Master Fund Ltd.
	Modulus Select Fund Ltd.	
	Natron Global Ltd. (Strativarious)	
	Navegante Services Ltd.	
	Navigator Compass Fund (Euro) Ltd.	
	Oakby Ltd.	
	Oakby Ltd.	
	Odey Latham Global, Optimum Multi-Strategy Fund	
	Ovocet Ltd.	
	Parkway Enterprises Ltd.	
	Penghu International Hospitality Academy Ltd.	
	Pergament Falcon Partners (Cayman) Ltd.	
	Premium Processing Ltd.	
	Present Overseas Fund Ltd.	
	Primrose Hill Traders Ltd.	
	Principia Europe Master Fund Ltd.	
	Principia Europe Fund Ltd.	
	Prospector Network Europe Ltd.	
	Riversource Absolute Return Fund, Inc.	
	RiverSource Enhanced Absolute Return Fund Inc.	
	RiverSource Global Long Short Fund, Inc.	
	Rockline Ltd.	
	Rx Healthcare Overseas Fund	
	SPW Capital II Ltd.	
	Sal Asmaan Ltd.	
	Serotoock Ltd.	
	Shap Ltd.	
	Silver Point Capital Offshore Fund, Ltd.	
	Silverback Life	
	Sciences Offshore Master Fund Ltd.	
	Silverback Life Sciences Offshore Fund	
	Silverback Life	
	Sciences III Ltd.	

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
	SK Market Neutral (BVI) Ltd.	
	Special K Capital (Euro) Ltd.	
	Special K Capital (US Dollar) Ltd.	
	Special K Capital US Dollar (BVI) Ltd.	
	SPW Capital II Ltd.	
	Steer Trading Ltd.	
	Taiter Investments Ltd.	
	Tensor European Special Situation Fund Ltd.	
	Tensor European Special Situations (Master) Fund Ltd.	
	The Siebels Emerging Markets Equity Fund Ltd.	
	The Siebels Emerging Markets Equity Fund (Cayman) Ltd.	
	Third Point Offshore Fund Ltd.	
	Threadneedle UK Crescendo Fund Ltd.	
	Threadneedle Jersey Funds Ltd.	
	Threadneedle AIS Fund Ltd.	
	Threadneedle AIS Master Fund Ltd.	
	Threadneedle American Crescendo Fund Ltd.	
	Threadneedle American Crescendo Master Fund Ltd.	
	Threadneedle Crescendo Credit Fund Ltd.	
	Threadneedle Emerging Markets Opportunities Management Ltd.	
	Threadneedle Emerging Markets Opportunities Crescendo Management Ltd.	
	Threadneedle Emerging Markets Opportunities Crescendo Master Fund Ltd.	
	Threadneedle European Crescendo Fund Ltd.	
	Threadneedle European Crescendo Management Ltd.	
	Threadneedle European Crescendo Master Fund Ltd.	
	Threadneedle European Smaller Companies Crescendo Fund Ltd.	
	Threadneedle European Smaller Companies Crescendo Management Ltd.	
	Threadneedle European Smaller Companies Crescendo Master Fund Ltd.	
	Threadneedle Global Crescendo Management Ltd.	
	Threadneedle Investments (Channel Islands) Ltd.	
	Threadneedle UK Alpha Plus Fund Ltd.	
	Threadneedle UK Crescendo Master Fund Ltd.	
	Threadneedle UK Crescendo Management Ltd.	

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
	Threadneedle Global Crescendo Fund Ltd.	
	Threadneedle UK Alpha Plus Master Fund Ltd.	
	Trilogy Strategic Opportunities Offshore Fund, Ltd.	
	Turnstone Capital Partners Offshore Ltd.	
	Wager Franchise Ltd.	
	Water Separation Membrane Technologies Ltd.	
	White Lodge Property Ltd.	
	Window Talk International Ltd.	
	Window Talk Isle of Man Ltd.	
	Windwood Nominees Ltd.	
	Witham Ltd.	
	Xstrata Services Ltd.	
	Xstrata Services Ltd.	
	XYZ Holdings Ltd.	
	Yellowtail Private Investments Ltd (Lydian)	
	Zweig DiMenna Fund Ltd.	
	Zweig DiMenna 130/30 Fund Ltd.	
	Zweig DiMenna International Ltd.	
	Zweig DiMenna Natural Resources Ltd.	
John Banks	Across Fund PLC	4 CI Technologies Ltd.
	Akanthos Arbitrage Fund Ltd.	AA Investments Ltd.
	American Express Alt. Investment Fund (LUX)	ACM Global Research Fund
	American Express Funds (SICAV)	AIM Offshore Alternative Asset Partners Ltd.
	American Express Offshore Alt. Inv. Fund (Cayman)	Adelaide Services Ltd.
	Amida Capital Ltd.	Advisory Convertible Arbitrage Fund (1) Ltd.
	Baden Investments Ltd.	Advisory Convertible Arbitrage Fund, Inc.
	Barthorn Properties Ltd.	Advisory European Equity Fund (1), Inc.
	Boston Equity Fund, Inc.	Advisory European Equity Mkt Neutral Fund, Inc.
	Boston Healthcare Opportunities Fund Ltd.	Advisory European (General Partner), Inc.
	Boston Research Fund, Inc.	Advisory Lev. Euro Equity Mkt Neutral Fund, Inc.
	Boston Technology Opportunities Fund Ltd.	Advisory Lev. US Equity Mkt Neutral Fund, Inc.
	Bridgewater First Nominees Ltd.	Advisory Quantitive US Equity Fund, Inc.
	Bridgewater Second Nominees Ltd.	Advisory US Equity Market Neutral O'Seas Fund Ltd.
	Bridgewater Secretaries Ltd.	Advisory US Equity Overseas Fund 1 Ltd.
	Bridgewater (IOM) Ltd.	Ailsa US Equity Fund
	Brookhouse Ltd.	Alta Partners Invest. Grade Holdings Ltd.
	Brown Simpson Partners 1 Ltd.	Aron Investments Ltd.
	Brown Simpson Strategic Growth Fund Ltd.	Art's Antiqua Ltd.
	Capital for Business (IOM) Ltd.	
	Carule Ltd.	
	CFB Convertibles Fund Plc	
	Class Investments Plc, Class Managers Ltd.	
	Clough Offshore Fund Ltd.	
	Corporate Services (IOM) Ltd.	

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
	Craythorn Holdings Ltd.	Asterix Ltd.
	Cyberfin Services Ltd.	BCM Emerging Opportunities Fund Ltd.
	D.R.I. (IOM) Ltd.	BCM International Technology Fund Ltd.
	Dalegate Ltd.	BCM Tong Yang North Asia Fund Ltd.
	Deayton Hall Ltd.	Axiom Fund Ltd.
	Drawbridge Global Macro Fund Ltd.	Baltic Fast Ferries Ltd.
	Drawbridge Global Macro Master Fund Ltd.	Bankhill Investments Ltd.
	Drawbridge RV Plus Fund Ltd.	Berrington Properties Ltd.
	Drawbridge Special Opportunities Fund Ltd.	Bitstream Master Fund Ltd.
	EFG-Hermes Middle East Technology Fund Ltd.	Bitstream (Offshore) Ltd.
	Elite Commercial Property Investment Fund plc.	Blumberg Life Sciences Fund Ltd.
	Engineer Services (IOM) Ltd.	Bridgepark Ltd.
	Epic Select Opps Inv Co. Plc	Bridgewater Corporate Services Ltd.
	Ferrous Metal Company (IOM) Ltd.	Bridgewater Fiscal Solutions Ltd.
	Forbes Global Services Ltd.	British Ground Rent Ltd.
	Foundations Program Plc, Gl Management Ltd.	Bromley Investments Ltd.
	Gleacher Diversified Strategies Fund Ltd.	Brook Investment Partners Ltd.
	Gleacher Equity Opportunities Fund Ltd.	Bunoil Ltd.
	Global Intelligence Ltd.	Burgs (Isle of Man) Ltd.
	GLS Offshore Global Opportunities Fund Ltd.	CGMA Special Accounts II Ltd.
	Graley Ltd.	CGMA Special Accounts, LCC, C & M (IOM) Ltd.
	Granfield Investments 1 Ltd.	Canyge Ltd.
	Greenfield Intl Property Fund plc	Capra Global Managed Assets Ltd.
	First Charter & Marine Ltd.	Capra Global Managed Assets II Ltd.
	Granfield Management 1 Ltd.	Carlo Ltd.
	Green Cay Emerging Markets Fund LDC	Cartford Properties Ltd.
	Green Cay Emerging Markets Offshore Fund, Inc.	Chalfont Consultants Ltd.
	Harbourne Estates Ltd.	Charterhouse Management Ltd.
	Harvest Offshore Investments Ltd.	Cheston Properties Ltd.
	HD/K Investments Plc	Chinnook Management Ltd.
	HD/K Management Ltd.	Class Properties Ltd.
	Heydon Associates Ltd.	Concillium Ltd.
	High Arch Ltd.	Condor Ltd.
	High Octane Fund Ltd.	Coopex Property Investments Ltd.
	High T Ltd.	4 Corners Absolute Return Offshore Fund
	Highland Properties Ltd.	Cotax Ltd.
	Horn International Group Ltd.	CPF Ltd.
	ICAHN Fund Ltd.	CPM Ltd.
	ICHAN Sterling Fund Ltd.	CPP Ltd.
	IMS X, Interalia Optimised Return Fund Ltd.	Crane Dollar Master Fund Ltd.
	Japan Investment Management Ltd.	Crane Dollar Offshore Fund Ltd.
	K Capial Credit Opportunities (BVI) Ltd.	Crane Dollar Yen Offshore Fund Ltd.
	K Capital (US Dollar) Ltd.	Crescent Fund Ltd.
	K Capital Credit Default Swap Fund Ltd.	Cybuda Investments Ltd.
		Cygnat Properties Ltd.
		D M Investments Ltd.
		Damgate Ltd.
		Danube Minerals Ltd.
		David Jenkins Ltd.
		De Montfort Securities Ltd.
		Derby City, Diorama Ltd.
		Dowall Ltd.
		Draycott Avenue Leisure Ltd.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
	Kanton Ltd.	Draycott Avenue Properties Ltd.
	Kilo Golf Ltd.	Dresser 1 (Isle Of Man) Ltd.
	Kingsnorth International, Kkeine	Dresser 2 (Isle Of Man) Ltd.
	European Fund Ltd.	Dune European Fund, Inc.
	Landhurst Property Holdings Ltd.	Dune Partners (Cayman) Ltd.
	Landsdowne Atlantic Life Settlement	Dune Short Fund, Inc.
	plc, Longisland Ltd.	Durban Central Ltd.
	Loomis Sayles Consumer Disc Hedge	Durban Developments Ltd.
	Fund I Ltd.	Durban Realhedge Ltd.
	Loomis Sayles Consumer Disc Hedge	Durban Southwark Ltd.
	Fund II Ltd.	Durus Life Sciences Int. Fund Ltd.
	Loomis Sayles Consumer Disc. Hedge	Durus Life Sciences Master Fund Ltd.
	Fund Ltd.	Eastgate Marketing Holdings Ltd.
	Lyall European Fund Plc	Eastgate Marketing Ltd.
	Lydian Global Opp. Master Fund Ltd.	EFG-Hermes Jordan Hi-Tech Venture
	Lydian Global Opportunities Fund Ltd.	Fund Ltd.
	Lydian Global Plan Assets Fund Ltd.	Eldorn Ltd.
	Lydian Overseas Partners Ltd.	Elstron Ltd.
	Lydian Overseas Partners Master Fund	Engleheart Ltd.
	M2 Special Opportunities Overseas	Environmental Recycling (IOM) Ltd.
	Ltd.	ERG Capital Group Holdings Ltd.
	Marbar Ltd.	Estimating Systems EU Ltd.
	Mayber Properties Ltd.	Factum Engineering Ltd.
	MDH Investments Ltd.	Faldon Ltd.
	Metalloinvest (BVI) Ltd.	Fibreguide (Isle Of Man) Ltd.
	Mining Invest Ltd.	Fibrevision Ltd.
	MK Aircraft Leasing Ltd.	First Falcon Ltd.
	MK Investments Ltd.	Fletley Ltd.
	MMA Investments Ltd.	Fox Technology Corporation Ltd.
	My Mentor Ltd.	Freehold Ltd.
	Natron Global Ltd (prev Strativarius)	Freehold Properties Ltd.
	Natron Global Ltd (prev Strativarius)	Fullerton Investments Ltd.
	Newchurch Management Ltd.	Fynish Ltd.
	Newmann Consultants Ltd.	Fynish Two Ltd.
	Northcote (IOM) Ltd.	Ga-vehren (IOM) Ltd.
	Northcote Holdings Ltd.	GI Nominees Ltd.
	Oakby Ltd.	Glavin Property Ltd.
	Octane Management Ltd.	The Global Convergence Fund Ltd.
	Patrol Investments Plc	The Global Convergence Fund II Ltd.
	Pergament Falcon Partners (Cayman)	The Global Convergence Fund IV Ltd.
	Ltd.	Global Arbitrage Ltd.
	Picante Holdings Ltd.	Global Intelligence (EIF) Ltd.
	Pilot Services Ltd.	Globex Ltd.
	Portfolio Link Plc, Premier Apartments	Golden Star & Company Ltd.
	(Bulgaria) Ltd.	Goldsmith Management Ltd.
	Premier Apartments (Croatia) Ltd.	Granfield Investments 2 Ltd.
	Prime Digital Co Ltd.	Granfield Management 2 Ltd.
	Ragnarok Capital Ltd.	Guild Acquisitions Plc
	Revenant Ltd.	Halton Investments Ltd.
	Ridgecrest Partners Ltd.	Helmar Investments Ltd.
	River Run Fund Ltd.	Hubara Corporation Investments Ltd.
	Riversource Absolute Return Fund, RX	Hubara Management Ltd.
	RX Healthcare Overseas Fund Ltd.	Hubara Marketing Ltd.
	Sagamore Hill Cayman No 1 Ltd.	IMS 1.
	Sagamore Hill Fund Ltd.	IMS 11.
	Sagamore Hill HUB Fund Ltd.	IMS V.
	Sagamore Hill Institutional Fund Ltd.	IMS VII.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
	SAJ (IOM) Ltd.	IMS 723
	Sandor Investments Ltd.	Independent Fund Services Ltd.
	Sandor Management Ltd.	Irish Estimating Systems Ltd.
	Siebels Emer Mkts Tech Fund	Isis Bond Arbitrage Fund
	Siebels Emer Mkts Tech Fund (Cayman)	Jansk Ltd.
	Siebels Hard Asset Fund Ltd.	Judd Investments Ltd.
	Siebels Hard Asset Fund (Cayman) Ltd.	Lartex Ltd.
	Siebels Multi Fund Ltd.	Lawrence Managers Ltd.
	Siebels Multi Fund (Cayman) Ltd.	Lefton Management Ltd.
	Silverback Life Sciences Ltd.	Lehman Offshore Multi-Strategy Fund 11 NV, Lib Alternative Investments (Cayman) Ltd.
	Silverback Offshore Ltd.	Lib Global Diversity Fund Ltd.
	Silverback Master Fund Ltd.	Libra Offshore Ltd.
	Silverback III Ltd.	LRA Capital Master Fund Ltd.
	Silverback Directional Conv. Offshore Fund Ltd.	LRA Capital Overseas Fund Ltd.
	Silver Point Capital Offshore Fund Ltd.	LSL (IOM) Ltd.
	Special K Capital (Euro) Ltd.	M & A Advisors Ltd.
	Special K Capital (US Dollar) Ltd.	Marcstone Overseas Euro Ltd.
	Special K Capital US Dollar (BVI) Ltd.	Marcstone Overseas Euro Master Fund Ltd.
	Strandside Holdings Ltd.	Marcstone Overseas Ltd.
	SVC Finance Ltd.	Marcstone Overseas Master Fund Ltd.
	TALA Partners Offshore Ltd.	Mercer Partners International Ltd.
	Third Point Offshore Fund Ltd.	Meridian IOM Ltd.
	Third Point Resources Ltd (Banzai)	Mershan Ltd.
	Third Point Ultra (Point West Intl Inv)	Moonberry Properties Ltd.
	Travel & Trade (IOM) Ltd.	Muggie Protugoose Ltd.
	Travel & Trade Investments Ltd.	New Frontier Emerging Opps. Fund Ltd.
	Trestone Investments Ltd.	New Providence Finance Company, Newbold Ltd.
	Urasia Mining Ltd.	Oakapple Properties Ltd.
	Utopia Policies Ltd.	Oakes Management Ltd.
	Utopia TLP Fund Plc.	Oasis Properties Ltd.
	V22 Plc.	Oasis Travel Ltd.
	X Fund Ltd.	Odey Latham Global
	Xmark Fund Ltd.	Optimum Multi-Strategy Fund Ltd.
	Xstrata Services Ltd.	Parabolix New Market Fund 1 Ltd.
	Yellowtail Investments Ltd.	Parkworth Ltd.
	Zweig-Dimenna International Ltd.	Pearl Direct Lending Ltd.
	Zweig-Dimenna 130/30 Fund Ltd.	Penscoe Properties Ltd.
	Zweig-Dimenna Fund Ltd.	Penygroes Investments (IOM) Ltd.
	Zweig-Dimenna Natural Resources Ltd.	Peyton Ltd.
		PG Completion Services Ltd.
		Pilling Property Ltd.
		Priam Holdings Ltd.
		Present Asset Management Ltd.
		Pridewood Management Ltd.
		Profile Print & Design Ltd.
		Protected Asset Management Ltd.
		Quernmore Ltd.
		Rathberg Properties Ltd.
		Reads Fund Administration (IOM) Ltd.
		Redpath Ltd.
		Reldwin Ltd.
		RHR Nominees Ltd.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
		Ridgeway Associates Ltd. Ridgeway Corporate Nominees Ltd. Ridgeway Corporate Services Ltd. Ridgeway Nominees Ltd. Ridgeway Secretarial Services Ltd. Ritefield Ltd. Road Races Ltd. Rosetta Select Fund Ltd. Sandyfield Enterprises Ltd. Siebels American Rel. Value Fund Siebels American Rel. Value Fund (Cayman) Stanmore Enterprises Ltd. Stratos Investments Ltd. Stratos Management Ltd. The Smart Bond Ltd. Themis MN Fund Ltd. Titon Capital Fund Ltd. Trilogy Strategic Opport. Offshore Fund Ltd. Turnstone Capital Partners Master Account LP Turnstone Capital Partners Offshore Ltd. Universal Master Funds Plc WCM European Opportunity Fund Ltd. Walter Capital Management Ltd. Winchmore Consultants Ltd. Windham Pacific Japan Fund Ltd. WW Ltd. Zeus Equity Arbitrage Ltd. Zeus Equity Arbitrage Master Fund Ltd.

Based on information provided to the Master Fund's board of directors by the individual Master Fund directors, the Master Fund expects that none of the Master Fund's directors or principals will have any ownership interest in any of the Master Fund's securities immediately following Admission.

As at 31 March 2007, the Master Fund had liabilities totalling \$345,545,245 on its balance sheet as owing to the Investment Manager, which is indirectly wholly-owned by Daniel S. Loeb. This amount is comprised of incentive fees payable to the Investment Manager of \$51,259,140 and deferred compensation payable to the Investment Manager of \$294,286,105. Pursuant to the provisions of a deferred incentive fee agreement (the "Deferred Fee Agreement"), the Investment Manager may elect to defer the receipt of all or a portion of the incentive fee, if any, earned with respect to a particular fiscal year, and may elect to have a portion or all of such deferred incentive fee invested in either the same manner as the Master Fund's assets, or in another manner approved by the Master Fund. Any incentive fee deferral election made for any fiscal year will remain in effect for subsequent years unless and until the Investment Manager elects to change such deferral election.

As at the date of this Prospectus, in so far as is known to the Master Fund, no person, directly or indirectly, has an interest in Master Fund Shares which is notifiable under Cayman Islands law.

5 Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) are contracts which have been entered into by the Master Fund in the two years immediately preceding the publication of this Registration Document, and which are or may be material or are contracts entered into by the Master Fund which contain any provisions under which the Master Fund has any obligation or entitlement which is or may be material to the Master Fund at the date of this Registration Document.

5.1 Master Fund Investment Management Agreement

Under the Master Fund Investment Management Agreement, the Investment Manager has responsibility for investment of the Master Fund's assets, subject to the policies and control of the Board of Directors of the Master Fund. The Investment Manager will initiate all orders for the purchase and sale of securities on behalf of the Master Fund, and will select the brokers and dealers with and through whom the Master Fund trades.

The Master Fund Investment Management Agreement will be automatically extended as of each 1 January in each year for successive one-year terms, except that it may be terminated by the Investment Manager or the Master Fund upon 90 days' written notice prior to 31 December of any year.

The Master Fund Investment Management Agreement provides that the Master Fund will exculpate, indemnify and hold harmless the Investment Manager and its members, officers, affiliates, employees and agents and the legal representatives of any of them (each, an "Indemnified Person") from and against any loss or expense suffered or sustained by an Indemnified Person by reason of the fact that he, she or it is or was an Indemnified Person including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any actual or threatened action or proceeding (collectively, "Losses"), provided that such Losses resulted from: (1) a mistake of judgment or action or inaction taken by an Indemnified Person honestly and in good faith that said Indemnified Person reasonably believed to be in the best interests of the Master Fund, and, in the case of criminal proceedings, that the Indemnified Person had no reasonable cause to believe was unlawful; or (2) the negligence, dishonesty or bad faith of any employee, broker or agent of the Master Fund provided that such employee, broker or agent was selected, engaged or retained by the Indemnified Person with reasonable care.

The Master Fund may, in the sole discretion of its Board of Directors, advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action or proceeding that arises out of such conduct. As a condition to any such advance, the Indemnified Person must agree to reimburse the Master Fund for such fees, costs and expenses to the extent that it shall be determined that the Indemnified Person was not entitled to indemnification.

Any trade errors will be the responsibility of the Master Fund unless the Investment Manager has acted in a manner, in effectuating any such trade that constituted bad faith, fraud, wilful misconduct or gross negligence.

Pursuant to the Master Fund Investment Management Agreement, the Master Fund will pay to the Investment Manager a fixed management fee, payable monthly in advance, equal to the annual rate of 2.00 per cent. of the NAV of each series of shares of the Master Fund (other than Third Point Class S Shares) as of the beginning of each month before the accrual of any incentive fee. This Management Fee will apply with respect to the Third Point Class E Shares to be owned by the Company.

The Investment Manager also receives an annual incentive fee ("Full Incentive Fee"), generally calculated as of the end of each fiscal year other than an Unrecovered Loss Year (as defined under "Management and Incentive Fees" in Part 3 of this Registration Document), equal to 20

per cent. of the net realised and unrealised appreciation in the NAV of each series of shares of the Master Fund (adjusted on a dollar-for-dollar basis for any issuance or redemption of Master Fund shares in the applicable series made during the fiscal year) (“Adjusted NAV”). This incentive fee will apply to the Third Point Class E Shares owned by the Company. However, a Full Incentive Fee will only be paid with respect to the net realised and unrealised appreciation in the Adjusted NAV of a series of Master Fund shares in excess of the Prior High NAV (as defined under “Management and Incentive Fees” in Part 1 of this Registration Document).

Please refer to the section headed “Management and Incentive Fees” in Part 3 of this Registration Document for further information.

5.2 Deferred Incentive Fee Agreement

Under the provisions of a deferred incentive fee agreement between the Master Fund and the Investment Manager dated 29 December 2005, the Investment Manager may elect prior to the commencement of each fiscal year of the Master Fund to defer payment of all or a portion of its incentive fee for that fiscal year. Please refer to the section headed “Deferred Incentive Fee Agreement” in Part 3 of this Registration Document for further information.

5.3 Administration Agreement

Pursuant to an Administrative Services Agreement (the “Administration Agreement”) between the Master Fund and IFS, IFS has been retained as the administrator of the Master Fund. The Administrator will be responsible for, among other things: (i) maintaining the register of Shareholders of the Master Fund and generally performing all actions related to the issuance and transfer of Shares of the Master Fund and the safekeeping of certificates therefor, if any; (ii) reviewing and, subject to approval by the Master Fund, accepting subscriptions for Shares and accepting payment therefor (iii) computing and disseminating the NAV of each series of the Master Fund’s Shares in accordance with its Memorandum and Articles of Association; (iv) performing all acts related to redemption of Shares; (v) keeping principal corporate records and the books of the account of the Master Fund and such financial books and records as are required by law or otherwise for the proper conduct of the financial affairs of the Master Fund and preparing or procuring the preparation of annual financial statements of the Master Fund and furnishing such statements, as well as monthly reports regarding the Master Fund’s performance and NAV per Share, for each series of Master Fund Shares, to Shareholders; (vi) supplying the Master Fund with office facilities; (vii) communicating with Master Fund shareholders and the general public, (viii) disbursing payments of distributions, interest, legal fees, accounting fees, auditing fees, management fees, incentive fees, custodial fees and any other expenses of the Master Fund; (ix) conducting meetings of the Master Fund shareholders and the Board of Directors; and (x) performing all other accounting and clerical services necessary in connection with the administration of the Master Fund.

The Administration Agreement provides that IFS shall be fully liable to the Master Fund for any and all liabilities or expenses arising out of the fraud, wilful default, gross negligence or wilful misconduct of the Administrator, or its employees or agents. Under the Administration Agreement, the Master Fund agrees to indemnify IFS from and against any loss, liability, claim or expense (including reasonable attorneys’ fees and disbursements) suffered or incurred by IFS in connection with the performance of its duties pursuant to the Administration Agreement, other than liability and expense arising out of the fraud, gross negligence or wilful misconduct of IFS.

For its services to the Master Fund as administrator, the Master Fund will pay IFS a monthly fee on a sliding scale based on the Master Fund’s total month-end net assets (before redemptions payable and accrued Incentive Fees), not to exceed a rate of 0.14 per cent. per annum of net assets, plus reimbursement for all out of pocket expenses, using customary billing rates. As an investor in the Master Fund, the Company will bear its pro rata share of such fees in accordance with the NAV of the Master Fund Shares that it will own.

The Administration Agreement may be terminated at any time by either party thereto upon not less than 90 days' notice prior to 1 June of any year.

5.4 Prime Brokerage Agreements

Pursuant to the terms of prime brokerage and custody agreements (each a "Prime Brokerage Agreement") custody of the Master Fund's assets will be held by the Master Fund's Prime Brokers. Under the terms of each Prime Brokerage Agreement, each Prime Broker will be responsible for the safekeeping of those assets of the Master Fund held by it as custodian, except for assets deposited as margin with brokers. Each Prime Broker will provide other services to the Master Fund, which may include margin financing, stock lending, clearance and settlement services. The Prime Brokerage Agreements include provisions requiring the Master Fund to indemnify the applicable Prime Broker for any losses incurred by the Prime Broker in providing services to the Fund so long as the Prime Broker met the applicable standard of care in the Prime Brokerage Agreement. Each Prime Broker will be paid such customary fees for its services as the Master Fund and the Prime Broker negotiate from time to time.

None of the Prime Brokers or any other broker that may be appointed will exercise any investment discretion on behalf of the Master Fund's assets. The Master Fund reserves the right to change its prime brokerage and custodian arrangements with respect to each Prime Broker by agreement with such Prime Broker, and/or, in its discretion, to appoint additional alternative prime broker(s) and custodian(s).

6 Related party transactions

For details of related party transactions, please refer to the notes to the unaudited financial statements for the quarter ended 31 March 2007 in Part 10 of this Registration Document.

7. Litigation

The Investment Manager and two of its employees are among seven hedge fund groups named as defendants in a lawsuit filed in New Jersey state court in 2006 by Fairfax Financial Holdings Limited and one of its subsidiaries, and amended in 2007. The action alleges that the defendants engaged in a disinformation campaign to damage the company and lower its share price, in violation of New Jersey state law, and that the plaintiffs have suffered damages of no less than \$6 billion. The defendants will move to dismiss the action on a variety of substantive and jurisdictional grounds. In the opinion of the Investment Manager the action is without merit. The Investment Manager intends to defend itself vigorously in this lawsuit, and expects to prevail. The Master Fund, along with other funds managed by the Investment Manager, is required to indemnify the Investment Manager for such costs and potential liability. A parallel action, brought in federal court as a class action on behalf of Fairfax shareholders, has been withdrawn.

8. No significant change

There has been no significant change in trading or financial position of the Master Fund since the date of the last financial period for which the unaudited interim financial information has been published, being the three month period ended 31 March 2007 set out in Part 10 of this Registration Document.

9. Side Letters

As discussed in the Risk Factors section of this Registration Document in the section headed "Risks Relating to the Investment Manager", certain existing shareholders in the Master Fund previously entered into side letters with the Investment Manager and, in some instances, the Master Fund. The side letters include, but are not limited to, matters such as disclosure of certain information, waiver of the requirement to have an interest in certain special investments, changes in redemption terms, key man provisions, notification upon the occurrence of certain

events (in some instances including the ability to redeem upon the occurrence of certain events) and “most favoured nation” clauses.

The Board of Directors of the Master Fund has determined that, going forward, the Master Fund and the Investment Manager will provide a “level playing field” with respect to the terms of such side letters for all Shareholders in the Master Fund and will not enter into new side letters other than those required to meet legal or regulatory requirements applicable to certain types of investors, such as state pension plans. No such side letter will vary the terms of investment in the Master Fund with respect to fees, redemption provisions or disclosure of portfolio information.

10. Consents

Ernst & Young LLP has given and not withdrawn its written consent to the inclusion of the Accountant’s Report in Part 10 of this Registration Document, in the form and context in which it appears.

Each of the Banks has given and not withdrawn its consent to the issue of the Prospectus with references to its name in the form and context in which such references appear.

PART 10

ACCOUNTANTS' REPORT AND FINANCIAL INFORMATION

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Note: All references in this Part 10 of this Registration Document to the "Fund" or the "Company" are to the Master Fund and not Third Point Offshore Investors Limited.

Third Point Offshore Fund, Ltd.

Unaudited Financial Information

Quarter ended March 31, 2007

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Third Point Offshore Fund, Ltd.

Statement of Assets and Liabilities

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

Assets

Cash	\$ 31,258,296
Investments in securities, at fair value (cost \$3,635,306,051)	4,314,159,829
Net unrealized gain on derivative contracts	24,797,338
Due from brokers	719,395,534
Interest and dividends receivable	9,714,923
Other assets	<u>3,093,555</u>
Total assets	5,102,419,475

Liabilities

Securities sold, not yet purchased, at fair value (proceeds \$1,588,177,261)	\$1,599,340,196
Due to brokers	313,880,912
Net unrealized loss on forward currency contracts	6,624,091
Incentive fee payable	51,259,140
Deferred compensation payable	294,286,105
Shareholder subscriptions received in advance	18,597,000
Shareholder redemptions payable	103,725,161
Interest and dividends payable	4,439,144
Accrued expenses	<u>908,493</u>
Total liabilities	2,393,060,242

Commitments (See Note 10)

Net assets \$2,709,359,233

Net asset value per share — See Note 7

See accompanying notes.

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	<i>Shares</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities			
Equity Securities			
<i>United States:</i>			
Alternate Energy		\$ 19,516,220	0.72%
Auto — Cars		19,811,824	0.73
Banks		115,039,617	4.25
Biotechnology		206,674,776	7.63
Building Materials:			
Martin Marietta Materials, Inc.	1,665,000	225,108,000	8.31
Casino Hotels		19,119,480	0.71
Chemicals		42,275,133	1.56
Coal		73,342,228	2.71
Commercial Services		18,219,714	0.67
Data Processing / Management		130,515,840	4.82
Distribution/Wholesale		20,697,968	0.76
Drug Delivery Systems		5,633,381	0.21
Electric — Generation		19,492,020	0.72
Electric — Integrated		18,653,100	0.69
Electric — Products		7,579,005	0.28
Electronics		1,127,697	0.04
E-Marketing		398,105	0.01
Engineering and Construction		48,241,980	1.78
Equity Fund		25,179,248	0.93
Finance — Other Services		132,047,670	4.87
Forest Products and Paper		11,583,586	0.43
Funds		48,854,166	1.80
Healthcare — Products		132,718,885	4.90
Healthcare — Services		15,472,800	0.57
Holding Companies — Diversified		10,659,012	0.39
Instruments — Scientific		49,665,438	1.83
Internet		5,475,200	0.20
Investment Companies		3,604,170	0.13
Life/Health Insurance		17,313,015	0.64
Machinery — Diversified		35,750,184	1.32
Manufacturing		9,114,000	0.34
Media		6,930,165	0.26
Metal — Copper		10,729,043	0.40
Metal Processors		16,511,850	0.61
Oil Company — Exploration and Production:			
Pogo Producing Company	2,981,700	143,419,770	5.29
Other		<u>224,811,716</u>	<u>8.30</u>
Total Oil Company — Exploration and Production		368,231,486	13.59

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	<i>Shares</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities (continued)			
Equity Securities (continued)			
<i>United States (continued):</i>			
Packaging and Containers	\$	29,855,384	1.10%
Pharmaceuticals		76,516,464	2.82
Pipelines		18,751,942	0.69
Rental Equipment		21,011,170	0.78
Resorts/Theme Parks		17,562,020	0.65
Retail		18,416,195	0.68
Retail — Apparel		8,815,161	0.33
Retail — Major Department Stores		58,335,808	2.15
Retail — Restaurants		81,639,452	3.01
Semiconductors		8,996,750	0.33
Steel Producers		50,594,740	1.87
Telecommunications		191,079,658	7.05
Therapeutics		9,830,000	0.36
Transportation		173,982,057	6.42
Wire and Cable Products		<u>25,775,317</u>	<u>0.95</u>
Total United States (cost \$2,333,638,190)		2,682,448,124	99.00
<i>Bermuda:</i>			
Transportation (cost \$478,600)		472,310	0.02
<i>British Virgin Islands:</i>			
Funds (cost \$2,751,000)		2,616,201	0.10
<i>Canada:</i>			
Airlines		33,117,991	1.22
Coal		17,166,939	0.63
Diversified Financial Services		10,079	0.00
Healthcare — Services		16,534,837	0.61
Holding Companies — Diversified		18,722,198	0.69
Investment Companies		21,720,624	0.80
Mining		25,848,788	0.95
Oil Company — Exploration and Production		47,568,704	1.76
Pharmaceuticals		4,281,256	0.16
Retail — Major Department Stores		<u>3,162,137</u>	<u>0.12</u>
Total Canada (cost \$176,315,750)		188,133,553	6.94
<i>France:</i>			
Banks		29,055,257	1.07
Pharmaceuticals		<u>3,719,680</u>	<u>0.14</u>
Total France (cost \$37,281,548)		32,774,937	1.21

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	Shares	Fair Value	Percentage of Net Assets
Investments in Securities (continued)			
Equity Securities (continued)			
<i>Germany:</i>			
Auto — Cars		\$ 15,588,953	0.58%
Auto Parts and Equipment		4,188,869	0.15
Chemicals		4,973,597	0.18
Computers — Memory		3,743,652	0.14
Electric		26,320,633	0.97
Finance — Other Services:			
Deutsche Boerse AG	614,300	140,766,165	5.20
Retail — Building Products		12,805,100	0.47
Semiconductors		<u>63,102,314</u>	<u>2.33</u>
Total Germany (cost \$156,345,541)		271,489,283	10.02
<i>Hong Kong:</i>			
Electric		16,218,766	0.60
Engineering and Construction		15,974,336	0.59
Fisheries		1,833,056	0.07
Holding Companies — Diversified		18,175,798	0.67
Real Estate Investment Trusts		<u>69,633,103</u>	<u>2.57</u>
Total Hong Kong (cost \$88,201,537)		121,835,059	4.50
<i>India:</i>			
Diversified Financial Services		<u>10,559,830</u>	<u>0.39</u>
Total India (cost \$8,418,901)		10,559,830	0.39
<i>Italy:</i>			
Banks (cost \$33,923,015)		35,719,914	1.32
<i>Japan:</i>			
Agriculture		28,577,728	1.05
Electric — Generation		105,775,114	3.90
Electronics		24,281,159	0.90
Semiconductors		<u>5,452,532</u>	<u>0.20</u>
Total Japan (cost \$130,395,253)		164,086,533	6.05
<i>Netherlands:</i>			
Distribution/Wholesale		30,459,694	1.12
Electronic Components:			
Philips Electronics NV	8,201,500	313,135,307	11.56
Finance — Other Services:			
Euronext	2,104,800	<u>251,318,678</u>	<u>9.28</u>
Total Netherlands (cost \$481,438,373)		594,913,679	21.96
<i>Norway:</i>			
Transportation (cost \$8,184,882)		8,276,756	0.31
<i>Singapore:</i>			
Semiconductors (cost \$9,235,775)		13,657,193	0.50

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	Shares	Fair Value	Percentage of Net Assets
Investments in Securities (continued)			
Equity Securities (continued)			
<i>Switzerland:</i>			
Oil and Gas (cost \$13,878,980)		\$ 13,789,005	0.51%
<i>United Kingdom:</i>			
Commercial Services (cost \$24,318,733)		14,277,198	0.53
Total Equity Securities (cost \$3,504,806,078)		<u>4,155,049,574</u>	<u>153.38</u>
Fixed Income Securities			
<i>United States:</i>			
Auto Parts and Equipment		18,479,435	0.68
Finance — Other Services		11,446,116	0.42
Metal Fabricate/Hardware		10,200,000	0.38
Retail — Apparel		3,596,000	0.13
Telecommunications		<u>26,899,772</u>	<u>0.99</u>
Total United States (cost \$67,130,921)		70,621,323	2.60
<i>Canada:</i>			
Oil Company — Exploration and Production (cost \$6,440,492)		<u>6,157,315</u>	<u>0.23</u>
Total Fixed Income Securities (cost \$73,571,413)		<u>76,778,638</u>	<u>2.84</u>
Warrants and Rights			
<i>United States:</i>			
Investment Companies		777,370	0.03
Machinery — Diversified		1,754,276	0.06
Telecommunications		<u>4,197,000</u>	<u>0.15</u>
Total United States (cost \$137,982)		6,728,646	0.24
<i>Canada:</i>			
Investment Companies		2,585,929	0.10
Precious Metals		<u>244,753</u>	<u>0.01</u>
Total Canada		2,830,682	0.11
<i>India:</i>			
Diversified Financial Services (cost \$11,864,718)		17,348,289	0.64
<i>South Africa:</i>			
Mining		5,390,589	0.20
<i>United Kingdom:</i>			
Commercial Services		3,063,440	0.11
Metal — Diversified		<u>126,328</u>	<u>0.00</u>
Total United Kingdom		<u>3,189,768</u>	<u>0.11</u>
Total Warrants and Rights (cost \$12,002,700)		<u>35,487,975</u>	<u>1.31</u>
Bank Debt			
<i>United States</i> (cost \$29,074,049)		<u>29,279,675</u>	<u>1.08</u>

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	<i>Shares</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities (continued)			
Equity Put Options			
<i>United States:</i>			
Equity Fund (cost \$11,185,135)		\$ 10,215,968	0.38%
Equity Call Options			
<i>United States:</i>			
Biotechnology		6,185,580	0.23
Data Processing/Management		1,162,420	0.04
Total United States (cost \$4,666,676)		<u>7,348,000</u>	<u>0.27</u>
Total Investments in Securities (cost \$3,635,306,051)		<u>\$4,314,159,829</u>	<u>159.23%</u>
Securities Sold, But Not Yet Purchased			
Equity Securities			
<i>United States:</i>			
Agriculture		\$ 5,629,858	0.21%
Alternate Energy		22,863,750	0.84
Apparel Manufacturer		1,589,896	0.06
Appliances		3,294,508	0.12
Auto Parts and Equipment		4,520,525	0.17
Banks		20,358,778	0.75
Building Materials		6,006,134	0.22
Coal		35,386,315	1.31
Commercial Services		81,377,942	3.00
Computers		2,593,044	0.10
Consumer Products		6,879,749	0.25
Cosmetics/Personal Care		1,631,034	0.06
Distribution/Wholesale		6,503,442	0.24
Diversified Financial Services		13,534,874	0.50
E-Commerce		5,316,980	0.20
Electric Products		8,586,900	0.32
Electronics		2,097,875	0.08
Engineering and Construction		1,978,344	0.07
Equity Funds:			
iShares Russell 2000	3,382,700	268,755,515	9.92
Other		<u>526,760,755</u>	<u>19.44</u>
Total Equity Funds		<u>795,516,270</u>	<u>29.36</u>

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	<i>Shares</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Securities Sold, But Not Yet Purchased			
(continued)			
Equity Securities (continued)			
<i>United States (continued):</i>			
Finance — Mortgage Loan/Banker	\$	12,438,605	0.46%
Financial Guarantee Insurance		14,826,936	0.55
Hand/Machine Tools		3,428,040	0.13
Healthcare — Products		33,685,070	1.24
Healthcare — Services		11,450,238	0.42
Household Products/Wares		9,380,968	0.35
Human Resources		8,381,120	0.31
Internet		1,985,880	0.07
Internet Infrastructure		17,071,468	0.63
Investment Companies		64,453,732	2.38
Investment Management/Advisory Services		10,230,843	0.38
Lodging		2,343,679	0.09
Machinery — Diversified		21,393,824	0.79
Media		23,172,515	0.86
Non-Ferrous Metals		3,476,772	0.13
Pharmaceuticals		9,121,272	0.34
Photo Equipment and Supplies		7,153,776	0.26
Recreational Centers		7,983,973	0.29
Real Estate Investment Trusts		1,453,500	0.05
Retail		48,514,279	1.79
Semiconductors		31,459,401	1.16
Software		78,603,183	2.90
Telecommunications		12,398,536	0.46
Textiles		7,926,030	0.29
Transportation		<u>15,492,109</u>	<u>0.57</u>
Total United States (proceeds \$1,487,876,499)		1,483,491,967	54.76
<i>Belgium:</i>			
Pharmaceuticals (proceeds \$13,113,028)		11,282,804	0.42
<i>Canada:</i>			
Advertising		1,421,956	0.05
Gold Mining		3,174,615	0.12
Insurance		23,491,068	0.87
Oil Company — Integrated		<u>4,503,398</u>	<u>0.17</u>
Total Canada (proceeds \$20,477,458)		32,591,037	1.21
<i>Taiwan:</i>			
Semiconductors (proceeds \$44,696,705)		<u>48,623,325</u>	<u>1.79</u>
Total Equities (proceeds \$1,566,163,690)		<u><u>1,575,989,132</u></u>	<u><u>58.16</u></u>

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	<i>Shares</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Securities Sold, But Not Yet Purchased (continued)			
Fixed Income Securities			
<i>United States:</i>			
Banks		\$ 1,211,250	0.04%
Insurance		<u>19,692,311</u>	<u>0.73</u>
Total Fixed Income Securities (proceeds \$18,996,083)		<u>20,903,561</u>	<u>0.77</u>
Equity Put Options			
<i>United States:</i>			
Equity Fund		<u>714,862</u>	<u>0.03</u>
Equity Call Options			
<i>United States:</i>			
Data Processing/Management		1,107,680	0.04
Retail — Major Department Stores		<u>624,960</u>	<u>0.02</u>
Total Equity Options (proceeds \$3,017,488)		<u>2,447,503</u>	<u>0.09</u>
Total Securities Sold, Not Yet Purchased (proceeds \$1,588,177,261)		<u>\$1,599,340,196</u>	<u>59.03%</u>
	<i>Amount</i>	<i>Unrealized Gain/(Loss)</i>	<i>Percentage of Net Assets</i>
Derivative Contracts			
Contracts for Differences — Long Contracts			
<i>United States:</i>			
Pharmaceuticals		(1,971,673)	(0.07)
<i>Germany:</i>			
Auto — Cars		(407,742)	(0.02)
Semiconductors		<u>(144,763)</u>	<u>(0.01)</u>
Total Germany		(552,505)	(0.02)
<i>India:</i>			
Banks		37,081	0.00
Engineering and Construction		(650,104)	(0.02)
Finance — Other Services		14,372,934	0.53
Metal Fabricate/Hardware		165,833	0.01
Steel Producers		<u>483,955</u>	<u>0.02</u>
Total India		14,409,699	0.53
<i>Malaysia:</i>			
Telecommunications		18,969,528	0.70
<i>Norway:</i>			
Oil Company — Exploration and Production		(104,015)	0.00

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

(Unaudited)

March 31, 2007

	<i>Amount</i>	<i>Unrealized Gain/(Loss)</i>	<i>Percentage of Net Assets</i>
Derivative Contracts (continued)			
Contracts for Differences — Long Contracts (continued)			
<i>United Kingdom:</i>			
Pharmaceuticals	\$ (1,134,894)	<u>(0.04%)</u>	
Total Contracts for Differences — Long Contracts	<u>29,616,140</u>	<u>1.09</u>	
Contracts for Differences — Short Contracts			
<i>United States:</i>			
Funds	(15,480,402)	(0.57)	
<i>Germany:</i>			
Funds	(11,935,987)	(0.44)	
<i>Japan:</i>			
Index	<u>(107,711)</u>	<u>0.00</u>	
Total Contracts for Differences — Short Contracts	<u>(27,524,100)</u>	<u>(1.01)</u>	
Credit Default Swap Contracts, Protection Purchased			
<i>United States:</i>			
Insurance	29,009,269	1.07	
<i>Canada:</i>			
Insurance	<u>(4,365,563)</u>	<u>(0.16)</u>	
Total Credit Default Swap Contracts, Protection Purchased	<u>24,643,706</u>	<u>0.91</u>	
Total Return Swap Contracts			
<i>United States:</i>			
Alternate Energy	<u>(1,938,409)</u>	<u>(0.07)</u>	
Forward Currency Contracts			
Canadian Dollars	(562,215)	(0.02)	
Euros	(5,404,750)	(0.20)	
United Kingdom Pounds	<u>(657,126)</u>	<u>(0.02)</u>	
Net Unrealized Gain on Foreign Currency Forward Contracts	<u>(6,624,091)</u>	<u>(0.24)</u>	
Net Unrealized Gain on Derivative Contracts	<u>\$ 18,173,247</u>	<u>100.87%</u>	

See accompanying notes.

Third Point Offshore Fund, Ltd.

Statement of Operations
(Stated in United States Dollars)
(Unaudited)

Quarter ended March 31, 2007

Realized and unrealized gain/(loss) from investment transactions		
Net realized gain from securities, derivative contracts and currency transactions	\$187,090,287	
Net change in unrealized appreciation on securities positions	96,099,381	
Net change in unrealized appreciation on forward currency and derivative contracts	6,489,506	
Net loss from currencies	<u>(368,776)</u>	
Net realized and unrealized gain from investment transactions		\$289,310,398
Income		
Interest	5,723,130	
Dividends (net of withholding taxes of \$3,167,699)	8,120,584	
Stock loan income	14,346,200	
Other income	<u>352,305</u>	
Total investment income	28,542,219	
Expenses		
Incentive fee	51,277,228	
Management fee	13,833,257	
Interest	17,913,188	
Appreciation of deferred compensation	26,041,645	
Dividends on securities sold, not yet purchased	5,055,369	
Stock borrow fees	3,044,039	
Administrative and professional fees	806,940	
Other expenses	<u>1,328,785</u>	
Total expenses	<u>119,300,451</u>	
Net investment loss		<u>(90,758,232)</u>
Net increase in net assets from operations		<u>\$198,552,166</u>

See accompanying notes.

Third Point Offshore Fund, Ltd.

Statement of Changes in Net Assets
(Stated in United States Dollars)
(Unaudited)

Quarter ended March 31, 2007

Increase in net assets resulting from operations:

Net realized gain from securities, derivative contracts and currency transactions	\$ 187,090,287
Net change in unrealized appreciation on securities positions	96,099,381
Net change in unrealized appreciation on forward currency and derivative contracts	6,489,506
Net loss from currencies	(368,776)
Net investment loss	<u>(90,758,232)</u>
Net increase in net assets resulting from operations	198,552,166

Increase in net assets resulting from capital share transactions:

Class C Shares issued	2,397,717
Class E Shares issued	68,430,000
Class F Shares issued	37,075,000
Class J Shares issued	23,641,000
Class K Shares issued	5,300,000
Class L Shares issued	2,150,000
Class M Shares issued	4,000,000
Class A Shares redeemed	(118,321)
Class C Shares redeemed	(8,717,046)
Class D Shares redeemed	(12,224,474)
Class E Shares redeemed	(26,261,516)
Class F Shares redeemed	(49,674,639)
Class K Shares redeemed	(7,360,000)
Class S Shares redeemed	<u>(58,599)</u>
Net increase in net assets resulting from capital share transactions	<u>38,579,122</u>

Net increase in net assets	237,131,288
Net assets at the beginning of period	<u>2,472,227,945</u>
Net assets at the end of period	<u><u>\$2,709,359,233</u></u>

See accompanying notes.

Third Point Offshore Fund, Ltd.

Statement of Cash Flows
(Stated in United States Dollars)
(Unaudited)

Quarter ended March 31, 2007

Cash flows from operating activities	
Net increase in net assets resulting from operations	\$ 198,552,166
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:	
Purchases of investment securities	(2,110,537,481)
Proceeds from disposition of investment securities	1,880,366,492
Purchase of investment securities to cover short sales	(718,727,966)
Proceeds from short sales of investment securities	1,217,056,015
Net change in unrealized appreciation on forward currency contracts and derivative contracts	(6,489,506)
Increase in due from brokers	(54,761,650)
Increase in interest and dividends receiveable	(8,089,158)
Increase in other assets	(1,489,739)
Decrease in due to brokers	(142,101,990)
Increase in incentive fee payable	39,209,691
Increase in deferred compensation payable	23,334,789
Increase in interest and dividends payable	3,527,215
Decrease in accrued expenses	(117,860)
Net realized gain from securities, derivative contracts and currency transactions	(187,090,287)
Net change in unrealized appreciation on securities positions	<u>(96,099,381)</u>
Net cash provided by operating activities	<u>36,541,350</u>
Cash flows from financing activities	
Proceeds from issuance of shares	124,168,717
Payment for redemption of shares	<u>(167,489,130)</u>
Net cash used in financing activities	<u>(43,320,413)</u>
Net decrease in cash	(6,779,063)
Cash at beginning of period	<u>38,037,359</u>
Cash at end of period	<u>\$ 31,258,296</u>

See accompanying notes.

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information

March 31, 2007

1. Organization

Third Point Offshore Fund, Ltd. (the “Fund”) was incorporated under the laws of the Cayman Islands on October 21, 1996, commenced operations on December 1, 1996 and is registered under the Cayman Islands Mutual Funds Law. The Fund was formed to trade and invest primarily in equity and debt securities of U.S. and foreign companies.

Third Point L.L.C. (the “Investment Manager”) is the Investment Manager to the Fund. International Fund Services (Ireland) Limited acts as the administrator (“the Administrator”) and transfer agent to the Fund.

2. Significant Accounting Policies

The Fund’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are expressed in United States dollars. The following is a summary of the significant accounting and reporting policies:

Securities listed on a national securities exchange or quoted on NASDAQ are valued at their last sales price as of the last business day of the period. Listed securities with no reported sales on such date and over-the-counter securities are valued at their last closing bid price if held long by the Fund and last closing ask price if held short by the Fund. Securities which are not listed are valued at the estimated fair value as determined by the Investment Manager based on dealer quotes or quoted market prices for similar securities. Notwithstanding the foregoing, long positions in non-U.S. securities are valued at the closing bid price and short positions in non-U.S. securities are valued at the closing asked price, in the principal market where they are traded. Private placement securities are not registered for public sale and are carried at an estimated fair value at the end of the period, as determined by the Investment Manager. Factors considered by the Investment Manager in determining fair value include cost, the type of investment, subsequent purchases of the same or similar investments by the Fund or other investors and the current financial position and operating results of the portfolio company. Due to the inherent uncertainty of valuation for these investments, the estimate of fair value for its interest in these investments may differ from the values that would have been used had a ready market existed for the investment, and the difference could be material. The resulting unrealized gains and losses are reflected in the statement of operations.

The Fund records securities transactions and related income and expense on a trade-date basis. Realized gains and losses are determined using cost calculated on a specific identification basis. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis.

Assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at March 31, 2007. Transactions during the period are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction and translation gains and losses are included in net increase in net assets resulting from operations.

The preparation of financial statements in conformity with 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 these estimates.

The fair value of the Fund’s assets and liabilities, which qualify as financial instruments under Statement of Financial Accounting Standards No. 107, “Disclosures about Fair Value of Financial Instruments,” approximates the carrying amounts presented in the statement of assets and liabilities.

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

2. Significant Accounting Policies (continued)

The Fund is exempt from all forms of taxation in the Cayman Islands, including income, capital gains and withholding taxes. In jurisdictions other than the Cayman Islands, in some cases foreign taxes will be withheld at source on dividends and certain interest received by the Fund. Capital gains derived by the Fund in such jurisdictions generally will be exempt from foreign income or withholding taxes at source.

On July 13, 2006, the Financial Accounting Standards Board (“FASB”) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet a “more-likely-than-not” threshold would be recorded as a tax expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. The Investment Manager has assessed the impact of adopting FIN 48 on the Fund’s financial statements and believes the implications of FIN 48 would have an immaterial impact to the Fund’s total net assets and net income of the Fund.

In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157, “Fair Value Measurements” (“FAS 157”). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. As of March 31, 2007, management of the Fund does not believe the adoption of FAS 157 will impact the amounts reported in the financial statements, however, in the future, additional disclosures will be required about the inputs used to develop the measurements of fair value and the effect of certain of the measurements reported in the statement of operations for a fiscal period.

3. Due to/from Brokers

Due from brokers includes cash balances with the Fund’s clearing brokers and amounts receivable or payable for securities transactions pending settlement. The cash at brokers is primarily related to securities sold, but not yet purchased and collateral posted for swap contracts; its use is therefore partially restricted until the securities are purchased and the contracts are settled. Securities sold, but not yet purchased are collateralized by certain of the Fund’s investments in securities. At March 31, 2007, the due from brokers balance in the statement of assets and liabilities includes swap collateral of \$24,195,081. Due to broker consists primarily of cash and foreign currency balances, cash collateral due to Fund’s clearing brokers, and the amounts receivable or payable for securities transactions that have not yet settled at March 31, 2007. Margin debt balances, if any, are collateralized by certain of the Fund’s securities and cash held by the brokers. Margin interest paid is based on LIBOR or the Federal funds rate.

4. Related Party Transactions

Pursuant to the investment management agreement, the Fund pays the Investment Manager a management fee equal to 2% per annum of the net asset value of the Class A, B, C, D, E, and F shares, 2.5% per annum of the net asset value of the J and K Class Shares, and 3% per annum of

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

4. Related Party Transactions (continued)

the net asset value of the L and M class shares, as of the beginning of each month before the accrual of any incentive fee. Any portion of the management fee attributable to a shareholder's Class S shares will be debited against the net asset value of the corresponding class of shares from which such Class S shares had been issued. If a shareholder holds Class S shares, but no longer owns Class A, B, C, D, E, F, J, K, L and M shares, the management fee will accrue and not be paid until there is a realization or deemed realization event of the special investment attributable to such Class S shares. For purposes of calculating the management fee, special investments are valued at cost or, if a special investment is designated as such after its acquisition, at fair value as of the date of determination. No management fee will be assessed on a special investment that the Investment Manager determines to have suffered a permanent impairment that reduces its value to zero. For the quarter ended March 31, 2007, the management fee was \$13,833,257.

The Fund pays an incentive fee equal to 20% of the annual increase in the aggregate net asset value of each series of Class A, B, C, D, E, and F shares and 25% of the annual increase in the aggregate net asset value of each series for class J, K, L and M shares (each the "Full Incentive Fee"). For purposes of determining the increase in the aggregate net asset value, appreciation or depreciation from realized (or deemed realized) special investments will be included. The incentive fee is accrued monthly and payable at the end of each fiscal year. The incentive fee is calculated in a manner which ensures that appropriate adjustments are made in order to accommodate the inflows and outflows of capital during the course of each fiscal year resulting from shareholder subscriptions and redemptions. If a particular series has a loss chargeable to it 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 the loss chargeable in the prior years before the Investment 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. For the quarter ended March 31, 2007, the accrued but unearned incentive fee was \$51,259,140.

Pursuant to the provisions of a deferred incentive fee agreement (the "Deferred Fee Agreement"), the Investment Manager may elect to defer the receipt of all or a portion of the incentive fee, if any, earned with respect to a particular fiscal year, and may elect to have a portion or all of the deferred fee invested in either the same manner as the Fund's assets, or in another manner approved by the Fund. Any incentive fee deferral election made for any fiscal year will remain in effect for subsequent years unless and until the Investment Manager elects to change such deferral election. The value of such deferred amounts constitutes a liability of the Fund to the Investment Manager. Any amounts invested under the provisions of the Deferred Fee Agreement continue for all purposes to be part of the general assets of the Fund, and the Investment Manager has no property interest in any of such assets. For the quarter ended March 31, 2007, the Investment Manager has elected to defer \$18,088, or 100% of its 2007 incentive fee, earned as of March 31, 2007.

Daniel S. Loeb is a director of the Fund and the managing member of the Investment Manager. Mr. Loeb waived his right to directors fees for the quarter ending March 31, 2007.

Third Point Loan LLC ("Loan LLC") serves as a nominee of the Fund and other investment management clients of the Investment Manager (collectively the "Beneficial Owners"). Loan LLC has appointed the Investment Manager as its true and lawful agent and attorney. The purpose of Loan LLC is limited to serving as a nominee of the Beneficial Owners for certain investments. Neither Loan LLC nor the Investment Manager shall have or claim any beneficial

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

4. Related Party Transactions (continued)

interest in any securities or investments or any other property or agreements at any time held by Loan LLC or registered in its name. At March 31, 2007, Fund investments of \$55,173,695 are registered in the name of Loan LLC and are included in investments in securities in the statement of assets and liabilities.

Effective September 1, 2006, the Fund purchased shares of Third Point Resources Ltd. (“Resources”). Resources has the same investment manager as the Fund. The fair value of the Fund’s investment in Resources at March 31, 2007 is \$4,958,414 and is included in investments in securities in the statement of assets and liabilities. No management fee or incentive fee was charged to the Fund’s investment in Resources.

The Fund entered into equity swap contracts with two investment funds with the same investment manager as the Fund. At March 31, 2007, the aggregate unrealized loss on these swap contracts was \$1,938,409.

5. Administration Fee

The Fund has entered into an administrative services agreement with International Fund Services (Ireland) Limited. In accordance with the terms of this agreement, the administrator provides certain specified fund accounting and administration, trade support and transfer agent services. During the current financial period, the administrator received a fee of \$673,565 based on the month end net assets of the Fund.

6. New Issues

The Fund may invest, directly or indirectly, in equity securities in initial public offerings deemed “new issues” under Rule 2790 of the National Association of Securities Dealers, Inc. (“NASD”) Rules of Fair Practice. “New issues” are defined as any initial public offering of an equity, regardless of whether such security is trading at a premium in the secondary market. NASD members generally may not sell “new issues” to an account, in which certain persons or entities designated as restricted persons have beneficial interest.

7. Share Capital

The Fund has an authorized share capital consisting of \$2,000,000 divided into 200,000,000 participating shares of \$0.01 each. The Fund issues a separate series of shares to those investors who purchase shares as of the first business day of each month. A different series of shares is issued in order to equitably reflect the differing incentive fees attributable to each series because of the differing issue dates throughout the fiscal year. Shares are offered in series at a purchase price of \$100 per share. At March 31, 2007 there were eleven outstanding classes (each, a “class”) of shares: Class A, Class B, Class C, Class D, Class E, Class F, Class J, Class K, Class L, Class M and Class S, and within each class there is one or more separate series. Each share is equal to every other share of the same series with respect to earnings, assets, dividends and voting privileges. Class A, Class B, Class C and Class D shares are no longer being offered. Class B, D, F, K, and M shares will generally not participate in profits and losses from “new issues”. Class A and B shares, Class C and D shares, Class E and F shares, Class J and K, Class L and M and Class S shares have different redemption rights.

The Board of Directors has the right to create additional classes, series and sub-series for an investor as it determines appropriate in its sole discretion.

Each series of a Class will have equal rights and privileges with each other series of that Class.

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

7. Share Capital (continued)

As part of its investment program, the Fund may acquire assets or securities through direct investments or private placements that the Investment Manager believes either lack a readily ascertainable market value or should be held until the resolution of a special event or circumstance (“Special Investments”). Each Special Investment will be represented by a series of Class S shares. Class A, B, C, D, E, F, J, K, L and M shares will be automatically exchanged by way of redemption and issuance of a series of Class S shares at the time a Special Investment is made. Capital invested in Class S shares is generally not available for redemption or distribution, subject to board of directors approval, until the respective special investment is realized or deemed realized. Upon the realization or deemed realization of a particular Special Investment, the Class S shares attributable to such Special Investment will be redeemed and exchanged back through the issuance of new shares of the original series from which the Class S shares had been exchanged. If a shareholder redeems less than all of its Class A, B, C, D, E, F, J, K, L and M shares in a series associated with a Special Investment, the shareholder will be issued a separate series of shares of that class. At March 31, 2007, the fair value of Special Investments is \$7,841,134, of which \$1,235,677 is attributable to investments of the Deferred Fee Arrangement, and is included in investments in securities in the statement of assets and liabilities.

If at the end of a fiscal year, a series of a class of shares is charged a Full Incentive Fee, the shares of such series may be redesignated and converted on the first business day following the end of the fiscal year into the first series of such class at the prevailing net asset value of such series. No redesignation or conversion shall occur with respect to a series of a class if at the end of a fiscal year such series has not been charged a Full Incentive Fee or any shares of such series have been exchanged for Class S Shares that are still outstanding. These exchanges are detailed in the following share capital schedule.

Share capital transactions for the period ended March 31, 2007 were as follows:

	<i>Number of Shares Outstanding January 1, 2007</i>	<i>Shares Redesignated January 1, 2007</i>	<i>Shares Transferred</i>	<i>Shares Subscribed</i>	<i>Shares Redeemed</i>	<i>Number of Shares Outstanding March 31, 2007</i>	<i>Net Asset Value Per Share at March 31, 2007</i>
Series 1							
Class A	121,699	—	—	—	—	121,699	\$270.77
Class B	8,505	—	—	—	—	8,505	265.06
Class C	500,575	—	(2,083)	—	(32,194)	466,298	270.77
Class D	666,843	—	(142,947)	—	(7,546)	516,350	265.06
Class E	135,857	—	—	—	—	135,857	146.85
Class F	851,968	—	(27,074)	—	—	824,894	145.56
Class J	—	—	—	184,220	—	184,220	107.31
Class K	447,465	—	—	—	(63,344)	384,121	116.19
Class L	—	—	—	21,500	—	21,500	103.91
Class M	50,000	—	—	—	—	50,000	107.09
Class S	100,427	—	(883)	—	—	99,544	66.36
Series 2							
Class A	490,016	—	—	—	(453)	489,563	270.78
Class B	4,289	—	—	—	—	4,289	265.04
Class E	2,377,263	2,181,024	—	108,637	(178,753)	4,488,171	144.02
Class F	2,752,476	1,792,335	(9,274)	64,164	(337,430)	4,262,271	142.78
Class J	—	—	—	8,960	—	8,960	103.29
Class K	—	—	—	1,200	—	1,200	103.19
Class M	30,000	702,617	25,317	18,851	—	776,785	113.62

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

7. Share Capital (continued)

	<i>Number of Shares Outstanding January 1, 2007</i>	<i>Shares Redesignated January 1, 2007</i>	<i>Shares Transferred</i>	<i>Shares Subscribed</i>	<i>Shares Redeemed</i>	<i>Number of Shares Outstanding March 31, 2007</i>	<i>Net Asset Value Per Share at March 31, 2007</i>
Series 3							
Class A	8,942	—	—	—	—	8,942	\$270.19
Class B	5,456	—	—	—	—	5,456	158.09
Class E	58,500	(58,500)	—	287,300	(5,000)	282,300	103.58
Class F	120,137	(120,137)	12,792	88,000	—	100,792	103.48
Class J	—	—	—	43,230	—	43,230	103.94
Class K	—	—	—	51,800	—	51,800	103.88
Class M	45,000	(20,000)	(25,000)	20,000	—	20,000	103.13
Series 4							
Class A	69,223	—	—	—	—	69,223	270.77
Class C	24,472	—	—	—	—	24,472	270.76
Class E	298,500	(298,500)	—	252,000	—	252,000	104.24
Class F	257,000	(257,000)	—	197,750	—	197,750	104.17
Class M	12,000	(12,000)	—	—	—	—	—
Series 5							
Class D	377,481	—	—	—	—	377,481	265.06
Class E	390,113	(390,113)	—	—	—	—	—
Class F	154,541	(154,541)	—	—	—	—	—
Class M	212,500	(212,500)	—	—	—	—	—
Series 6							
Class C	86,162	—	—	—	—	86,162	265.94
Class D	58,560	—	—	—	—	58,560	265.03
Class E	303,720	(303,720)	—	—	—	—	—
Class F	304,960	(304,960)	—	—	—	—	—
Class M	86,825	—	—	—	—	86,825	261.98
Series 7							
Class C	49,749	—	—	—	—	49,749	270.77
Class E	209,137	(209,137)	—	—	—	—	—
Class F	265,307	(265,307)	—	—	—	—	—
Series 8							
Class C	7,769	—	—	—	—	7,769	270.77
Class D	3,995	—	—	—	—	3,995	264.94
Class E	2,775	(2,775)	—	—	—	—	—
Class F	87,550	(87,550)	—	—	—	—	—
Class M	166,152	—	—	—	—	166,152	261.98
Series 9							
Class C	7,899	—	—	—	—	7,899	265.86
Class D	1,692	—	—	—	(1,692)	—	—
Class E	116,700	(116,700)	—	—	—	—	—
Class F	202,000	(202,000)	—	—	—	—	—
Class M	124,965	—	—	—	—	124,965	262.00
Series 10							
Class C	6,056	—	—	—	—	6,056	271.00
Class E	271,350	(271,350)	—	—	—	—	—
Class F	133,588	—	1	—	—	133,589	117.67
Class M	63,579	(63,579)	—	—	—	—	—

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

7. Share Capital (continued)

	<i>Number of Shares Outstanding January 1, 2007</i>	<i>Shares Redesignated January 1, 2007</i>	<i>Shares Transferred</i>	<i>Shares Subscribed</i>	<i>Shares Redeemed</i>	<i>Number of Shares Outstanding March 31, 2007</i>	<i>Net Asset Value Per Share at March 31, 2007</i>
Series 11							
Class C	2,552	—	—	—	—	2,552	\$270.77
Class D	15,419	—	—	—	—	15,419	265.06
Class E	160,000	(160,000)	—	—	—	—	—
Class F	110,205	(110,205)	—	—	—	—	—
Class M	123,733	(123,733)	—	—	—	—	—
Series 12							
Class C	631	—	—	—	—	631	265.77
Class E	59,174	(59,174)	—	—	—	—	—
Class F	34,010	—	—	—	—	34,010	116.79
Class M	41,995	—	—	—	—	41,995	261.99
Series 13							
Class C	2,251	—	—	—	—	2,251	265.66
Class D	9,308	—	—	—	—	9,308	265.06
Class E	10,000	(10,000)	—	—	—	—	—
Class F	150,677	(150,677)	—	—	—	—	—
Class M	66,295	(66,295)	—	—	—	—	—
Series 14							
Class C	5,563	—	—	—	—	5,563	265.76
Class E	314,500	(314,500)	—	—	—	—	—
Class F	21,630	(21,630)	—	—	—	—	—
Class M	145,197	—	—	—	—	145,197	108.52
Series 15							
Class C	—	—	2,083	—	—	2,083	270.77
Class E	254,928	(254,928)	—	—	—	—	—
Class F	7,122	—	—	—	—	7,122	145.51
Series 16							
Class C	—	—	—	23,977	—	23,977	107.90
Class D	38,501	—	—	—	—	38,501	265.05
Class F	390,021	—	—	—	(706)	389,315	123.33
Series 17							
Class D	75,468	—	(75,468)	—	—	—	—
Class E	9,915	—	—	—	—	9,915	146.00
Class F	5,700	—	—	—	—	5,700	145.54
Series 18							
Class D	40,452	—	—	—	—	40,452	265.04
Class E	130,000	(130,000)	—	—	—	—	—
Class F	9,918	(9,918)	9,690	—	(9,690)	—	—
Series 19							
Class D	10,386	—	—	—	(10,386)	—	—
Class E	4,958	—	—	—	—	4,958	146.00
Class F	86,035	(86,035)	17,383	—	—	17,383	145.55
Series 20							
Class D	38,857	—	—	—	—	38,857	265.05
Class E	118,982	—	—	—	—	118,982	146.00
Series 21							
Class D	18,265	—	—	—	—	18,265	265.04
Class E	14,873	—	—	—	—	14,873	146.00

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

7. Share Capital (continued)

	<i>Number of Shares Outstanding January 1, 2007</i>	<i>Shares Redesignated January 1, 2007</i>	<i>Shares Transferred</i>	<i>Shares Subscribed</i>	<i>Shares Redeemed</i>	<i>Number of Shares Outstanding March 31, 2007</i>	<i>Net Asset Value Per Share at March 31, 2007</i>
Series 22							
Class D	11,125	—	—	—	—	11,125	\$265.04
Class E	90,000	(90,000)	—	—	—	—	—
Class F	332,300	(332,300)	—	—	—	—	—
Series 23							
Class D	58,168	—	—	—	—	58,168	265.05
Class E	30,573	(30,573)	—	—	—	—	—
Class F	50,000	(50,000)	—	—	—	—	—
Series 24							
Class D	10,727	—	—	—	(10,727)	—	—
Class E	11,490	(11,490)	—	—	—	—	—
Class F	30,000	(30,000)	—	—	—	—	—
Series 25							
Class D	29,859	—	—	—	—	29,859	265.04
Class E	3,469	(3,469)	—	—	—	—	—
Class F	20,000	(20,000)	—	—	—	—	—
Series 26							
Class D	17,782	—	—	—	—	17,782	265.04
Class F	23,980	(23,980)	—	—	—	—	—
Series 27							
Class D	61,287	—	—	—	—	61,287	265.05
Series 28							
Class D	458	—	—	—	—	458	265.06
Series 29							
Class D	41,998	—	—	—	—	41,998	265.04
Series 32							
Class D	17,268	—	—	—	—	17,268	114.51
Series 33							
Class D	9,913	—	—	—	—	9,913	265.09
Series 34							
Class D	4,562	—	—	—	—	4,562	264.97
Series 35							
Class D	14,296	—	—	—	—	14,296	265.04
Series 38							
Class D	75,060	118,042	—	—	—	193,102	115.33
Series 40							
Class D	2,021	—	—	—	—	2,021	265.06
Series 41							
Class D	6,584	(6,584)	—	—	—	—	—
Series 42							
Class D	20,424	—	—	—	—	20,424	265.03
Series 44							
Class D	13,193	(13,193)	—	—	—	—	—
Series 45							
Class D	6,116	(6,116)	—	—	—	—	—
Series 47							
Class D	14,277	(14,277)	—	—	—	—	—

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

7. Share Capital (continued)

	<i>Number of Shares Outstanding January 1, 2007</i>	<i>Shares Redesignated January 1, 2007</i>	<i>Shares Transferred</i>	<i>Shares Subscribed</i>	<i>Shares Redeemed</i>	<i>Number of Shares Outstanding March 31, 2007</i>	<i>Net Asset Value Per Share at March 31, 2007</i>
Series 48							
Class D	19,723	(19,723)	—	—	—	—	—
Series 50							
Class D	37,580	—	—	—	—	37,580	\$265.05
Series 51							
Class D	6,550	(6,550)	—	—	—	—	—
Series 52							
Class D	1	(1)	—	—	—	—	—
Series 55							
Class D	924	—	—	—	—	924	265.05
Series 56							
Class D	—	—	72,198	—	(5,788)	66,410	265.05
Series 57							
Class D	—	—	3,270	—	—	3,270	265.06
Series 58							
Class D	—	—	16,079	—	—	16,079	265.06
Series 59							
Class D	—	—	37,273	—	—	37,273	265.06
Series 60							
Class D	—	—	3,042	—	—	3,042	265.05
Series 61							
Class D	—	—	12,522	—	(10,067)	2,455	265.06
Series 62							
Class D	—	—	1,690	—	—	1,690	265.05
Series 63							
Class D	—	—	7,983	—	—	7,983	265.05
Series 64							
Class D	—	—	17,403	—	—	17,403	265.06
Series 65							
Class D	—	—	41,737	—	—	41,737	265.06
Series 66							
Class D	—	—	5,217	—	—	5,217	265.05

8. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk

In the normal course of its business, the Fund trades various financial instruments and enters into various investment activities with off-balance sheet risk. These financial instruments include securities sold, not yet purchased, forward currency contracts, credit default swaps, index swaps, total return swaps and contracts for differences. Generally, these financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at specified future dates. Each of these financial instruments contains varying degrees of off-balance sheet risk whereby changes in the market values of the securities underlying the financial instruments or fluctuations in interest rates and index values may exceed the amounts recognized in the statement of assets and liabilities.

Securities sold, not yet purchased represent obligations of the Fund to deliver the specified security at the contracted price and, thereby, create a liability to purchase the security in the

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

8. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk (continued)

market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk as the Fund's satisfaction of the obligations may exceed the amount recognized in the statement of assets and liabilities.

Substantially all securities transactions of the Fund are cleared by four major U.S. securities firms pursuant to a customer agreement. At March 31, 2007, substantially all of the investments in securities, securities sold, not yet purchased and due from brokers are positions with and amounts due from these brokers.

Forward contracts expose the Fund to credit, market and liquidity risks. Credit risk arises from the potential inability of counterparties to perform under the terms of the contract. The Fund is exposed to market risk to the extent that adverse changes occur in the exchange rate of the underlying foreign currency. Liquidity risk represents the possibility that the Fund may not be able to rapidly adjust the size of its forward position in times of high volatility and financial stress at a reasonable price.

The Fund enters into total return swaps, contracts for differences and index swaps that involve the exchange by the Fund with another party of their respective commitments to pay or receive from the counterparty a net amount based on the change in market value of a particular equity or index and a specified notional holding. The use of these contracts exposes the Fund to market risks equivalent to actually holding securities of the notional value but typically involve little capital commitment relative to the exposure achieved. The gains or losses of the Fund may therefore be magnified on the capital commitment. Entering into total return swaps, contracts for differences and index swaps involves the risk of dealing with counterparties and their abilities to meet the terms of the contracts.

Credit default swap contracts entered into by the Fund typically represent the exchange by the Fund with a counterparty of a commitment to provide a level of credit protection for a commitment to pay interest at a fixed rate based on the potential risk of default of the relevant underlying issuers. The Fund purchases credit default swaps in order to effectively obtain short credit exposure to particular issuers. With regard to credit default swap protection purchased, the Fund is at risk for its commitment to pay interest at a fixed rate according to the terms of the respective contracts.

The Fund's exposure to credit risk associated with counterparty nonperformance on forward, swap and over-the-counter option contracts is limited to the net unrealized gains inherent in such contracts which are recognized in the statement of assets and liabilities. At March 31, 2007, this amount was \$46,799,739.

The Fund is also engaged in writing option contracts. The premium received by the Fund upon writing an option contract is recorded as a liability, marked to market on a daily basis and is included in securities sold, not yet purchased in the statement of assets and liabilities. In writing an option, the Fund bears the market risk of an unfavorable change in the financial instrument underlying the written option. Exercise of an option written by the Fund could result in the Fund selling or buying a financial instrument at a price different from the current market value.

The Fund's principal clearing activities are with four U.S. registered broker/dealers located in North America, pursuant to respective customer agreements. At March 31, 2007, all the investments in securities, securities sold, but not yet purchased and due from brokers are

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

8. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk (continued)

positions with and amounts due from these brokers. The Fund had substantially all of its individual counterparty concentration with these brokers.

The Fund's investments in securities and amounts due from brokers are partially restricted until the Fund satisfies the obligation to deliver securities sold, not yet purchased.

9. Derivative Contracts

In the normal course of business, the Fund enters into derivative contracts ("Derivatives"). The Derivatives that the Fund invests in are primarily equity options, rights, warrants, forward currency contracts, credit default, index and total return swap contracts and contracts for differences. Typically, Derivatives serve as a component of the Fund's investment strategy and are utilized primarily to structure the portfolio, or individual investments, to economically match the investment objective of the Fund. Market values of Derivatives are determined by using quoted market prices when available; otherwise fair values are based on pricing models that consider the time value of money, volatility, and the current market and contractual prices of underlying financial instruments.

10. Commitments

Loan and other participation interests purchased by the Fund such as bank debt may include revolving credit arrangements or other financing commitments obligating the Fund to advance additional amounts on demand. At March 31, 2007, the Fund had unfunded capital commitments of \$3,601,516.

11. Indemnifications

The Fund enters into contracts that contain a variety of indemnifications and warranties. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Thus, no amounts have been accrued related to such indemnifications.

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

12. Financial Highlights

The following represents the per share operating performance of the Fund, ratios to average net assets and total return information for the period January 1, 2007 to March 31, 2007:

	<i>Class 1 Series A</i>	<i>Class 1 Series B</i>	<i>Class 1 Series C</i>	<i>Class 1 Series D</i>	<i>Class 1 Series E</i>
Per share operating performance					
Net asset value at beginning of period	\$250.95	\$245.93	\$250.95	\$245.93	\$136.10
Income from investment operations:					
Net investment loss	(6.22)	(6.02)	(6.22)	(6.02)	(3.37)
Net realized and unrealized loss from investments	<u>26.04</u>	<u>25.15</u>	<u>26.04</u>	<u>25.15</u>	<u>14.12</u>
Total from investment operations	<u>19.82</u>	<u>19.13</u>	<u>19.82</u>	<u>19.13</u>	<u>10.75</u>
Net asset value at the end of the period	<u>270.77</u>	<u>265.06</u>	<u>270.77</u>	<u>265.06</u>	<u>146.85</u>
Total return before performance fee	9.87%	9.72%	9.87%	9.72%	9.87%
Performance fee	<u>(1.97%)</u>	<u>(1.94%)</u>	<u>(1.97%)</u>	<u>(1.94%)</u>	<u>(1.97%)</u>
Total return after performance fee	<u>7.90%</u>	<u>7.78%</u>	<u>7.90%</u>	<u>7.78%</u>	<u>7.90%</u>
Ratios of expenses to average net assets					
Operating expenses before performance fee	(1.45%)	(1.45%)	(1.45%)	(1.45%)	(1.45%)
Management fee					
Performance fee	<u>(1.88%)</u>	<u>(1.85%)</u>	<u>(1.88%)</u>	<u>(1.84%)</u>	<u>(1.88%)</u>
Total expenses	<u>(3.33%)</u>	<u>(3.30%)</u>	<u>(3.33%)</u>	<u>(3.29%)</u>	<u>(3.33%)</u>
Ratio of net investment income	<u>(2.36%)</u>	<u>(2.33%)</u>	<u>(2.36%)</u>	<u>(2.32%)</u>	<u>(2.36%)</u>

Third Point Offshore Fund, Ltd.

Unaudited Notes to Financial Information (continued)

March 31, 2007

12. Financial Highlights (continued)

	<i>Class 1 Series F</i>	<i>Class 1 Series J</i>	<i>Class 1 Series K</i>	<i>Class 1 Series L</i>	<i>Class 1 Series M</i>
Per share operating performance					
Net asset value at beginning of period	\$135.05	\$100.00	\$108.39	\$100.00	\$100.00
Income from investment operations:					
Net investment loss	(3.30)	(3.06)	(3.28)	(1.50)	(3.13)
Net realized and unrealized loss from investments	<u>13.81</u>	<u>10.37</u>	<u>11.08</u>	<u>5.41</u>	<u>10.22</u>
Total from investment operations	<u>10.51</u>	<u>7.31</u>	<u>7.80</u>	<u>3.91</u>	<u>7.09</u>
Net asset value at the end of the period	<u>145.56</u>	<u>107.31</u>	<u>116.19</u>	<u>103.91</u>	<u>107.09</u>
Total return before performance fee	9.72%	9.74%	9.59%	5.22%	9.46%
Performance fee	<u>(1.94%)</u>	<u>(2.43%)</u>	<u>(2.40%)</u>	<u>(1.30%)</u>	<u>(2.36%)</u>
Total return after performance fee	<u>7.78%</u>	<u>7.31%</u>	<u>7.19%</u>	<u>3.92%</u>	<u>7.10%</u>
Ratios to average net assets					
Total expenses before performance fee	(1.45%)	(1.57%)	(1.71%)	(0.65%)	(1.70%)
Performance fee	<u>(1.85%)</u>	<u>(2.32%)</u>	<u>(2.49%)</u>	<u>(1.25%)</u>	<u>(2.26%)</u>
Total expenses	<u>(3.30%)</u>	<u>(3.89%)</u>	<u>(4.20%)</u>	<u>(1.90%)</u>	<u>(3.96%)</u>
Net investment loss	<u>(2.33%)</u>	<u>(2.93%)</u>	<u>(3.23%)</u>	<u>(1.44%)</u>	<u>(2.98%)</u>

Total return is calculated for shareholders in the initial series of each common share class. The total return and ratios to average net assets of other series in the same share class may vary from these returns based on participation in “new issues” and the timing of capital subscriptions and redemptions. The operating performance and ratios have not been annualized.

13. Subsequent Events

Effective April 1, 2007, the Fund recorded subscriptions of \$39,423,000, of which \$18,597,000 was received prior to April 1, 2007. Additionally, effective May 1, 2007, the Fund paid redemptions of approximately \$4,800,000.

The Directors
Third Point Offshore Investors Limited
PO Box 225
Trafalgar Court, Les Banques
St Peter Port
Guernsey
GY1 3QL
Channel Islands

2 July 2007

Dear Sirs

Financial information in respect of Third Point Offshore Fund Limited (“Master Fund”) for the three years ended 31 December 2006

We report on the financial information set out in Part 10 of the prospectus dated 2 July 2007 (the “Prospectus”) of Third Point Offshore Investors Limited (the “Company”). This financial information has been prepared for inclusion in the Prospectus on the basis of the significant accounting policies set out in this Part. This report is required by item 20.1 of Annex I of the PD Regulation and is given for the purpose of complying with that requirement and for no other purpose.

Save for any responsibility arising under the Prospectus Regulation to any person as to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 20.1 of Annex I to the Prospectus Regulation, consenting to inclusion in the Prospectus, save when we have agreed specifically in writing.

Responsibilities

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in this Part and in accordance with US Generally Accepted Accounting Principles (“US GAAP”).

It is our responsibility to form an opinion as to whether the financial information presents fairly, in all material respects, the state of affairs of the Master Fund as at the date stated and of its profits, cash flows and recognised gains and losses and changes in equity for the periods then ended, for the purposes of the Prospectus, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing standards generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

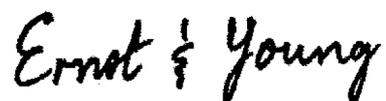
Opinion

In our opinion, the financial information referred to above, for the purposes of the Prospectus dated 2 July 2007, presents fairly, in all material respects, the state of affairs of the Master Fund as at the date stated and of its profits, cash flows and recognised gains and losses and changes in equity for the three years ended 31 December 2006 in accordance with the basis of preparation set out in this Part and in accordance with US GAAP.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

A handwritten signature in black ink that reads "Ernst & Young". The signature is written in a cursive, flowing style.

Ernst & Young LLP

Third Point Offshore Fund, Ltd.

Basis of preparation and Significant Accounting Policies

Basis of preparation

The Fund's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are expressed in United States dollars. Certain prior year account balances have been reclassified in order to comply with the current year classification.

Significant Accounting Policies

Securities listed on a national securities exchange or quoted on NASDAQ are valued at their last sales price as of the last business day of the year. Listed securities with no reported sales on such date and over-the-counter securities are valued at their last closing bid price if held long by the Fund and last closing ask price if held short by the Fund. Securities which are not listed are valued at the estimated fair value as determined by the Investment Manager based on dealer quotes, quoted market prices for similar securities. Notwithstanding the foregoing, long positions in non-U.S. securities are valued at the closing bid price and short positions in non-U.S. securities are valued at the closing asked price, in the principal market where they are traded. Private placement securities are not registered for public sale and are carried at an estimated fair value at the end of the period, as determined by the Investment Manager. Factors considered by the Investment Manager in determining fair value include cost, the type of investment, subsequent purchases of the same or similar investments by the Fund or other investors and the current financial position and operating results of the portfolio company. Due to the inherent uncertainty of valuation for these investments, the estimate of fair value for its interest in these investments may differ from the values that would have been used had a ready market existed for the investment, and the difference could be material. The resulting unrealized gains and losses are reflected in the statement of operations.

The Fund records securities transactions and related income and expense on a trade-date basis. Realized gains and losses are determined using cost calculated on a specific identification basis. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis.

Assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at the reporting date. Transactions during the year are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction and translation gains and losses are included in net increase in net assets resulting from operations.

The preparation of financial statements in conformity with 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 these estimates.

The fair value of the Fund's assets and liabilities, which qualify as financial instruments under Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," approximates the carrying amounts presented in the statement of assets and liabilities.

The Fund is exempt from all forms of taxation in the Cayman Islands, including income, capital gains and withholding taxes. In jurisdictions other than the Cayman Islands, in some cases foreign taxes will be withheld at source on dividends and certain interest received by the Fund. Capital gains derived by the Fund in such jurisdictions generally will be exempt from foreign income or withholding taxes at source.

On July 13, 2006, the Financial Accounting Standards Board ("FASB") released FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48

Third Point Offshore Fund, Ltd.

Basis of preparation and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a "more-likely-than-not" threshold would be recorded as a tax expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. The Investment Manager has assessed the impact of adopting FIN 48 on the Fund's financial statements and believes the implications of FIN 48 would have an immaterial impact to the Fund's total net assets and net income of the Fund. As such, the Investment Manager has concluded that the Fund should not early adopt this interpretation.

In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. As of December 31, 2006, management of the Fund does not believe the adoption of FAS 157 will impact the amounts reported in the financial statements, however, in the future, additional disclosures will be required about the inputs used to develop the measurements of fair value and the effect of certain of the measurements reported in the statement of operations for a fiscal period.

Third Point Offshore Fund, Ltd.

Financial Information

Year ended December 31, 2006

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Third Point Offshore Fund, Ltd.

Statement of Assets and Liabilities

(Stated in United States Dollars)

December 31, 2006

Assets	
Cash	\$ 38,037,359
Investments in securities, at fair value (cost \$3,197,063,910)	3,808,405,562
Net unrealized gain on foreign currency forward contracts	1,234,556
Net unrealized gain on derivative contracts	10,449,185
Due from brokers	664,633,884
Interest and dividends receivable	1,625,765
Other assets	<u>1,603,816</u>
Total assets	4,525,990,127
Liabilities	
Securities sold, not yet purchased, at fair value (proceeds \$1,068,868,347)	1,108,618,537
Due to brokers	455,982,902
Incentive fee payable	12,049,449
Deferred compensation payable	270,951,316
Shareholder subscriptions received in advance	37,422,000
Shareholder redemptions payable	166,799,696
Interest and dividends payable	911,929
Accrued expenses	<u>1,026,353</u>
Total liabilities	2,053,762,182
Commitments (See Note 8)	
Net assets	<u><u>\$2,472,227,945</u></u>
Net asset value per share — See Note 5	

See accompanying notes.

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments

(Stated in United States Dollars)

December 31, 2006

	<i>Shares/ Contracts</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities			
Equity Securities			
<i>United States:</i>			
Banks		\$ 13,990,536	0.56%
Biotechnology		90,077,861	3.64
Building — Maintenance and Services		11,214,567	0.45
Building Materials:			
Martin Marietta Materials, Inc.	1,596,200	165,861,142	6.71
Casino and Hotels		18,620,272	0.75
Coal		71,018,756	2.87
Computer Services		12,596,596	0.51
Data Processing/Management		107,688,966	4.36
Distribution/Wholesale		19,735,500	0.80
Drug Delivery Systems		2,938,545	0.12
Electric — Generation		16,305,735	0.66
Electric — Integrated		59,316,800	2.40
Electric — Products		17,816,640	0.72
Electronic Components		1,127,698	0.05
E-Marketing		398,105	0.02
Finance — Other Services		150,071,415	6.07
Food		26,792,496	1.08
Funds		41,704,475	1.69
Healthcare — Products		88,560,915	3.58
Healthcare — Services		32,879,700	1.33
Holding Companies — Diversified		9,956,220	0.40
Instruments — Scientific		35,617,959	1.44
Investment Companies		3,710,174	0.15
Life/Health Insurance		22,890,075	0.93
Machinery — Diversified		37,563,819	1.52
Media		21,633,526	0.88
Metal — Copper		42,416,876	1.72
Metal Processors		15,900,300	0.64
Oil Company — Exploration and Production:			
Plains Exploration and Production Company	3,537,600	168,142,128	6.80
Pogo Producing Company	2,878,300	139,424,852	5.64
Other		61,540,334	2.49
Total Oil Company — Exploration and Production		369,107,314	14.93
Oil and Gas Services		16,623,467	0.67
Packaging and Containers		42,462,348	1.72
Pharmaceuticals		96,797,659	3.92
Rental Equipment		15,116,474	0.61
Resorts/Theme Parks		13,408,035	0.54

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

December 31, 2006

	<i>Shares/ Contracts</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities (continued)			
Equity Securities (continued)			
<i>United States (continued):</i>			
Retail — Apparel		\$ 8,279,028	0.33%
Retail — Major Department Stores		86,540,375	3.50
Retail — Restaurants:			
McDonalds Corporation	2,894,400	128,308,752	5.19
Other		<u>63,215,638</u>	<u>2.56</u>
Total Retail — Restaurants		191,524,390	7.75
Semiconductors		23,329,523	0.94
Software		38,411,904	1.55
Steel Producers		8,066,435	0.33
Telecommunications		168,392,430	6.81
Therapeutics		7,458,636	0.30
Transportation		47,677,822	1.93
Wire and Cable Products		<u>17,229,972</u>	<u>0.70</u>
Total United States (cost \$1,989,895,327)		2,288,831,481	92.58
<i>Austria:</i>			
Transportation (cost \$2,921,182)		3,266,604	0.13
<i>Canada:</i>			
Airlines		25,804,703	1.04
Coal		12,046,406	0.49
Entertainment		233,376	0.01
Holding Companies — Diversified		13,760,288	0.56
Investment Companies		16,037,227	0.65
Metal — Copper		1,354,347	0.05
Mining		4,329,164	0.17
Oil Company — Exploration and Production		44,163,066	1.79
Pharmaceuticals		4,506,071	0.18
Retail — Major Department Stores		<u>20,675,573</u>	<u>0.84</u>
Total Canada (cost \$128,218,600)		142,910,221	5.78
<i>France:</i>			
Chemicals		9,293,075	0.37
Pharmaceuticals		<u>4,857,890</u>	<u>0.20</u>
Total France (cost \$10,564,541)		14,150,965	0.57

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

December 31, 2006

	<i>Shares/ Contracts</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities (continued)			
Equity Securities (continued)			
<i>Germany:</i>			
Auto — Cars		\$ 39,853,393	1.61%
Building Materials		3,143,229	0.13
Chemicals		3,656,077	0.15
Computers — Memory		4,564,857	0.18
Finance — Other Services:			
Deutsche Boerse AG	996,900	183,508,228	7.42
Machinery — Diversified		9,555,062	0.39
Retail — Building Products		20,626,509	0.83
Semiconductors		<u>128,275,674</u>	<u>5.19</u>
Total Germany (cost \$275,504,586)		393,183,029	15.90
<i>Hong Kong:</i>			
Engineering and Construction		15,890,114	0.64
Fisheries		15,314,023	0.62
Holding Companies — Diversified		20,729,253	0.84
Real Estate Investment Trusts		<u>59,533,501</u>	<u>2.41</u>
Total Hong Kong (cost \$85,913,407)		111,466,891	4.51
<i>India:</i>			
Diversified Financial Services		9,456,333	0.38
Oil and Gas		<u>8,651,152</u>	<u>0.35</u>
Total India (cost \$17,094,218)		18,107,485	0.73
<i>Japan:</i>			
Electric — Generation		78,583,499	3.18
Leisure and Recreational Products		<u>27,739,942</u>	<u>1.12</u>
Total Japan (cost \$85,837,571)		106,323,441	4.30
<i>Netherlands:</i>			
Aerospace/Defense		5,261,304	0.21
Electronic Components:			
Philips Electronics	6,496,300	244,786,904	9.90
Other		<u>16,557,748</u>	<u>0.67</u>
Total Electronic Components		261,344,652	10.57
Finance — Other Services:			
Euronext	2,029,300	239,407,894	9.69
Semiconductors		<u>15,842,016</u>	<u>0.64</u>
Total Netherlands (cost \$411,612,308)		521,855,866	21.11
<i>Norway:</i>			
Transportation (cost \$6,454,847)		7,522,756	0.30
<i>Russia:</i>			
Steel Producers		15,424,200	0.62
Manufacturing		<u>9,114,000</u>	<u>0.37</u>
Total Russia (cost \$26,098,427)		24,538,200	0.99

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

December 31, 2006

	<i>Shares/ Contracts</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities (continued)			
Equity Securities (continued)			
<i>Singapore:</i>			
Semiconductors (cost \$9,165,313)	\$	10,275,475	0.43%
<i>United Kingdom:</i>			
Commercial Services (cost \$21,002,007)		12,058,157	0.49
Total Equity Securities (cost \$3,070,282,334)		3,654,490,571	147.82
Fixed Income Securities			
<i>United States:</i>			
Auto Parts and Equipment		11,308,550	0.47
Finance — Other Services		24,838,595	1.00
Telecommunications		29,267,494	1.18
Total United States (cost \$59,820,898)		65,414,639	2.65
<i>Canada:</i>			
Oil Company — Exploration and Production (cost \$6,440,492)		6,091,806	0.24
Total Fixed Income Securities (cost \$66,261,390)		71,506,445	2.89
Bank Debt			
<i>United States</i> (cost \$31,274,046)		32,057,075	1.30
Warrants and Rights			
<i>United States:</i>			
Investment Companies		791,504	0.03
Machinery — Diversified		1,823,466	0.07
Telecommunications		7,752,000	0.31
Total United States (cost \$2,077,902)		10,366,970	0.41
<i>Canada:</i>			
Investment Companies		1,559,884	0.06
Oil Company — Exploration and Production		1,934,485	0.08
Platinum		1,579,904	0.06
Total Canada (cost \$0)		5,074,273	0.20
<i>India:</i>			
Diversified Financial Services (cost \$5,238,805)		9,494,695	0.38

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

December 31, 2006

	<i>Shares/ Contracts</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Investments in Securities (continued)			
Warrants and Rights (continued)			
<i>United Kingdom:</i>			
Commercial Services		\$ 3,814,666	0.15%
Metal — Diversified		<u>136,649</u>	<u>0.01</u>
Total United Kingdom (cost \$0)		<u>3,951,315</u>	<u>0.16</u>
Total Warrants and Rights (cost \$7,316,707)		<u>28,887,253</u>	<u>1.16</u>
Equity Call Options			
<i>United States:</i>			
Building Materials		2,878,600	0.12
Retail — Major Department Stores		<u>1,196,800</u>	<u>0.05</u>
Total United States (cost \$5,049,730)		4,075,400	0.17
<i>Netherlands:</i>			
Philips Electronics OTC March 16, 2007 (cost \$13,992,885)	1,861,400	<u>15,429,270</u>	<u>0.62</u>
Total Equity Call Options (cost \$19,042,615)		<u>19,504,670</u>	<u>0.79</u>
Equity Put Options			
<i>United States:</i>			
Equity Fund		1,512,553	0.06
Quarrying		<u>446,995</u>	<u>0.02</u>
Total Equity Put Options (cost \$2,886,818)		<u>1,959,548</u>	<u>0.08</u>
Total Investments in Securities (cost \$3,197,063,910)		<u>\$3,808,405,562</u>	<u>154.05%</u>

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

December 31, 2006

	<i>Shares/ Contracts</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Securities Sold, not yet Purchased			
Equity Securities			
<i>United States:</i>			
Alternate Energy		\$ 17,339,805	0.70%
Apparel Manufacturer		1,498,849	0.06
Appliances		2,163,690	0.09
Auto — Cars		13,830,144	0.56
Auto Parts and Equipment		4,515,571	0.18
Biotechnology		20,807,669	0.84
Building Materials		4,077,342	0.16
Coal		13,749,954	0.56
Commercial Services		34,418,572	1.39
Computers		3,028,866	0.12
Consumer Products		6,762,425	0.27
Cosmetics/Personal Care		1,628,111	0.07
Distribution/Wholesale		5,812,290	0.24
E-Commerce		9,720,502	0.39
Electric Products		20,344,416	0.82
Electronic Components		1,815,021	0.07
Engineering and Construction		7,109,242	0.29
Equity Funds:			
iShares Russell 2000	1,876,600	146,449,864	5.92
Other		363,911,728	14.72
Total Equity Funds		510,361,592	20.64
Finance — Mortgage Loan/Banker		9,424,892	0.38
Financial Guarantee Insurance		23,496,096	0.95
Healthcare — Products		28,813,662	1.16
Human Resources		11,007,294	0.45
Internet Infrastructure		6,439,536	0.26
Investment Companies		28,101,532	1.14
Investment Management/Advisory Services		8,598,797	0.35
Machinery — Diversified		24,633,519	1.00
Media		19,042,889	0.77
Non-Ferrous Metals		2,886,078	0.12
Oil Company — Exploration and Production		5,670,656	0.23
Photo Equipment and Supplies		8,194,055	0.33
Recreational Centers		4,903,550	0.20
Real Estate Investment Trusts		9,124,960	0.37
Retail		28,481,820	1.15
Semiconductors		18,645,044	0.75
Software		18,766,414	0.76

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

December 31, 2006

	<i>Shares/ Contracts</i>	<i>Fair Value</i>	<i>Percentage of Net Assets</i>
Securities Sold, not yet Purchased (continued)			
Equity Securities (continued)			
<i>United States (continued):</i>			
Telecommunications	\$	9,799,968	0.40%
Textiles		2,426,112	0.10
Transportation		5,986,295	0.24
Total United States (proceeds \$938,127,572)		953,427,230	38.56
<i>Canada:</i>			
Advertising		6,872,129	0.28
Gold Mining		3,194,423	0.13
Insurance		17,468,000	0.71
Oil Company — Integrated		8,711,286	0.35
Total Canada (proceeds \$27,434,299)		36,245,838	1.47
<i>Hong Kong:</i>			
Equity Fund (proceeds \$33,743,003)		41,585,600	1.68
<i>Taiwan:</i>			
Semiconductors (proceeds \$50,651,232)		56,241,408	2.27
Total Equity Securities (proceeds \$1,049,956,106)		1,087,500,076	43.98
Fixed Income Securities			
<i>United States:</i>			
Insurance (proceeds \$17,786,448)		19,442,321	0.79
Equity Call Options			
<i>United States:</i>			
Retail — Major Department Stores		1,051,880	0.04
Software		624,260	0.03
Total Equity Call Options (proceeds \$1,125,793)		1,676,140	0.07
Total Securities Sold, not yet Purchased (proceeds \$1,068,868,347)		\$1,108,618,537	44.84%

Third Point Offshore Fund, Ltd.

Condensed Schedule of Investments (continued)

(Stated in United States Dollars)

December 31, 2006

	<i>Unrealized Gain/(Loss)</i>	<i>Percentage of Net Assets</i>
Derivative Contracts		
Contracts for Differences — Long Contracts		
<i>United States:</i>		
Finance — Other Services	\$ 683,466	0.03%
<i>India:</i>		
Engineering and Construction	1,079,484	0.04
Finance — Other Services	17,711,897	0.72
Steel Producers	<u>5,548,704</u>	<u>0.22</u>
Total India	24,340,085	0.98
<i>Malaysia</i>		
Telecommunications	10,804,661	0.44
<i>United Kingdom:</i>		
Entertainment	645,150	0.03
Finance — Other Services	927,339	0.04
Miscellaneous Manufacturing	88,578	0.00
Telecommunications	<u>1,041,570</u>	<u>0.04</u>
Total United Kingdom	<u>2,702,637</u>	<u>0.11</u>
Total Contracts for Differences — Long Contracts	<u><u>38,530,849</u></u>	<u><u>1.56</u></u>
Contracts for Differences — Short Contracts		
<i>United States:</i>		
Funds	(20,135,935)	(0.82)
<i>Germany:</i>		
Funds	<u>(1,230,377)</u>	<u>(0.05)</u>
Total Contracts for Differences — Short Contracts	<u><u>(21,366,312)</u></u>	<u><u>(0.87)</u></u>
Credit Default Swap Contracts, Protection Purchased		
<i>United States:</i>		
Insurance	(293,181)	(0.01)
<i>Canada:</i>		
Insurance	<u>(4,473,902)</u>	<u>(0.18)</u>
Total Credit Default Swap Contracts, Protection Purchased	<u><u>(4,767,083)</u></u>	<u><u>(0.19)</u></u>
Total Return Swap Contracts		
<i>United States:</i>		
Alternate Energy	<u>(1,948,269)</u>	<u>(0.08)</u>
Foreign Currency Forward Contracts		
Canadian Dollars	216,533	0.01
Euros	772,895	0.03
United Kingdom Pounds	<u>245,128</u>	<u>0.01</u>
Net Unrealized Gain on Foreign Currency Forward Contracts	<u>1,234,556</u>	<u>0.05</u>
Net Unrealized Gain on Derivative Contracts	<u><u>\$ 11,683,741</u></u>	<u><u>0.47%</u></u>

See accompanying notes.

Third Point Offshore Fund, Ltd.

Statement of Operations
(Stated in United States Dollars)

Year ended December 31, 2006

Realized and unrealized gain/(loss) from investment transactions		
Net realized gain from securities, derivative contracts and currency transactions	\$192,925,125	
Net change in unrealized appreciation on securities positions	263,004,139	
Net change in unrealized appreciation on forward currency and derivative contracts	3,616,542	
Net loss from currencies	<u>(7,447,259)</u>	
Net realized and unrealized gain from investment transactions		\$452,098,547
Income		
Interest	50,509,782	
Dividends, net of withholding taxes of \$6,081,241	27,287,336	
Stock loan fees	5,737,521	
Other income	<u>103,667</u>	
Total investment income	83,638,306	
Expenses		
Incentive fee	77,278,147	
Management fee	47,613,042	
Interest	35,980,578	
Appreciation of deferred compensation	34,629,516	
Dividends on securities sold, not yet purchased	13,077,850	
Stock borrow fees	9,640,955	
Administrative and professional fees	4,672,741	
Other expenses	<u>6,569,811</u>	
Total expenses	<u>229,462,640</u>	
Net investment loss		<u>(145,824,334)</u>
Net increase in net assets resulting from operations		<u>\$306,274,213</u>

See accompanying notes.

Third Point Offshore Fund, Ltd.

Statement of Changes in Net Assets

(Stated in United States Dollars)

Year ended December 31, 2006

Increase in net assets resulting from operations	
Net realized gain from securities, derivative contracts and currency transactions	\$ 192,925,125
Net change in unrealized appreciation on securities positions	263,004,139
Net change in unrealized appreciation on forward currency and derivative contracts	3,616,542
Net loss from currencies	(7,447,259)
Net investment loss	<u>(145,824,334)</u>
Net increase in net assets resulting from operations	306,274,213
Increase in net assets resulting from capital share transactions	
Class D Shares issued	8,933,739
Class E Shares issued	256,314,499
Class F Shares issued	206,524,762
Class K Shares issued	45,300,000
Class M Shares issued	34,950,000
Class A Shares redeemed	(17,166,839)
Class B Shares redeemed	(700,000)
Class C Shares redeemed	(7,205,107)
Class D Shares redeemed	(148,811,337)
Class E Shares redeemed	(73,522,130)
Class F Shares redeemed	(112,497,318)
Class K Shares redeemed	(600,000)
Class S Shares redeemed	<u>(949,107)</u>
Net increase in net assets resulting from capital share transactions	<u>190,571,162</u>
Net increase in net assets	496,845,375
Net assets at the beginning of year	<u>1,975,382,570</u>
Net assets at the end of year	<u><u>\$2,472,227,945</u></u>

See accompanying notes.

Third Point Offshore Fund, Ltd.

Statement of Cash Flows
(Stated in United States Dollars)

Year ended December 31, 2006

Cash flows from operating activities	
Net increase in net assets resulting from operations	\$ 306,274,213
Adjustments to reconcile net increase in net assets to net cash used in operating activities:	
Purchase of investment securities	(5,504,117,335)
Proceeds from disposition of investment securities	5,017,171,955
Purchase of investment securities to cover short sales	(2,576,390,976)
Proceeds from short sales of investment securities	2,585,527,511
Net change in unrealized appreciation on forward currency contracts and derivative contracts	(3,616,542)
Increase in due from brokers	(68,205,674)
Decrease in interest and dividends receivable	3,189,650
Increase in other assets	(2,024,318)
Increase in due to brokers	410,900,280
Decrease in incentive fee payable	(53,096,815)
Increase in deferred compensation payable	144,323,242
Decrease in interest and dividends payable	(1,056,635)
Increase in accrued expenses	725,687
Net realized gain from securities and derivative transactions	(192,925,125)
Net change in unrealized appreciation on securities positions	<u>(263,004,139)</u>
Net cash used in operating activities	(196,325,021)
Cash flows from financing activities	
Proceeds from issuance of shares	559,895,000
Payment for redemption of shares	<u>(363,805,394)</u>
Net cash provided by financing activities	<u>196,089,606</u>
Net decrease in cash	(235,415)
Cash at beginning of year	<u>38,272,774</u>
Cash at end of year	<u><u>\$ 38,037,359</u></u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<u><u>\$ 35,787,737</u></u>

See accompanying notes.

Third Point Offshore Fund, Ltd.

Notes to Financial Information

December 31, 2006

1. Due to/from Brokers

Due from brokers includes cash balances with the Fund's clearing brokers and amounts receivable or payable for securities transactions pending settlement. The cash at brokers is primarily related to securities sold, but not yet purchased and collateral posted for swap contracts; its use is therefore partially restricted until the securities are purchased and the contracts are settled. Securities sold, but not yet purchased are collateralized by certain of the Fund's investments in securities. At December 31, 2006, the due from brokers balance in the statement of assets and liabilities includes swap collateral of \$34,816,629. Due to broker consists primarily of cash and foreign currency balances, margin deposits on futures contracts, cash collateral due to Fund's clearing brokers, and the amounts receivable or payable for securities transactions that have not yet settled at December 31, 2006. Margin debt balances, if any, are collateralized by certain of the Fund's securities and cash held by the brokers. Margin interest is paid either at the daily broker call rate or based on LIBOR or the Federal funds rate.

2. Related Party Transactions

Pursuant to the investment management agreement, the Fund pays the Investment Manager a management fee equal to 2% per annum of the net asset value of the Class A, B, C, D, E, and F shares, 2.5% per annum of the net asset value of the K Class Shares, and 3% per annum of the net asset value of the M class shares, as of the beginning of each month before the accrual of any incentive fee. Any portion of the management fee attributable to a shareholder's Class S shares will be debited against the net asset value of the corresponding class of shares from which such Class S shares had been issued. If a shareholder holds Class S shares, but no longer owns Class A, B, C, D, E, F, K, and M shares, the management fee will accrue and not be paid until there is a realization or deemed realization event of the special investment attributable to such Class S shares. For purposes of calculating the management fee, special investments are valued at cost or, if a special investment is designated as such after its acquisition, at fair value as of the date of determination. No management fee will be assessed on a special investment that the Investment Manager determines to have suffered a permanent impairment that reduces its value to zero. For the year ended December 31, 2006, the management fee was \$47,613,042.

The Fund pays an incentive fee equal to 20% of the annual increase in the aggregate net asset value of each series of Class A, B, C, D, E, and F shares and 25% of the annual increase in the aggregate net asset value of each series for class K and M shares (each the "Full Incentive Fee"). For purposes of determining the increase in the aggregate net asset value, appreciation or depreciation from realized (or deemed realized) special investments will be included. The incentive fee is accrued monthly and payable at the end of each fiscal year. The incentive fee is calculated in a manner which ensures that appropriate adjustments are made in order to accommodate the inflows and outflows of capital during the course of each fiscal year resulting from shareholder subscriptions and redemptions. If a particular series has a loss chargeable to it 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 the loss chargeable in the prior years before the Investment 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. For the year ended December 31, 2006, the incentive fee was \$77,278,147.

Pursuant to the provisions of a deferred incentive fee agreement (the "Deferred Fee Agreement"), the Investment Manager may elect to defer the receipt of all or a portion of the incentive fee, if any, earned with respect to a particular fiscal year, and may elect to have a portion or all of the deferred fee invested in either the same manner as the Fund's assets, or in

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

2. Related Party Transactions (continued)

another manner approved by the Fund. Any incentive fee deferral election made for any fiscal year will remain in effect for subsequent years unless and until the Investment Manager elects to change such deferral election. The value of such deferred amounts constitutes a liability of the Fund to the Investment Manager. Any amounts invested under the provisions of the Deferred Fee Agreement continue for all purposes to be part of the general assets of the Fund, and the Investment Manager has no property interest in any of such assets. For the year ended December 31, 2006, the Investment Manager has elected to defer \$61,822,518, or 80% of its 2006 incentive fee.

Daniel S. Loeb is a director of the Fund and the managing member of the Investment Manager. Mr. Loeb waived his right to directors fees for the year ending December 31, 2006.

Third Point Loan LLC (“Loan LLC”) serves as a nominee of the Fund and other investment management clients of the Investment Manager (collectively the “Beneficial Owners”). Loan LLC has appointed the Investment Manager as its true and lawful agent and attorney. The purpose of Loan LLC is limited to serving as a nominee of the Beneficial Owners for certain investments. Neither Loan LLC nor the Investment Manager shall have or claim any beneficial interest in any securities or investments or any other property or agreements at any time held by Loan LLC or registered in its name. At December 31, 2006, Fund investments of \$51,744,210 are registered in the name of Loan LLC and are included in investments in securities in the statement of assets and liabilities.

Effective September 1, 2006 the Fund purchased shares of Third Point Resources Ltd. (“Resources”), with a value of \$10,358,640. Resources has the same investment manager as the Fund. During the period from September 1, 2006 to December 31, 2006, Resources made distributions of \$5,388,545 to the Fund. The fair value of the Fund’s investment in Resources at December 31, 2006 is \$4,063,200 and is included in investments in securities in the statement of assets and liabilities. No management fee or incentive fee was charged to the Fund’s investment in Resources.

The Fund entered into equity swap contracts with two investment funds with the same investment manager as the Fund. For the year ended December 31, 2006, the Fund had a net loss of \$1,861,783 on these swap contracts. At December 31, 2006, the aggregate unrealized loss on these swap contracts was \$1,948,269.

3. Administration Fee

The Fund has entered into an administrative services agreement with International Fund Services (Ireland) Limited. In accordance with the terms of this agreement, the administrator provides certain specified fund accounting and administration, trade support and transfer agent services. During the current financial period, the administrator received a fee of \$2,396,350 based on the month end net assets of the Fund.

4. New Issues

The Fund may invest, directly or indirectly, in equity securities in initial public offerings deemed “new issues” under Rule 2790 of the National Association of Securities Dealers, Inc. (“NASD”) Rules of Fair Practice. “New issues” are defined as any initial public offering of an equity, regardless of whether such security is trading at a premium in the secondary market. NASD members generally may not sell “new issues” to an account, in which certain persons or entities designated as restricted persons have beneficial interest.

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

5. Share Capital

The Fund has an authorized share capital consisting of \$2,000,000 divided into 200,000,000 participating shares of \$0.01 each. The Fund issues a separate series of shares to those investors who purchase shares as of the first business day of each month. A different series of shares is issued in order to equitably reflect the differing incentive fees attributable to each series because of the differing issue dates throughout the fiscal year. Shares are offered in series at a purchase price of \$100 per share. At December 31, 2006 there were nine outstanding classes (each, a “class”) of shares: Class A, Class B, Class C, Class D, Class E, Class F, Class K, Class M and Class S, and within each class there is one or more separate series. Each share is equal to every other share of the same series with respect to earnings, assets, dividends and voting privileges. Class A, Class B, Class C and Class D shares are no longer being offered. Class B, D, F, M and K shares will generally not participate in profits and losses from “new issues”. Class A and B shares, Class C and D shares, Class E and F shares, Class K, Class M and Class S shares have different redemption rights.

The Board of Directors has the right to create additional classes, series and sub-series for an investor as it determines appropriate in its sole discretion.

Each series of a Class will have equal rights and privileges with each other series of that Class.

As part of its investment program, the Fund may acquire assets or securities through direct investments or private placements that the Investment Manager believes either lack a readily ascertainable market value or should be held until the resolution of a special event or circumstance (“Special Investments”). Each Special Investment will be represented by a series of Class S shares. Class A, B, C, D, E, F, K, and M shares will be automatically exchanged by way of redemption and issuance of a series of Class S shares at the time a Special Investment is made. Capital invested in Class S shares is generally not available for redemption or distribution, subject to board of directors approval, until the respective special investment is realized or deemed realized. Upon the realization or deemed realization of a particular Special Investment, the Class S shares attributable to such Special Investment will be redeemed and exchanged back through the issuance of new shares of the original series from which the Class S shares had been exchanged. If a shareholder redeems less than all of its Class A, B, C, D, E, F, K and M shares in a series associated with a Special Investment, the shareholder will be issued a separate series of shares of that class. At December 31, 2006, the fair value of Special Investments is \$7,841,134, of which \$1,177,077 is attributable to investments of the Deferred Fee Arrangement, and is included in investments in securities in the statement of assets and liabilities.

If at the end of a fiscal year, a series of a class of shares is charged a Full Incentive Fee, the shares of such series may be redesignated and converted on the first business day following the end of the fiscal year into the first series of such class at the prevailing net asset value of such series. No redesignation or conversion shall occur with respect to a series of a class if at the end of a fiscal year such series has not been charged a Full Incentive Fee or any shares of such series have been exchanged for Class S Shares that are still outstanding. These exchanges are detailed in the following share capital schedule.

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

5. Share Capital (continued)

Share capital transactions for the year ended December 31, 2006 were as follows:

	<i>Shares Outstanding at January 1, 2006</i>	<i>Shares Redesignated January 1, 2006</i>	<i>Shares Transferred</i>	<i>Shares Issued</i>	<i>Shares Redeemed</i>	<i>Shares Outstanding at December 31, 2006</i>	<i>Net Asset Value Per Share at December 31, 2006</i>
Class A, Series 1	256,151	—	(77,193)	—	(57,259)	121,699	\$250.95
Class B, Series 1	15,761	—	(4,289)	—	(2,967)	8,505	245.93
Class C, Series 1	801,355	—	(275,757)	—	(25,023)	500,575	250.95
Class D, Series 1	2,526,778	—	(1,487,260)	—	(372,675)	666,843	245.93
Class E, Series 1	135,857	—	—	—	—	135,857	136.10
Class F, Series 1	1,442,047	—	(306,362)	—	(283,717)	851,968	135.05
Class G, Series 1	2,000	3,456	(5,456)	—	—	—	—
Class K, Series 1	—	—	—	453,000	(5,535)	447,465	108.39
Class M, Series 1	—	—	—	50,000	—	50,000	100.00
Class S, Series 1	110,031	—	—	—	(9,604)	100,427	66.36
Class A, Series 2	493,719	—	—	—	(3,703)	490,016	250.95
Class B, Series 2	—	—	4,289	—	—	4,289	245.92
Class C, Series 2	—	—	5,313	—	(5,313)	—	—
Class E, Series 2	393,500	2,141,657	—	290,996	(448,890)	2,377,263	133.47
Class F, Series 2	469,044	2,726,730	(143,603)	47,946	(347,641)	2,752,476	132.47
Class G, Series 2	500	(500)	—	—	—	—	—
Class M, Series 2	—	—	—	30,000	—	30,000	106.10
Class A, Series 3	10,030	—	—	—	(1,088)	8,942	250.41
Class B, Series 3	—	—	5,456	—	—	5,456	143.39
Class E, Series 3	1,147,900	(1,147,900)	—	58,500	—	58,500	109.15
Class F, Series 3	317,425	(317,425)	7,247	112,890	—	120,137	108.77
Class G, Series 3	500	(500)	—	—	—	—	—
Class M, Series 3	—	—	—	45,000	—	45,000	107.44
Class A, Series 4	—	—	77,193	—	(7,970)	69,223	250.95
Class C, Series 4	—	—	24,472	—	—	24,472	250.94
Class D, Series 4	4,660	—	—	—	(4,660)	—	—
Class E, Series 4	738,800	(738,800)	—	298,500	—	298,500	106.79
Class F, Series 4	828,290	(828,290)	—	257,000	—	257,000	106.45
Class G, Series 4	3,187	(3,187)	—	—	—	—	—
Class M, Series 4	—	—	—	12,000	—	12,000	108.49
Class D, Series 5	377,481	—	—	—	—	377,481	245.93
Class E, Series 5	20,000	(20,000)	(53,887)	444,000	—	390,113	104.45
Class F, Series 5	50,000	(50,000)	(147,459)	302,000	—	154,541	104.16
Class M, Series 5	—	—	—	212,500	—	212,500	108.29
Class C, Series 6	—	—	86,162	—	—	86,162	246.47
Class D, Series 6	58,560	—	—	—	—	58,560	245.91
Class E, Series 6	24,300	(24,300)	—	303,720	—	303,720	100.79
Class F, Series 6	734,950	(734,950)	—	304,960	—	304,960	100.53
Class M, Series 6	—	—	86,825	—	—	86,825	244.64
Class C, Series 7	—	—	49,749	—	—	49,749	250.95
Class E, Series 7	112,100	(112,100)	7,807	253,507	(52,177)	209,137	107.27
Class F, Series 7	610,400	(610,400)	(66,182)	331,489	—	265,307	107.00
Class C, Series 8	—	—	7,769	—	—	7,769	250.95
Class D, Series 8	15,899	—	—	—	(11,904)	3,995	245.86
Class E, Series 8	160,600	(160,600)	2,775	—	—	2,775	114.73
Class F, Series 8	97,550	—	—	—	(10,000)	87,550	113.05
Class M, Series 8	—	—	166,152	—	—	166,152	244.64

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

5. Share Capital (continued)

	<i>Shares Outstanding at January 1, 2006</i>	<i>Shares Redesignated January 1, 2006</i>	<i>Shares Transferred</i>	<i>Shares Issued</i>	<i>Shares Redeemed</i>	<i>Shares Outstanding at December 31, 2006</i>	<i>Net Asset Value Per Share at December 31, 2006</i>
Class C, Series 9	—	—	7,899	—	—	7,899	\$246.40
Class D, Series 9	5,772	—	—	—	(4,080)	1,692	245.85
Class E, Series 9	121,700	—	—	—	(5,000)	116,700	113.62
Class F, Series 9	202,000	—	—	—	—	202,000	109.21
Class M, Series 9	—	—	124,965	—	—	124,965	244.66
Class C, Series 10	—	—	6,056	—	—	6,056	251.00
Class E, Series 10	357,350	—	—	—	(86,000)	271,350	109.74
Class F, Series 10	294,774	—	—	—	(161,186)	133,588	109.18
Class M, Series 10	—	—	63,579	—	—	63,579	244.68
Class C, Series 11	—	—	2,552	—	—	2,552	250.95
Class D, Series 11	16,050	—	(631)	—	—	15,419	245.93
Class E, Series 11	72,500	(72,500)	(30,000)	190,000	—	160,000	108.61
Class F, Series 11	84,096	(84,096)	17,255	92,950	—	110,205	108.37
Class M, Series 11	—	—	123,733	—	—	123,733	131.79
Class C, Series 12	—	—	631	—	—	631	246.31
Class D, Series 12	2,250	—	(2,250)	—	—	—	—
Class E, Series 12	32,700	(32,700)	59,174	—	—	59,174	107.23
Class F, Series 12	340,174	(340,174)	34,010	—	—	34,010	108.37
Class M, Series 12	—	—	41,995	—	—	41,995	244.65
Class C, Series 13	—	—	2,251	—	—	2,251	246.23
Class D, Series 13	9,308	—	—	—	—	9,308	245.93
Class E, Series 13	80,839	—	(80,839)	10,000	—	10,000	109.65
Class F, Series 13	—	—	9,677	141,000	—	150,677	109.42
Class M, Series 13	—	—	66,295	—	—	66,295	244.66
Class C, Series 14	—	—	5,563	—	—	5,563	246.31
Class D, Series 14	4,707	—	(4,707)	—	—	—	—
Class E, Series 14	—	—	—	314,500	—	314,500	108.60
Class F, Series 14	—	—	—	21,630	—	21,630	108.36
Class M, Series 14	—	—	145,197	—	—	145,197	101.33
Class E, Series 15	—	—	—	254,928	—	254,928	109.27
Class F, Series 15	—	—	7,122	—	—	7,122	135.01
Class D, Series 16	—	—	38,501	—	—	38,501	245.92
Class F, Series 16	—	—	390,021	—	—	390,021	114.43
Class D, Series 17	—	—	75,468	—	—	75,468	245.93
Class E, Series 17	—	—	9,915	—	—	9,915	135.31
Class F, Series 17	—	—	5,700	—	—	5,700	135.05
Class D, Series 18	—	—	40,452	—	—	40,452	245.92
Class E, Series 18	—	—	130,000	—	—	130,000	104.35
Class F, Series 18	—	—	9,918	—	—	9,918	135.06
Class D, Series 19	—	—	13,232	—	(2,846)	10,386	245.92
Class E, Series 19	—	—	4,958	—	—	4,958	135.31
Class F, Series 19	—	—	(3,513)	89,548	—	86,035	109.06
Class D, Series 20	—	—	38,857	—	—	38,857	245.92
Class E, Series 20	—	—	118,982	—	—	118,982	135.31
Class F, Series 20	—	—	49,576	—	(49,576)	—	—
Class D, Series 21	—	—	18,265	—	—	18,265	245.92
Class E, Series 21	—	—	14,873	—	—	14,873	135.31
Class F, Series 21	—	—	49,576	—	(49,576)	—	—

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

5. Share Capital (continued)

	<i>Shares Outstanding at January 1, 2006</i>	<i>Shares Redesignated January 1, 2006</i>	<i>Shares Transferred</i>	<i>Shares Issued</i>	<i>Shares Redeemed</i>	<i>Shares Outstanding at December 31, 2006</i>	<i>Net Asset Value Per Share at December 31, 2006</i>
Class D, Series 22	—	—	11,125	—	—	11,125	\$245.92
Class E, Series 22	—	—	—	90,000	—	90,000	106.77
Class F, Series 22	—	—	—	332,300	—	332,300	106.61
Class D, Series 23	—	—	74,530	—	(16,362)	58,168	245.92
Class E, Series 23	—	—	30,573	—	—	30,573	132.67
Class F, Series 23	—	—	50,000	—	—	50,000	104.30
Class D, Series 24	—	—	17,085	—	(6,358)	10,727	245.90
Class E, Series 24	—	—	4,000	7,490	—	11,490	101.50
Class F, Series 24	—	—	30,000	—	—	30,000	108.44
Class D, Series 25	—	—	29,859	—	—	29,859	245.92
Class E, Series 25	—	—	3,469	—	—	3,469	135.07
Class F, Series 25	—	—	20,000	—	—	20,000	104.19
Class D, Series 26	—	—	17,782	—	—	17,782	245.92
Class F, Series 26	—	—	—	23,980	—	23,980	101.49
Class D, Series 27	—	—	61,287	—	—	61,287	245.92
Class D, Series 28	—	—	458	—	—	458	245.93
Class D, Series 29	—	—	41,998	—	—	41,998	245.92
Class D, Series 30	—	—	86,074	—	(86,074)	—	—
Class D, Series 31	—	—	13,960	—	(13,960)	—	—
Class D, Series 32	—	—	17,268	—	—	17,268	106.27
Class D, Series 33	—	—	9,913	—	—	9,913	245.96
Class D, Series 34	—	—	4,562	—	—	4,562	245.85
Class D, Series 35	—	—	14,296	—	—	14,296	245.92
Class D, Series 38	—	—	—	75,060	—	75,060	107.00
Class D, Series 39	—	—	1,735	—	(1,735)	—	—
Class D, Series 40	—	—	2,021	—	—	2,021	245.93
Class D, Series 41	—	—	185,922	—	(179,338)	6,584	107.00
Class D, Series 42	—	—	20,424	—	—	20,424	245.91
Class D, Series 44	—	—	13,193	—	—	13,193	245.93
Class D, Series 45	—	—	6,116	—	—	6,116	108.36
Class D, Series 46	—	—	13,851	—	(13,851)	—	—
Class D, Series 47	—	—	—	14,277	—	14,277	109.06
Class D, Series 48	—	—	19,723	—	—	19,723	245.94
Class D, Series 49	—	—	15,187	—	(15,187)	—	—
Class D, Series 50	—	—	37,580	—	—	37,580	245.93
Class D, Series 51	—	—	6,550	—	—	6,550	245.94
Class D, Series 52	—	—	1	—	—	1	250.57
Class D, Series 53	—	—	18,488	—	(18,488)	—	—
Class D, Series 54	—	—	3,513	—	(3,513)	—	—
Class D, Series 55	—	—	924	—	—	924	245.93
Class D, Series 56	—	—	977	—	(977)	—	—

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

6. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk

In the normal course of its business, the Fund trades various financial instruments and enters into various investment activities with off-balance sheet risk. These financial instruments include securities sold, not yet purchased, forward currency contracts, credit default swaps, index swaps, total return swaps and contracts for differences. Generally, these financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at specified future dates. Each of these financial instruments contains varying degrees of off-balance sheet risk whereby changes in the market values of the securities underlying the financial instruments or fluctuations in interest rates and index values may exceed the amounts recognized in the statement of assets and liabilities.

Securities sold, not yet purchased represent obligations of the Fund to deliver the specified security at the contracted price and, thereby, create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk as the Fund's satisfaction of the obligations may exceed the amount recognized in the statement of assets and liabilities.

Substantially all securities transactions of the Fund are cleared by four major U.S. securities firms pursuant to a customer agreement. At December 31, 2006, substantially all of the investments in securities, securities sold, not yet purchased and due from brokers are positions with and amounts due from these brokers.

Forward contracts expose the Fund to credit, market and liquidity risks. Credit risk arises from the potential inability of counterparties to perform under the terms of the contract. The Fund is exposed to market risk to the extent that adverse changes occur in the exchange rate of the underlying foreign currency. Liquidity risk represents the possibility that the Fund may not be able to rapidly adjust the size of its forward position in times of high volatility and financial stress at a reasonable price.

The Fund enters into total return swaps, contracts for differences and index swaps that involve the exchange by the Fund with another party of their respective commitments to pay or receive from the counterparty a net amount based on the change in market value of a particular equity or index and a specified notional holding. The use of these contracts exposes the Fund to market risks equivalent to actually holding securities of the notional value but typically involve little capital commitment relative to the exposure achieved. The gains or losses of the Fund may therefore be magnified on the capital commitment. Entering into total return swaps, contracts for differences and index swaps involves the risk of dealing with counterparties and their abilities to meet the terms of the contracts.

Credit default swap contracts entered into by the Fund typically represent the exchange by the Fund with a counterparty of a commitment to provide a level of credit protection for a commitment to pay interest at a fixed rate based on the potential risk of default of the relevant underlying issuers. The Fund purchases credit default swaps in order to effectively obtain short credit exposure to particular issuers. With regard to credit default swap protection purchased, the Fund is at risk for its commitment to pay interest at a fixed rate according to the terms of the respective contracts.

The Fund's exposure to credit risk associated with counterparty nonperformance on forward, swap and over-the-counter option contracts is limited to the net unrealized gains inherent in such contracts which are recognized in the statement of assets and liabilities. At December 31, 2006, this amount was \$37,670,175.

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

6. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk (continued)

The Fund is also engaged in writing option contracts. The premium received by the Fund upon writing an option contract is recorded as a liability, marked to market on a daily basis and is included in securities sold, not yet purchased in the statement of assets and liabilities. In writing an option, the Fund bears the market risk of an unfavorable change in the financial instrument underlying the written option. Exercise of an option written by the Fund could result in the Fund selling or buying a financial instrument at a price different from the current market value.

The Fund's principal clearing activities are with four U.S. registered broker/dealers located in North America, pursuant to respective customer agreements. At December 31, 2006, all the investments in securities, securities sold, but not yet purchased and due from brokers are positions with and amounts due from these brokers. The Fund had all its individual counterparty concentration with these brokers.

The Fund's investments in securities and amounts due from brokers are partially restricted until the Fund satisfies the obligation to deliver securities sold, not yet purchased.

7. Derivative Contracts

In the normal course of business, the Fund enters into derivative contracts ("Derivatives"). The Derivatives that the Fund invests in are primarily equity options, rights, warrants, forward currency contracts, credit default, index and total return swap contracts and contracts for differences. Typically, Derivatives serve as a component of the Fund's investment strategy and are utilized primarily to structure the portfolio, or individual investments, to economically match the investment objective of the Fund. Market values of Derivatives are determined by using quoted market prices when available; otherwise fair values are based on pricing models that consider the time value of money, volatility, and the current market and contractual prices of underlying financial instruments.

8. Commitments

Loan and other participation interests purchased by the Fund such as bank debt may include revolving credit arrangements or other financing commitments obligating the Fund to advance additional amounts on demand. At December 31, 2006, the Fund had unfunded capital commitments of \$3,601,516.

9. Indemnifications

The Fund enters into contracts that contain a variety of indemnifications and warranties. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Thus, no amounts have been accrued related to such indemnifications.

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

10. Financial Highlights

The following represents the per share operating performance of the Fund, ratios to average net assets and total return information for the year ended December 31, 2006:

	<i>Class A, Series 1</i>	<i>Class B, Series 1</i>	<i>Class C, Series 1</i>	<i>Class D, Series 1</i>	<i>Class E, Series 1</i>
Per share operating performance					
Net asset value at beginning of period	\$218.41	\$214.92	\$218.41	\$214.92	\$118.45
Income from investment operations:					
Net realized and unrealized gain from investments	44.13	42.16	44.13	42.16	23.94
Net investment loss	<u>(11.59)</u>	<u>(11.15)</u>	<u>(11.59)</u>	<u>(11.15)</u>	<u>(6.29)</u>
Total from investment operations	<u>32.54</u>	<u>31.01</u>	<u>32.54</u>	<u>31.01</u>	<u>17.65</u>
Net asset value at the end of the year	<u>250.95</u>	<u>245.93</u>	<u>250.95</u>	<u>245.93</u>	<u>136.10</u>
Total return before performance fee	18.63%	18.04%	18.62%	18.04%	18.62%
Performance fee	<u>(3.73%)</u>	<u>(3.61%)</u>	<u>(3.72%)</u>	<u>(3.61%)</u>	<u>(3.72%)</u>
Total return after performance fee	<u>14.90%</u>	<u>14.43%</u>	<u>14.90%</u>	<u>14.43%</u>	<u>14.90%</u>
Ratios to average net assets					
Total expenses before performance fee	(4.79%)	(4.79%)	(4.79%)	(4.79%)	(4.79%)
Performance fee	<u>(3.46%)</u>	<u>(3.33%)</u>	<u>(3.44%)</u>	<u>(3.33%)</u>	<u>(3.44%)</u>
Total expenses	<u>(8.25%)</u>	<u>(8.12%)</u>	<u>(8.23%)</u>	<u>(8.12%)</u>	<u>(8.23%)</u>
Net investment loss	<u>(4.88%)</u>	<u>(4.79%)</u>	<u>(4.90%)</u>	<u>(4.79%)</u>	<u>(4.90%)</u>
			<i>Class F, Series 1</i>	<i>Class K, Series 1</i>	<i>Class M, Series 1</i>
Per share operating performance					
Net asset value at beginning of period			\$118.02	\$100.00	\$100.00
Income from investment operations:					
Net realized and unrealized gain from investments			23.15	12.01	1.56
Net investment loss			<u>(6.12)</u>	<u>(3.62)</u>	<u>(1.56)</u>
Total from investment operations			<u>17.03</u>	<u>8.39</u>	<u>(0.00)</u>
Net asset value at the end of the year			<u>135.05</u>	<u>108.39</u>	<u>100.00</u>
Total return before performance fee			18.04%	11.19%	0.00%
Performance fee			<u>(3.61%)</u>	<u>(2.80%)</u>	<u>0.00%</u>
Total return after performance fee			<u>14.43%</u>	<u>8.39%</u>	<u>0.00%</u>
Ratios to average net assets					
Total expenses before performance fee			(4.79%)	(1.53%)	(3.88%)
Performance fee			<u>(3.34%)</u>	<u>(2.64%)</u>	<u>0.00%</u>
Total expenses			<u>(8.13%)</u>	<u>(4.17%)</u>	<u>(3.88%)</u>
Net investment loss			<u>(4.80%)</u>	<u>(1.97%)</u>	<u>(1.67%)</u>

Third Point Offshore Fund, Ltd.

Notes to Financial Information (continued)

December 31, 2006

10. Financial Highlights (continued)

Total return is calculated for shareholders in the initial series of each common share class. The total return and ratios to average net assets of other series in the same share class may vary from these returns based on participation in “new issues” and the timing of capital subscriptions and redemptions. The initial investment in Class K Series 1 and Class M Series 1 was on October 1, 2006, and May 1, 2006, respectively. The operating performance and ratios for Class K Series 1 and Class M Series 1 have not been annualized.

11. Subsequent Events

Effective January 1, 2007, the Fund recorded subscriptions of \$45,819,717, of which \$37,422,000 was received prior to January 1, 2007. Additionally, effective February 1, 2007, the Fund paid redemptions of \$176,920.

FINANCIAL INFORMATION
for the year ended December 31, 2005

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THIRD POINT OFFSHORE FUND, LTD.

STATEMENT OF FINANCIAL POSITION

December 31, 2005

	2005 US\$
<i>Assets</i>	
Cash	38,272,774
Investments at fair value (cost: US\$2,437,410,779)	2,798,484,663
Due from brokers	551,345,588
Other assets	4,394,913
Total assets	<u>3,392,497,938</u>
Securities sold, not yet purchased at fair value (proceeds: US\$979,949,186)	1,024,368,548
Incentive fee payable	65,146,264
Deferred incentive fee payable	126,628,074
Subscriptions received in advance	29,550,000
Redemptions payable	169,153,252
Other liabilities	2,269,230
Total liabilities	1,417,115,368
Shareholders' equity	1,975,382,570
Total liabilities and shareholders' equity	<u>3,392,497,938</u>

See accompanying notes to financial information

THIRD POINT OFFSHORE FUND, LTD.
CONDENSED SCHEDULE OF INVESTMENTS
December 31, 2005

	<i>Principal/Shares</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders' Equity</i>
Investments			
Equity Securities			
<i>United States:</i>			
Agricultural		2,575,350	0.13%
Chemicals		30,544,377	1.55%
Coal		104,819,099	5.31%
Electrical		68,030,250	3.44%
Electronic		27,144,655	1.37%
Energy		51,037,696	2.58%
Financial		217,550,917	11.01%
Healthcare products			
Dade Behring Inc.	3,673,300	150,201,237	7.61%
Other		<u>870,232</u>	<u>0.04%</u>
		151,071,469	7.65%
Machinery		22,962,876	1.16%
Manufacturing		27,446,179	1.39%
Marketing		398,105	0.02%
Media		65,109,811	3.30%
Medical		153,106,546	7.75%
Oil & Gas			
Western Gas Resources Inc.	3,712,200	174,807,498	8.86%
Other		<u>98,165,151</u>	<u>4.97%</u>
		272,972,649	13.83%
Packaging and Containers		29,677,500	1.50%
Real Estate		48,787,261	2.47%
Research & Development		11,728,926	0.59%
Retail		169,537,158	8.58%
Technology		73,481,789	3.72%
Telecommunications		94,072,648	4.76%
Therapeutics		8,203,542	0.42%
Transport		9,888,076	0.50%
Travel		<u>2,410,321</u>	<u>0.12%</u>
Total United States			
(Cost US\$1,448,406,138)		1,642,557,200	83.15%
<i>Australia</i>			
Electrical		3,020,329	0.15%
Metals		<u>1,689,397</u>	<u>0.09%</u>
Total Australia (Cost US\$4,899,228)		4,709,726	0.24%
<i>Bermuda</i>			
Engineering		6,840,125	0.35%
Oil & Gas		9,329,400	0.47%
Telecommunications		<u>5,777,775</u>	<u>0.29%</u>
Total Bermuda (Cost US\$22,825,999)		21,947,300	1.11%
<i>British Virgin Islands</i>			
Energy (Cost US\$9,758,103)		10,088,050	0.51%

THIRD POINT OFFSHORE FUND, LTD.

CONDENSED SCHEDULE OF INVESTMENTS (continued)

December 31, 2005

	<i>Principal/Shares</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders' Equity</i>
Investments (continued)			
Equity Securities (continued)			
<i>Canada</i>			
Coal		5,206,106	0.26%
Machinery		2,368,015	0.12%
Medical		1,029,420	0.05%
Metals		14,621,076	0.74%
Mining		41,618,460	2.11%
Oil & Gas		57,762,858	2.92%
Retail		233,376	0.01%
Technology		<u>11,659,630</u>	<u>0.59%</u>
Total Canada (Cost US\$120,019,551)		134,498,941	6.80%
<i>Finland</i>			
Metals (Cost US\$2,631,341)		2,602,838	0.13%
<i>Germany</i>			
Chemicals		4,372,496	0.22%
Financial			
Deutsche Boerse AG	1,773,900	181,180,865	9.17%
Machinery		<u>28,906,682</u>	<u>1.46%</u>
Total Germany (Cost US\$164,349,395)		214,460,043	10.85%
<i>Hong Kong</i>			
Real Estate (Cost US\$72,835,705)		80,582,239	4.08%
<i>India</i>			
Construction		9,319,208	0.47%
Electric		3,047,346	0.15%
Electronic		4,318,070	0.22%
Energy		2,449,424	0.12%
Financial		30,981,522	1.57%
Manufacturing		9,919,635	0.50%
Metals		2,279,088	0.12%
Retail		3,264,081	0.17%
Software		14,107,666	0.71%
Telecommunications		<u>1,156,897</u>	<u>0.06%</u>
Total India (Cost US\$72,169,754)		80,842,937	4.09%
<i>Israel</i>			
Electronic (Cost US\$1,884,246)		2,266,495	0.11%
<i>Italy</i>			
Financial (Cost US\$42,198,195)		48,484,426	2.45%
<i>Japan</i>			
Electric		17,954,093	0.91%
Transport		<u>9,833,164</u>	<u>0.50%</u>
Total Japan (Cost US\$25,164,723)		27,787,257	1.41%
<i>Jersey</i>			
Medical (Cost US\$3,662,025)		6,223,225	0.32%

THIRD POINT OFFSHORE FUND, LTD.

CONDENSED SCHEDULE OF INVESTMENTS (continued)

December 31, 2005

	<i>Principal/Shares</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders' Equity</i>
Investments (continued)			
Equity Securities (continued)			
<i>Netherlands</i>			
Media (Cost US\$6,107,200)		5,996,160	0.30%
<i>Norway</i>			
Oil & Gas (Cost US\$4,756,463)		4,835,482	0.24%
<i>Panama</i>			
Engineering (Cost US\$8,170,946)		27,314,703	1.38%
<i>Russia</i>			
Metals		12,179,735	0.62%
Telecommunications		<u>28,676,575</u>	<u>1.45%</u>
Total Russia (Cost US\$32,211,074)		40,856,310	2.07%
<i>Switzerland</i>			
Financial (Cost US\$7,651,833)		7,919,432	0.42%
<i>United Kingdom</i>			
Electric		32,829,783	1.66%
Medical		50,434,758	2.55%
Metals		12,900,360	0.65%
Oil & Gas		6,940,325	0.35%
Retail		54,853,811	2.78%
Telecommunications		<u>1,708,794</u>	<u>0.09%</u>
Total United Kingdom (Cost US\$150,537,320)		159,667,831	8.08%
Hedge Funds (Cost US\$36,277,932)		<u>45,060,711</u>	<u>2.28%</u>
Total Equity Securities (Cost US\$2,236,517,171)		<u>2,568,701,306</u>	<u>130.02%</u>
Fixed Income			
Corporate Debt			
United States (Cost US\$79,916,757)		80,995,616	4.10%
Mexico (Cost US\$9,594,227)		10,642,441	0.54%
Bank Debt			
United States (Cost US\$78,832,159)		88,474,606	4.48%
Netherlands (Cost US\$261,944)		810,650	0.04%
United Kingdom (Cost US\$17,850,836)		<u>17,176,258</u>	<u>0.87%</u>
Total Fixed Income (Cost US\$186,455,923)		<u>198,099,571</u>	<u>10.03%</u>
Equity Put Options			
United States (Cost US\$3,417,667)		<u>880,490</u>	<u>0.04%</u>
Warrants and Rights			
Canada		1,777,302	0.09%
Russia (Cost US\$11,020,018)		<u>20,958,795</u>	<u>1.06%</u>
Total Warrants and Rights (Cost US\$11,020,018)		<u>22,736,097</u>	<u>1.15%</u>

THIRD POINT OFFSHORE FUND, LTD.

CONDENSED SCHEDULE OF INVESTMENTS (continued)

December 31, 2005

	<i>Principal/Shares</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders' Equity</i>
Investments (continued)			
Derivative Contracts			
Contracts for Differences			
Brazil		73,992	0.00%
Canada		1,142,328	0.06%
India		19,351,005	0.98%
Ireland		(1,841,753)	(0.09%)
United Kingdom		(15,600,291)	(0.79%)
Total Contracts for Differences		<u>3,125,281</u>	<u>0.16%</u>
Index Swaps			
United Kingdom		(2,263,575)	(0.11%)
Forward Currency Contracts		<u>7,205,493</u>	<u>0.36%</u>
Total Investments			
(Cost US\$2,437,410,779)		<u><u>2,798,484,663</u></u>	<u><u>141.65%</u></u>
Securities Sold, Not Yet Purchased			
Equity Securities			
<i>United States</i>			
Coal		14,860,900	0.75%
Electric		6,683,562	0.34%
Electronic		13,466,178	0.68%
Energy		1,732,500	0.09%
Financial		64,280,488	3.25%
Funds			
Amex Energy Select SPDR	4,031,500	202,824,765	10.27%
S&P 500 Depository receipt	1,568,700	195,318,837	9.89%
Ishares Russell 2000	2,385,500	159,160,560	8.06%
Other		<u>133,887,074</u>	<u>6.78%</u>
		691,191,236	35.00%
Manufacturing		57,833,049	2.93%
Media		59,864,796	3.03%
Medical		31,848,682	1.61%
Oil & Gas		4,183,851	0.21%
Pharmaceutical		2,128,520	0.11%
Research & Development		19,540,205	0.99%
Retail		20,575,000	1.04%
Software		4,168,396	0.21%
Therapeutics		<u>4,043,812</u>	<u>0.20%</u>
Total United States			
(Proceeds US\$953,741,842)		<u>996,401,175</u>	<u>50.44%</u>

THIRD POINT OFFSHORE FUND, LTD.

CONDENSED SCHEDULE OF INVESTMENTS (continued)

December 31, 2005

	<i>Principal/Shares</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders' Equity</i>
Securities Sold, Not Yet Purchased (continued)			
Equity Securities (continued)			
<i>Canada</i>			
Financial		6,981,632	0.35%
Medical		3,324,867	0.17%
Metals		<u>2,749,124</u>	<u>0.14%</u>
Total Canada (Proceeds US\$13,052,306)		13,055,623	0.66%
<i>Cayman Islands</i>			
Electronics (Proceeds US\$4,256,586)		4,664,405	0.24%
<i>Switzerland</i>			
Retail (Proceeds US\$5,274,843)		<u>5,093,280</u>	<u>0.26%</u>
Total Equity Securities (Proceeds US\$976,325,577)		<u>1,019,214,483</u>	<u>51.60%</u>
Fixed Income			
United States (Proceeds US\$1,739,500)		<u>1,775,000</u>	<u>0.09%</u>
Equity Call Options			
United States (Proceeds US\$1,884,109)		<u>3,379,065</u>	<u>0.17%</u>
Total Securities sold not yet purchased (Proceeds US\$979,949,186)		<u>1,024,368,548</u>	<u>51.86%</u>

Third Point Offshore Fund, Ltd.

Statement of Operations
for the year ended December 31, 2005

	2005 US\$
<i>Investment Income</i>	
Interest	22,548,237
Dividends (net of withholding taxes of US\$8,880,126)	24,387,171
Other income	<u>674,666</u>
Total income	47,610,074
<i>Expenses</i>	
Management fee	37,559,021
Incentive fee	70,149,185
Return allocated to deferred incentive fees	24,291,323
Administration fee	3,578,938
Interest expense	25,916,551
Dividends on securities sold, not yet purchased	10,603,477
Other expenses	<u>2,772,587</u>
Total expenses	<u>174,871,082</u>
Net investment loss	(127,261,008)
<i>Realised and unrealised gain on investments and foreign exchange</i>	
Net realised gain on investments and foreign exchange	355,363,723
Net change in unrealised appreciation on investments and foreign exchange	35,751,083
Net gain on currencies	<u>11,378,646</u>
Net increase in net assets from operations	<u><u>275,232,444</u></u>

See accompanying notes to financial information

Third Point Offshore Fund, Ltd.

Statement of Changes in Shareholders' Equity
for the year ended December 31, 2005

	2005 US\$
Shareholders' equity — January 1, 2005	1,156,270,122
Subscriptions	854,774,530
Redemptions	(310,894,526)
Net investment loss	(127,261,008)
Net realized gain on investments and foreign exchange	355,363,723
Net change in unrealized appreciation on investments and foreign exchange	35,751,083
Net gain on currencies	<u>11,378,646</u>
Shareholders' equity — December 31, 2005	<u><u>1,975,382,570</u></u>

See accompanying notes to financial information

THIRD POINT OFFSHORE FUND, LTD.

STATEMENT OF CASH FLOWS
for the year ended December 31, 2005

	2005 US\$
<i>Cash flows from operating activities</i>	
Net increase in net assets from operations	275,232,444
<i>Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:</i>	
Purchase of investment securities	(5,090,291,187)
Proceeds from disposition of investment securities	4,196,649,710
Purchase of investment securities to cover short sales	(2,001,067,495)
Proceeds from short sales of investment securities	2,757,478,792
Increase in due from broker	(537,454,381)
Increase in other assets	(628,465)
Increase in incentive fee payable	20,428,932
Increase in deferred incentive fee payable	74,011,576
Increase in other liabilities	1,499,411
Net realized gain on investments and foreign exchange	(355,363,723)
Net change in unrealized appreciation on investments and foreign exchange	<u>(35,751,083)</u>
Net cash used in operating activities	<u>(695,255,469)</u>
<i>Cash flows from financing activities</i>	
Subscriptions	761,634,570
Redemptions	<u>(151,795,891)</u>
Net cash provided by financing activities	<u>609,838,679</u>
Net change in cash	(85,416,790)
Cash at beginning of year	<u>123,689,564</u>
Cash at end of year	<u><u>38,272,774</u></u>
Supplemental disclosure of cash flows	
Cash paid during the year for interest	<u><u>21,942,446</u></u>

See accompanying notes to financial information

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO THE FINANCIAL INFORMATION

December 31, 2005

1. CONCENTRATION OF CREDIT RISK AND OFF-BALANCE SHEET RISK

Three international prime brokers hold the majority of the Company's investments in securities and due from broker positions.

Securities sold, not yet purchased represent obligations of the Company to deliver the specified security and, thereby, create a liability to repurchase the security in the market at prevailing prices. Accordingly, these transactions may result in off-balance sheet risk as the Company's satisfaction of the obligations may exceed the amount recognized in the statement of financial position.

The Company also invests in corporate bonds. Until bonds are sold or mature, the Company is exposed to credit risk relating to bond issuers' obligation to repay the debt.

Generally, derivatives represent future commitments to purchase, sell, or exchange other financial instruments on specific terms at specified future dates. These transactions may result in off-balance sheet risk as the amount recognized in the statement of financial position may be greater than or less than the realization amounts. The Company is subject to credit risks associated with counterparty nonperformance pursuant to the contracts.

2. RELATED PARTY TRANSACTIONS

Daniel S. Loeb is a director of the Company and the managing member of the Investment Manager. Mr. Loeb waived his right to directors fees for the year ending December 31, 2005.

3. DUE FROM BROKERS

Amounts due from broker include cash balances with the Company's clearing brokers and amounts receivable or payable for securities transactions, which have not settled at December 31, 2005. Cash proceeds relating to securities sold, not yet purchased may be restricted by the broker until the relevant securities are purchased. To the extent that the Company has a margin debt balance, it is collateralized by the Company's investments in securities held with the broker. As of December 31, 2005, the Company had amounts of US\$551,345,588 due from brokers.

4. MANAGEMENT AND INCENTIVE FEES

Pursuant to the investment management agreement, the Company pays the investment manager a management fee of 2% per annum on the net asset value of the Company as of the beginning of each month before the accrual of any incentive fee. Any portion of the management fee attributable to a shareholder's Class S shares will be debited against the net asset value of the corresponding class of shares from which such Class S shares had been issued. If a shareholder holds Class S shares, but no longer owns Class A,B,C,D,E, and F shares, the management fee will accrue and not be paid until there is a realization or deemed realization event of the special investment attributable to such Class S shares. For purposes of calculating the management fee, special investments are valued at cost or, if a special investment is designated as such after its acquisition, at fair value as of the date of determination. No management fee will be assessed on a special investment that the Investment Manager determines to have suffered a permanent impairment that reduces its value to zero.

The Company also pays an incentive fee equal to 20% of the annual increase in the aggregate net asset value of a series (the "full incentive fee"). For purposes of determining the increase in the aggregate net asset value, appreciation or depreciation from realized (or deemed realized) special investments will be included.

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO THE FINANCIAL INFORMATION (continued)

December 31, 2005

4. MANAGEMENT AND INCENTIVE FEES (continued)

The incentive fee is calculated monthly and payable at the end of each fiscal year. The incentive fee is calculated in a manner which ensures that appropriate adjustments are made in order to accommodate the inflows and outflows of capital during the course of each fiscal year resulting from subscription and redemptions. If a particular series has a loss chargeable to it 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 the loss chargeable in the prior years before the investment 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.

Under the provisions of a deferred incentive fee agreement, the investment manager may elect prior to the commencement of each fiscal year to defer all or a portion of the incentive fee for that fiscal year. Deferred fees may earn a return which is indexed to the net income or loss of the Company.

5. ADMINISTRATION FEE

The Company has entered into an administrative services agreement with International Fund Services (Ireland) Limited. In accordance with the terms of this agreement, the administrator provides certain specified fund accounting and administration, trade support and transfer agent services. During the current financial period, the administrator received a fee of US\$3,578,938 based on the month end net assets of the Company.

6. DIRECTORS' FEES

For the year ending December 31, 2005, Directors' fees were US\$19,957.

7. SHARE CAPITAL

The Company has an authorized share capital consisting of US\$2,000,000 divided into 200,000,000 participating shares of US\$0.01 each. At December 31, 2005 there were eight outstanding classes (each, a "class") of shares: Class A, Class B, Class C, Class D, Class E, Class F, Class G and Class S, and within each class there is one or more separate series. Each share is equal to every other share of the same series with respect to earnings, assets, dividends and voting privileges. Effective as of January 1, 2005, Class A, Class B, Class C and Class D shares are no longer being offered. Class A,B,C,D,E, and F shares are identical in all respects, except that Class B,D and F shares will generally not participate in profits and losses from "new issues". Subscriptions to the Company on or after January 1, 2005, were issued Class E and Class F shares. As of May 1, 2005, Class G shares were issued. Class G shares will generally not participate in profits and losses from "new issues" and are exempt from management and incentive fees.

The Board of Directors has the right to create additional classes, series and sub-series for an investor as it determines appropriate in its sole discretion.

Each series of a Class will have equal rights and privileges with each other series of that Class.

Class A and B shares, Class C and D shares, Class E and F shares, Class and S shares have different redemption rights.

As part of its investment program, the Company may acquire assets or securities through direct investments or private placements that the Investment Manager believes either lack a readily ascertainable market value or should be held until the resolution of a special event or circumstance ("special investments"). Each special investment will be represented by a series of

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO THE FINANCIAL INFORMATION (continued)

December 31, 2005

7 SHARE CAPITAL (continued)

Class S shares. Class A, B, C, D, E, F and G shares will be automatically exchanged by way of redemption and issuance of a series of Class S shares at the time a special investment is made. Capital invested in Class S shares is generally not available for redemption or distribution until the respective special investment is realized or deemed realized. Upon the realization or deemed realization of a particular special investment, the Class S shares attributable to such special investment will be redeemed and exchanged back through the issuance of new shares of the original series from which the Class S shares had been exchanged.

Share capital transactions for the period from January 1, 2005 to December 31, 2005 were as follows:

	<i>Number of shares outstanding January 1, 2005</i>	<i>Shares transferred</i>	<i>Shares subscribed</i>	<i>Shares redeemed</i>	<i>Number of shares outstanding December 31, 2005</i>	NAV
Series 1,						
Class A	825,256	(511,086)	—	(58,019)	256,151	218.41
Class B	15,736	25	—	—	15,761	214.92
Class C	1,550,030	(155,412)	—	(593,263)	801,355	218.41
Class D	3,858,534	(914,561)	—	(417,195)	2,526,778	214.92
Class E	135,645	212	—	—	135,857	118.45
Class F	1,462,379	2,292	—	(22,624)	1,442,047	118.02
Class G	—	—	2,000	—	2,000	119.09
Class S	132,087	(22,056)	—	—	110,031	98.83
Series 2,						
Class A	—	502,040	—	(8,321)	493,719	218.41
Class C	—	10,802	—	(10,802)	—	—
Class D	6,573	5,383	—	(11,956)	—	—
Class E	—	—	393,500	—	393,500	116.15
Class F	—	—	469,044	—	469,044	115.76
Class G	—	—	500	—	500	117.85
Series 3,						
Class A	—	10,030	—	—	10,030	218.41
Class C	—	132,112	—	(132,112)	—	—
Class D	—	80,839	—	(80,839)	—	—
Class E	—	—	1,147,900	—	1,147,900	107.85
Class F	—	—	317,425	—	317,425	107.65
Class G	—	500	—	—	500	102.24
Series 4,						
Class C	—	1,856	—	(1,856)	—	—
Class D	—	4,660	—	—	4,660	214.88
Class E	—	—	738,800	—	738,800	108.76
Class F	—	—	828,290	—	828,290	108.55
Class G	—	3,187	—	—	3,187	94.63

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO THE FINANCIAL INFORMATION (continued)

December 31, 2005

7 SHARE CAPITAL (continued)

	<i>Number of shares outstanding January 1, 2005</i>	<i>Shares transferred</i>	<i>Shares subscribed</i>	<i>Shares redeemed</i>	<i>Number of shares outstanding December 31, 2005</i>	NAV
Series 5,						
Class C	—	13,067	—	(13,067)	—	—
Class D	—	377,481	—	—	377,481	214.92
Class E	—	—	20,000	—	20,000	114.23
Class F	—	—	50,000	—	50,000	113.21
Series 6,						
Class D	—	58,560	—	—	58,560	214.91
Class E	—	—	24,300	—	24,300	113.41
Class F	—	—	747,450	(12,500)	734,950	109.23
Series 7,						
Class D	—	47,414	—	(47,414)	—	—
Class E	—	—	112,100	—	112,100	109.44
Class F	—	—	610,400	—	610,400	101.12
Series 8,						
Class D	—	23,344	—	(7,445)	15,899	214.91
Class E	—	—	160,600	—	160,600	101.31
Class F	—	—	97,550	—	97,550	98.45
Series 9,						
Class D	—	5,772	—	—	5,772	214.91
Class E	—	—	121,700	—	121,700	98.56
Class F	—	—	202,000	—	202,000	94.15
Series 10,						
Class D	—	25,784	—	(25,784)	—	—
Class E	—	—	357,350	—	357,350	94.25
Class F	—	294,774	—	—	294,774	94.15
Series 11,						
Class D	—	16,050	—	—	16,050	214.92
Class E	—	—	72,500	—	72,500	105.75
Class F	—	6,296	77,800	—	84,096	105.71
Series 12,						
Class D	—	4,577	—	(2,327)	2,250	214.91
Class E	—	—	32,700	—	32,700	102.93
Class F	—	—	340,174	—	340,174	102.91
Series 13,						
Class D	—	9,308	—	—	9,308	214.92
Class E	—	80,839	—	—	80,839	214.96
Series 14,						
Class D	—	10,616	—	(5,909)	4,707	214.92
Series 15,						
Class D	—	114,353	—	(114,353)	—	—

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO THE FINANCIAL INFORMATION (continued)

December 31, 2005

7 SHARE CAPITAL (continued)

	<i>Number of shares outstanding January 1, 2005</i>	<i>Shares transferred</i>	<i>Shares subscribed</i>	<i>Shares redeemed</i>	<i>Number of shares outstanding December 31, 2005</i>	NAV
Series 16, Class D	—	6,047	—	(6,047)	—	—

8. DERIVATIVE CONTRACTS

In the normal course of business, the Company enters into derivative contracts (“derivatives”). The derivatives that the Company invests in are primarily equity options, rights, warrants, forward currency contracts, index swaps and contracts for differences. Typically, derivatives serve as a component of the Company’s investment strategy and are utilized primarily to structure the portfolio, or individual investments, to economically match the investment objective of the Company. Market values of derivatives are determined by using quoted market prices when available; otherwise fair values are based on pricing models that consider the time value of money, volatility, and the current market and contractual prices of underlying financial instruments.

9. COMMITMENTS

Loans and other participation interests purchased by the Company such as bank debt may include revolving credit arrangements or other financing commitments obligating the Company to advance additional amounts on demand. At December 31, 2005, the Company had unfunded capital commitments of \$7,100,000.

10. INDEMNIFICATIONS

The Company enters into contracts that contain a variety of indemnifications and warranties. The Company’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO THE FINANCIAL INFORMATION (continued)

December 31, 2005

11. FINANCIAL HIGHLIGHTS

	<i>Series 1 Class A</i>	<i>Series 1 Class B</i>	<i>Series 1 Class C</i>
Per share operating performance			
Net asset value at beginning of period	184.39	182.10	184.39
Income from investment operations:			
Net investment loss	(12.14)	(11.79)	(12.14)
Net realized and unrealized gain from investments	46.16	44.61	46.16
Total from investment operations	<u>34.02</u>	<u>32.82</u>	<u>34.02</u>
Net asset value at end of period	218.41	214.92	218.41
Total return before performance fee	23.06%	22.53%	23.06%
Performance fee	<u>-4.61%</u>	<u>-4.51%</u>	<u>-4.61%</u>
Total return after performance fee	18.45%	18.02%	18.45%
<i>Ratios of expenses to average net assets:</i>			
Operating expenses before performance fee	-4.18%	-4.18%	-4.18%
Performance fee	<u>-4.12%</u>	<u>-4.03%</u>	<u>-4.12%</u>
Total expenses	-8.30%	-8.21%	-8.30%
Ratio of net investment loss	-5.88%	-5.80%	-5.88%
	<i>Series 1 Class D</i>	<i>Series 1 Class E</i>	<i>Series 1 Class F</i>
Per share operating performance			
Net asset value at beginning of period	182.10	100.00	100.00
Income from investment operations:			
Net investment loss	(11.79)	(6.59)	(6.48)
Net realized and unrealized gain from investments	<u>44.61</u>	<u>25.04</u>	<u>24.50</u>
Total from investment operations	32.82	18.45	18.02
Net asset value at end of period	214.92	118.45	118.02
Total return before performance fee	22.53%	23.06%	22.53%
Performance fee	<u>-4.51%</u>	<u>-4.61%</u>	<u>-4.51%</u>
Total return after performance fee	18.02%	18.45%	18.02%
<i>Ratios of expenses to average net assets:</i>			
Operating expenses before performance fee	-4.18%	-4.18%	-4.18%
Performance fee	<u>-4.03%</u>	<u>-4.12%</u>	<u>-4.03%</u>
Total expenses	-8.21%	-8.30%	-8.21%
Ratio of net investment loss	-5.80%	-5.88%	-5.80%

The above per share operating performance and ratios are calculated for each series taken as a whole and individual investors per share amounts, total return and ratios to average net assets may vary from these amounts and ratios based on participation in new issues and the timing and amounts of capital transactions.

12. SUBSEQUENT EVENTS

Subsequent to the year end and in accordance with the Company's offering memorandum, all eligible series of shares that were charged incentive fees as at December 31, 2005 were redeemed and reissued as an equivalent amount in value terms of the earliest issued of the same class.

Subsequent to December 31, 2005, the Company received in subscriptions and paid out redemptions of US\$39,350,000 and US\$18,043,670 respectively.

FINANCIAL INFORMATION
for the year ended December 31, 2004

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THIRD POINT OFFSHORE FUND, LTD.

STATEMENT OF FINANCIAL POSITION
December 31, 2004

	2004 US\$
<i>Assets</i>	
Cash	123,689,564
Investments at fair value (cost: US\$1,121,457,414)	1,412,760,703
Due from brokers	13,891,207
Other assets	<u>3,766,448</u>
Total assets	<u>1,554,107,922</u>
Securities sold, not yet purchased at fair value (proceeds: US\$156,589,724)	166,989,574
Incentive fee payable	44,717,332
Deferred incentive fee payable	52,616,498
Subscriptions received in advance	122,689,960
Redemptions payable	10,054,617
Other liabilities	<u>769,819</u>
Total liabilities	397,837,800
Shareholders' equity	<u>1,156,270,122</u>
Total liabilities and shareholders' equity	<u>1,554,107,922</u>

See accompanying notes to financial information

THIRD POINT OFFSHORE FUND, LTD.
CONDENSED SCHEDULE OF INVESTMENTS
December 31, 2004

	<i>Quantity</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders Equity %</i>
INVESTMENTS IN SECURITIES			
Equity Securities			
United States			
Airlines		1,732,088	0.15%
Auto Parts & Equipment		7,043,520	0.61%
Coal			
Consol Energy Inc	1,494,825	61,362,566	5.31%
Other		<u>57,248,351</u>	<u>4.95%</u>
		<u>118,610,917</u>	<u>10.26%</u>
Commercial Services		3,566,483	0.31%
Computers		11,124,706	0.96%
Country Funds-Closed-end		560,376	0.05%
Electric		19,664,087	1.70%
Engineering & Construction		29,288,587	2.53%
Financial — REIT		3,572,080	0.31%
Food		666,764	0.06%
Healthcare-Products			
Dade Behring Inc	1,338,700	74,873,491	6.48%
Other		<u>17,574,816</u>	<u>1.52%</u>
		<u>92,448,307</u>	<u>8.00%</u>
Healthcare — Services		42,547,550	3.68%
Home Builders		22,511,800	1.95%
Home Furnishings		2,705,480	0.23%
Insurance		50,368,394	4.36%
Iron/Steel		54,088,761	4.68%
Media		18,251,766	1.58%
Oil & Gas		108,202,707	9.36%
Oil & Gas Services		13,901,621	1.20%
Packaging & Containers		16,638,690	1.44%
Pharmaceuticals		21,265,504	1.84%
REITS		40,546,524	3.51%
Retail			
Sears Roebuck & Co	1,436,600	73,309,698	6.34%
Other		<u>25,955,823</u>	<u>2.24%</u>
		<u>99,265,521</u>	<u>8.58%</u>

THIRD POINT OFFSHORE FUND, LTD.
CONDENSED SCHEDULE OF INVESTMENTS
December 31, 2004 (continued)

	<i>Quantity</i>	<i>Fair Value</i> US\$	<i>Percentage of Shareholders Equity</i> %
INVESTMENTS IN SECURITIES (continued)			
Equity Securities (continued)			
United States (continued)			
Semiconductors		18,652,194	1.61%
Software		11,625,000	1.01%
Storage/Warehousing		33,033,476	2.86%
Technology		110,732	0.01%
Telecommunications			
Leap Wireless Intl Inc	2,391,900	64,461,705	5.57%
Other		41,693,261	3.61%
		<u>106,154,966</u>	<u>9.18%</u>
Total United States (Cost US\$735,040,768)		<u>948,148,601</u>	<u>82.02%</u>
Australia			
Mining		4,956,696	0.43%
Total Australia (Cost US\$5,203,630)		<u>4,956,696</u>	<u>0.43%</u>
Bermuda			
Insurance		1,903,442	0.16%
Transportation		5,634,225	0.49%
Total Bermuda (Cost US\$7,582,285)		<u>7,537,667</u>	<u>0.65%</u>
Canada			
Advertising		6,230,712	0.54%
Airlines		4,586,180	0.40%
Coal		7,510,460	0.65%
Entertainment		283,357	0.02%
Oil & Gas		57,729,479	4.99%
Storage/Warehousing		5,098,002	0.44%
Total Canada (Cost US\$60,484,401)		<u>81,438,190</u>	<u>7.04%</u>
France			
Computers		984,398	0.09%
Total France (Cost US\$714,948)		<u>984,398</u>	<u>0.09%</u>
Germany			
Machinery		32,014,372	2.77%
Total Germany (Cost US\$29,854,749)		<u>32,014,372</u>	<u>2.77%</u>
Hong Kong			
Real Estate		2,540,602	0.22%
Total Hong Kong (Cost US\$2,394,496)		<u>2,540,602</u>	<u>0.22%</u>
Netherlands			
Transportation		16,579,727	1.43%
Total Netherlands (Cost \$US17,550,935)		<u>16,579,727</u>	<u>1.43%</u>

THIRD POINT OFFSHORE FUND, LTD.
CONDENSED SCHEDULE OF INVESTMENTS
December 31, 2004 (continued)

	<i>Quantity</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders Equity %</i>
INVESTMENTS IN SECURITIES (continued)			
Equity Securities (continued)			
Panama			
Engineering & Construction		45,178,452	3.91%
Total Panama (Cost \$US20,225,170)		<u>45,178,452</u>	<u>3.91%</u>
Russia			
Communications		4,650,600	0.40%
Iron/Steel		3,868,785	0.33%
Metal Fabricate/Hardware		8,176,338	0.71%
Telecommunications		3,263,442	0.28%
Total Russia (Cost \$US17,170,002)		<u>19,959,165</u>	<u>1.72%</u>
United Kingdom			
Chemicals		2,631,600	0.23%
Commercial Services		6,599,102	0.57%
Mining		6,299,069	0.54%
Total United Kingdom (Cost \$US12,460,681)		<u>15,529,771</u>	<u>1.34%</u>
Total Equity Securities (Cost \$US908,682,065)		<u>1,174,867,641</u>	<u>101.62%</u>
Private Placements			
United States		47,357,672	4.10%
Canada		962,054	0.08%
Total Private Placement (Cost US\$47,300,442)		<u>48,319,726</u>	<u>4.18%</u>
Fixed Income			
Bank Debt			
United States (Cost US\$26,703,566)		27,226,612	2.35%
Japan (Cost US\$786,327)		1,600,395	0.14%
Corporate Debt			
United States (Cost US\$58,378,408)		63,200,174	5.47%
Mexico (Cost US\$5,098,438)		5,794,830	0.50%
United Kingdom (Cost US\$9,948,828)		11,101,775	0.96%
Total Fixed Income (Cost US\$100,915,567)		<u>108,923,786</u>	<u>9.42%</u>
Warrants & Rights			
United States (Cost US\$26,613,750)		27,495,000	2.38%
Russia (Cost US\$28,596,487)		37,781,048	3.27%
Total Warrants & Rights (Cost US\$55,210,237)		<u>65,276,048</u>	<u>5.65%</u>
Funds			
United States		13,630,549	1.18%
Total Funds (Cost US\$9,349,103)		<u>13,630,549</u>	<u>1.18%</u>

THIRD POINT OFFSHORE FUND, LTD.
CONDENSED SCHEDULE OF INVESTMENTS
December 31, 2004 (continued)

	<i>Quantity</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders Equity %</i>
INVESTMENTS IN SECURITIES (continued)			
CFD			
Canada		(907,806)	(0.08%)
India		2,043,569	0.18%
Ireland		74,294	0.01%
Korea		(301,727)	(0.03%)
United Kingdom		834,623	0.07%
Total CFD		<u>1,742,953</u>	<u>0.15%</u>
Total Investment in Securities (Cost US\$1,121,457,414)		<u>1,412,760,703</u>	<u>122.20%</u>
EQUITIES SOLD, NOT YET PURCHASED			
United States			
Auto Manufacturers		4,315,345	0.37%
Auto Parts & Equipment		1,159,095	0.10%
Banks		7,886,844	0.68%
Commercial Services		9,319,139	0.81%
Computers		1,444,905	0.12%
Energy — Alternate Sources		972,140	0.08%
Equity Fund		75,183,096	6.50%
Finance		16,780,496	1.45%
Healthcare — Products		3,744,320	0.32%
Healthcare — Services		6,359,890	0.55%
Insurance		13,671,644	1.18%
Leisure Time		4,061,561	0.35%
Miscellaneous Manufacturer		2,294,359	0.20%
Retail		1,671,383	0.14%
Savings & Loans		1,296,064	0.11%
Telecommunications		7,041,146	0.61%
Toys/Games/Hobbies		5,531,648	0.48%
Total United States (Proceeds US\$152,886,173)		<u>162,733,075</u>	<u>14.05%</u>
Bermuda			
Telecommunications		11	0.00%
Total Bermuda (Proceeds US\$20,756)		<u>11</u>	<u>0.00%</u>
Canada			
Electronics		2,010,024	0.17%
Total Canada (Proceeds US\$1,588,582)		<u>2,010,024</u>	<u>0.17%</u>

THIRD POINT OFFSHORE FUND, LTD.
CONDENSED SCHEDULE OF INVESTMENTS
December 31, 2004 (continued)

	<i>Quantity</i>	<i>Fair Value US\$</i>	<i>Percentage of Shareholders Equity %</i>
EQUITIES SOLD, NOT YET PURCHASED (continued)			
Puerto Rico			
Banks		949,801	0.08%
Total Puerto Rico (Proceeds US\$822,662)		<u>949,801</u>	<u>0.08%</u>
Total Equities sold not purchased (Proceeds US\$155,318,173)		<u>165,692,911</u>	<u>14.30%</u>
Fixed Income Sold, Not Yet Purchased			
United States			
Healthcare — Services		1,292,320	0.11%
Total Fixed Income sold, not yet purchased (Proceeds US\$1,174,239)		<u>1,292,320</u>	<u>0.11%</u>
Options			
United States		4,343	0.00%
Total Options (Proceeds US\$97,312)		<u>4,343</u>	<u>0.00%</u>
Total Securities sold not yet purchased (Proceeds US\$156,589,724)		<u>166,989,574</u>	<u>14.41%</u>

THIRD POINT OFFSHORE FUND, LTD.

STATEMENT OF OPERATIONS
for the year ended December 31, 2004

	2004 US\$
<i>Investment Income</i>	
Interest	3,712,975
Dividends (net of withholding taxes of US\$2,986,547)	<u>7,116,471</u>
Total income	10,829,446
<i>Expenses</i>	
Management fee	9,608,046
Incentive fee	45,408,540
Return allocated to deferred incentive fees	13,404,179
Administration fee	2,318,097
Interest expense	2,383,719
Dividends on securities sold, not yet purchased	3,699,648
Other expenses	<u>610,698</u>
Total expenses	<u>77,432,927</u>
Net investment loss	(66,603,481)
<i>Realised and unrealised gain/loss on investments and foreign exchange</i>	
Net realised gain on investments and foreign exchange	74,343,743
Net change in unrealised appreciation on investments and foreign exchange	<u>173,893,900</u>
Net increase in net assets from operations	<u><u>181,634,162</u></u>

See accompanying notes to financial information

THIRD POINT OFFSHORE FUND, LTD.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended December 31, 2004

	2004 US\$
Shareholders' equity — January 1, 2004	296,002,568
Subscriptions	712,615,379
Redemptions	(33,981,987)
Net investment loss	(66,603,481)
Net realized gain on investment and foreign exchange	74,343,743
Net change in unrealized appreciation on investment and foreign exchange	<u>173,893,900</u>
Shareholders' equity — December 31, 2004	<u><u>1,156,270,122</u></u>

See accompanying notes to financial information

THIRD POINT OFFSHORE FUND, LTD.

STATEMENT OF CASH FLOWS
for the year ended December 31, 2004

	2004 US\$
<i>Cash flows from operating activities</i>	
Net increase in net assets from operations	181,634,162
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>	
Changes in operating assets and liabilities	
Buys and short covers	(1,258,178,745)
Proceeds and short sales	671,365,135
Due to/from brokers	(78,456,687)
Net realised gain on investments	(74,343,743)
Net change in unrealised appreciation on investments	(173,893,900)
Other assets	(3,165,805)
Incentive fee payable	58,812,721
Other liabilities	412,360
Net cash used in operating activities	<u>(675,814,502)</u>
<i>Cash flows from financing activities</i>	
Subscriptions	822,695,339
Redemptions	<u>(35,781,220)</u>
Net cash provided by financing activities	<u>786,914,119</u>
Net change in cash	111,099,617
Cash at beginning of year	<u>12,589,947</u>
Cash at end of year	<u><u>123,689,564</u></u>
Supplemental disclosure of cash flows	
Cash paid for interest during the year	<u><u>2,257,540</u></u>

See accompanying notes to financial information

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO FINANCIAL INFORMATION

December 31, 2004

1. CONCENTRATION OF CREDIT RISK AND OFF-BALANCE SHEET RISK

Two international prime brokers hold the majority of the Company's investments in securities and due from broker positions.

Securities sold, not yet purchased represent obligations of the Company to deliver the specified security and, thereby, create a liability to repurchase the security in the market at prevailing prices. Accordingly, these transactions may result in off-balance sheet risk as the Company's satisfaction of the obligations may exceed the amount recognized in the statement of financial position.

The Company also invests in corporate bonds. Until bonds are sold or mature, the Company is exposed to credit risk relating to bond issuers' obligation to repay the debt.

2. DUE FROM BROKER

Amounts due from broker include cash balances with the Company's clearing brokers and amounts receivable or payable for securities transactions, which have not settled at December 31, 2004. Cash proceeds relating to securities sold, not yet purchased may be restricted by the broker until the relevant securities are purchased. To the extent that the Company has a margin debt balance, it would be collateralized by the Company's investments in securities held with the broker. As at December 31, 2004, the Company had amounts of US\$13,891,207 due from brokers at year-end.

3. RELATED PARTY TRANSACTIONS

Daniel S. Loeb is a director of the Company and the managing member of the investment manager. The administrator holds the Company's sole voting ordinary share.

4. MANAGEMENT AND INCENTIVE FEE

Pursuant to the investment management agreement, the Company pays the investment manager a management fee of 1.5% per annum on the net asset value as at the beginning of each month before the accrual of any incentive fee.

The Company also pays an incentive fee of 20% of the annual increase in the aggregate net asset value. The incentive fee is calculated monthly and payable at the end of each fiscal year.

The incentive fee is calculated in a manner, which ensures that appropriate adjustments are made in order to accommodate the inflows and outflows of capital during the course of each fiscal year resulting from subscriptions and redemptions. If a particular class of common stock has a loss chargeable to it during any fiscal year and during a subsequent year there is a profit attributable to such class of common stock, there will be no incentive fee payable with respect to such class of common stock until the amount of the loss previously allocated to such class of common stock has been recouped.

Under the provisions of a deferred incentive fee agreement, the investment manager may elect prior to the commencement of each fiscal year to defer all or a portion of the incentive fee for that fiscal year. The Investment manager elected to defer all of the incentive fees for the year to December 31, 2004. Deferred fees may earn a return, which is indexed to the net income or loss of the Company, or may be separately invested. For the year to December 31, 2004 deferred incentive fees were indexed to results of the Company, and the gain allocated to the deferred fees amounted to US\$33,383,676, comprising US\$13,404,179 included in the Statement of Operations and US\$19,979,497 which includes the reinvestment of Incentive Fees payable at 2003's year-end and crystallized incentive fees on shares redeemed during the year.

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO FINANCIAL INFORMATION (continued)

December 31, 2004 (continued)

5. ADMINISTRATION FEE

The Company has entered into an administrative services agreement with the administrator. In accordance with the terms of this agreement, the administrator provides certain specified fund accounting and administration, trade support and transfer agent services. During the current financial year, the administrator received a fee of US\$2,318,097 based on the month end net assets.

6. OTHER EXPENSES

	2004 US\$
Other expenses include the following:	
Directors' remuneration	<u>10,400</u>

7. SHARE CAPITAL

The authorized share capital of the Company is US\$ 2,000,000 divided into one voting ordinary share of US\$ 1 par value and 199,999,900 participating non-voting shares of US\$ 0.01 par value. The board, at its discretion, may authorize the division of participating shares into any number of class and the variation in the relative rights and preferences between the different class may be determined by the board. At December 31, 2004, there were 14 classes of outstanding shares.

Each share is equal to every other share of the same class with respect to earnings, assets, dividends and voting privileges, except that within each class there are four series — Series A, Series B, Series C and Series D. Gains or losses attributable to “new issue” securities (as defined by the US National Association of Securities Dealers, Inc.) are allocated exclusively to the Series A shares and Series C shares. Series C shares and Series D shares require a longer notification period than Series A shares or Series B shares for redemptions.

Share capital transactions in the participating non-voting shares for the year ended December 31, 2004 were as follows:

	<i>Number of shares outstanding January 1, 2004</i>	<i>Shares transferred</i>	<i>Shares subscribed</i>	<i>Shares redeemed</i>	<i>Number of shares outstanding December 31, 2004</i>	NAV
Class 1,						
Series A	814,360.60	—	22,884.30	(71,527.23)	765,717.67	184.39
Series B	16,704.93	—	—	(2,855.43)	13,849.50	182.10
Series C	558,719.09	(93,207.68)	21,757.69	(38,658.49)	448,610.61	184.39
Series D	697,593.23	(253,751.39)	148,235.28	(33,468.29)	558,608.83	182.10
Class 2,						
Series A	—	—	51,000.00	—	51,000.00	125.02
Series B	—	—	3,000.00	—	3,000.00	124.17
Series C	—	—	7,420.00	—	7,420.00	125.02
Series D	—	—	788,790.00	—	788,790.00	124.17
Class 3,						
Series A	—	—	7,350.00	(3,000.00)	4,350.00	120.28
Series C	—	—	128,100.00	—	128,100.00	120.28
Series D	—	—	68,050.00	—	68,050.00	119.51

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO FINANCIAL INFORMATION (continued)

December 31, 2004 (continued)

7. SHARE CAPITAL (continued)

	<i>Number of shares outstanding January 1, 2004</i>	<i>Shares transferred</i>	<i>Shares subscribed</i>	<i>Shares redeemed</i>	<i>Number of shares outstanding December 31, 2004</i>	NAV
Class 4,						
Series A	—	—	3,000.00	—	3,000.00	120.21
Series C	—	(4,000.00)	84,800.00	—	80,800.00	120.21
Series D	—	—	82,300.00	—	82,300.00	119.50
Class 5,						
Series A	—	—	2,650.00	—	2,650.00	120.47
Series C	—	—	216,430.00	—	216,430.00	120.47
Series D	—	—	309,900.00	(21,291.98)	288,608.02	119.76
Class 6,						
Series A	—	—	10,000.00	—	10,000.00	123.65
Series C	—	—	224,152.74	—	224,152.74	123.65
Series D	—	—	66,000.00	(3,000.00)	63,000.00	122.94
Class 7,						
Series A	—	—	5,700.00	—	5,700.00	116.19
Series C	—	—	75,160.00	(10,000.00)	65,160.00	116.19
Series D	—	—	334,917.50	(5,966.00)	328,951.50	115.77
Class 8,						
Series A	—	—	1,000.00	—	1,000.00	116.13
Series C	—	—	89,850.00	—	89,850.00	116.13
Series D	—	—	518,790.00	(5,800.00)	512,990.00	115.91
Class 9,						
Series A	—	—	11,450.00	—	11,450.00	114.51
Series C	—	—	37,000.00	—	37,000.00	114.51
Series D	—	—	78,900.00	—	78,900.00	114.29
Class 10,						
Series A	—	—	4,500.00	—	4,500.00	111.14
Series C	—	—	58,399.65	—	58,399.65	111.14
Series D	—	—	853,710.00	—	853,710.00	111.02
Class 11,						
Series C	—	—	39,013.90	—	39,013.90	110.60
Series D	—	—	1,302,254.44	—	1,302,254.44	110.49
Class 12,						
Series A	—	—	11,000.00	—	11,000.00	101.38
Series C	—	—	519,000.00	—	519,000.00	101.38
Series D	—	—	870,810.00	—	870,810.00	101.31
Class 13,						
Series C	—	253,751.39	—	(32,752.24)	220,999.15	183.19
Series D	—	93,207.68	—	—	93,207.68	183.29
Class 14,						
Series D	—	4,000.00	—	—	4,000.00	119.51

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO FINANCIAL INFORMATION (continued)

December 31, 2004 (continued)

8. COMMITMENTS

In accordance with the Financial Accounting Standards Board's interpretation No. 45, the Company is required to disclose information about obligations under certain guarantees. As of December 31, 2004, the Company had contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

9. DERIVATIVE CONTRACTS

As described in Note 1, the Company in its trading operations purchases or writes various equity put and call options, and enters into equity swap contracts. Written options represent commitments to sell or buy the underlying equity securities at specified prices on future dates. Equity swap contracts represent a commitment to pay or receive the difference between the price of a specified security at the date of entering the contract and the price at a specified date in the future. Contracts can be for the notional sale or purchase of the specified security.

The Company's exposure to credit risk associated with counter party non-performance on any options which are not exchange traded and on equity swap contracts is typically limited to the unrealized gains reported as assets associated with such contracts. Generally, the Company trades in only exchange traded options.

10. FINANCIAL HIGHLIGHTS

	<i>Class 1 Series A</i>	<i>Class 1 Series B</i>	<i>Class 1 Series C</i>	<i>Class 1 Series D</i>
Per share operating performance				
Net asset value at beginning of period	142.02	141.40	142.02	141.40
Income from investment operations:				
Net investment loss	(12.79)	(12.35)	(12.79)	(12.35)
Net realised and unrealised gain from investments and foreign exchange	<u>55.16</u>	<u>53.05</u>	<u>55.16</u>	<u>53.05</u>
Total from investment operations	42.37	40.70	42.37	40.70
Net asset value at the end of the Period	184.39	182.10	184.39	182.10
Total return before incentive fee	37.30%	35.99%	37.30%	35.99%
Incentive fee	<u>(7.46%)</u>	<u>(7.20%)</u>	<u>(7.46%)</u>	<u>(7.20%)</u>
Total return after incentive fee	29.84%	28.79%	29.84%	28.79%
<i>Ratios of expenses to average net assets:</i>				
Operating expenses before incentive fee	(2.76%)	(2.76%)	(2.76%)	(2.76%)
Incentive fee	<u>(6.59%)</u>	<u>(6.39%)</u>	<u>(6.59%)</u>	<u>(6.39%)</u>
Total expenses	(9.35%)	(9.15%)	(9.35%)	(9.15%)
Ratio of net investment loss	(7.95%)	(7.75%)	(7.95%)	(7.75%)

- a) The ratio of net investment loss to average net assets represents the total expense ratio as reduced by interest and dividends.
- b) The above ratios and total return are calculated for all shareholders taken as whole. An individual shareholders ratios and returns may vary from above based on timing of capital transactions and new issue profits and losses.

THIRD POINT OFFSHORE FUND, LTD.

NOTES TO FINANCIAL INFORMATION (continued)
December 31, 2004 (continued)

11. SUBSEQUENT EVENTS

Subsequent to the year end and in accordance with the Company's offering memorandum, all classes of share which suffered incentive fees as at December 31, 2004 were redeemed and reissued as an equivalent amount in value terms of the earliest issued of the same series.

From January 1, 2005 to the date of approval of the financial statements the Company received in subscriptions and paid out redemptions of US\$553,693,503 and US\$16,841,189 respectively.

PART 11

DEFINITIONS AND GLOSSARY

Administrator	Northern Trust International Fund Administration Services (Guernsey) Limited
Admission	Admission of the Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities becoming effective, which is expected to occur on 23 July, 2007
AI or Accredited Investor	An accredited investor as defined in Regulation D under the US Securities Act
AICPA	The American Institute of Chartered Public Accountants
Application Form	The application form accompanying the Securities Note for use, where permissible, in connection with the Global Offer for Subscription
Articles or Articles of Association	The Memorandum and Articles of Association of the Company or the Master Fund in force from time to time as the context requires
Banks	UBS and Société Générale, and Bank shall be construed accordingly
Board of Directors or Board	The board of Directors of the Master Fund or the Company, as the context requires
British Pounds, Sterling or £	Refers to the lawful currency of the United Kingdom
B Shares	The unlimited number of shares of no par value, comprising 40 per cent. of the total number of issued Shares and B Shares, which are at all times held by VoteCo and that together with the Shares constitute the authorised capital of the Company
Business Day	Any day on which banks are open for normal banking business in Guernsey, London and New York
Capita Registrars	A trading name of Capita IRG Plc
City Code	The City Code on Takeovers and Mergers
Combined Code	The Principles of Good Governance and Code of Best Practice as published by the Financial Reporting Council
Companies Law	The Companies (Guernsey) Law, 1994 and the Companies (Enabling Provisions) (Guernsey) Law, 1996, in each case as amended, extended or replaced and any Ordinance, statutory instrument or regulation made thereunder
Company Investment Management Agreement	The investment management agreement entered into between the Company and the Investment Manager to manage the Company's interest in the Master Fund, brief details of which are contained in section 6.2 of Part 8 of this Registration Document
Conversion Calculation Date	The last Business Day of each month commencing in August 2007
CREST	The facilities and procedures for the time being of the relevant system of which CRESTCo Limited has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755)

CREST Guernsey Requirements	Rule 8 and such other rules and requirements of CrestCo Limited as may be applicable to issuers as from time to time specified in the CrestCo Limited Manual
Currency Class	Each of the entire class of issued Euro Shares, US Dollar Shares and Sterling Shares
Director	A member of the Company or the Master Fund's Board of Directors as the context requires
Disclosure and Transparency Rules	The disclosure and transparency rules made by the FSA under Part VI of the FSMA
ERISA	The US Employee Retirement Income Security Act of 1974, as amended
Euro or €	Refers to the lawful single currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union
European Exchange	A stock or investment exchange within the European Economic Area or Switzerland
Euro Shares	Shares of the Company denominated in Euro
Event Driven	Refers to the investment strategy of the Investment Manager. Under its event driven value investing strategy, the Investment Manager seeks to identify companies for which it anticipates a catalyst event that will unlock value. A catalyst event in relation to a corporate entity includes recapitalisation, spin-off, corporate and financial restructuring, litigation or other liability impairment, turnaround, management change, consolidating of industry and other similar situations
FASB	The Financial Accounting Standards Board
Fiscal Year	Each year to 31 December
FSMA	The UK Financial Services and Markets Act 2000, as amended
Gate	The aggregate redemptions from the Master Fund (including all outstanding classes of the Master Fund other than Third Point Class S Shares) during any calendar quarter (not to exceed two consecutive calendar quarters) is limited, at the Master Fund's Board of Directors' discretion, to 20 per cent. of the Master Fund's net assets (excluding assets held in Special Investment accounts) as of the first day of the calendar quarter
Global Co-ordinator	UBS
Global Offer	The Placing, the Offer for Subscription and the investment which the Investment Manager's CEO intends to make
Global Offer Placing Statement	A statement detailing the number of Shares which are to be issued pursuant to the Global Offer (excluding the Over-allotment Option) expected to be published on or around 18 July, 2007
IFRS	International Financial Reporting Standards
Incentive Fee	The fee paid to the Investment Manager by the Master Fund, based upon the appreciation in the net assets of the Master Fund as described in Part 3 of this Registration Document
Independent Directors	Members of the Board of Directors not affiliated with Third Point

Investment Manager	Third Point, being the investment manager of the Company and the Master Fund and, where context requires, includes the Investment Manager's group
ISA	Individual savings account
Joint Lead Managers	UBS and Société Générale
Listing Rules	The listing rules made by the UK Listing Authority under section 73(A) of FSMA
London Stock Exchange	London Stock Exchange plc
Management Fee	The fee paid to the Investment Manager, based on the net assets of the Master Fund, as described in Part 3 of this Registration Document
Master Fund	Third Point Offshore Fund, Ltd., an exempt company with limited liability incorporated under the laws of the Cayman Islands and an affiliate of the Company and Third Point
Master Fund Administrator or IFS	International Fund Services (Ireland) Limited, a company incorporated under the laws of Ireland, or any successor or replacement administrator
Master Fund Euro Shares	Third Point Class E Shares denominated in Euro
Master Fund Investment Management Agreement	The investment management agreement entered into between the Master Fund and the Investment Manager to manage the Master Fund's portfolio investments
Master Fund NAV Calculation Date	Has the meaning set out in Part 3 of this Registration Document
Master Fund Redemption Date	Has the meaning set out in Part 3 of this Registration Document
Master Fund Shares	Third Point Class E Shares and Third Point Class S Shares.
Master Fund Sterling Shares	Third Point Class E Shares denominated in Sterling
Master Fund US Dollar Shares	Third Point Class E Shares denominated in US Dollars
Model Code	The model code on directors' dealings in securities as set out in Annex I of rule 9 of the Listing Rules
NAV Calculation Date	The NAV per Share of each share class which is calculated as at the last Business Day of each month by dividing the NAV of the relevant class account by the number of Shares of the relevant class in issue as at the close of business on that day
NAV or Net Asset Value	In the case of the Company, the value of the assets of the Company less its liabilities determined in accordance with Part 1 of this Registration Document in the section entitled "NAV Publication and Calculation" and, in the case of the Master Fund, the value of the assets of the Master Fund less its liabilities determined in accordance with the paragraphs set out in Part 1 of the Securities Note in the section entitled "NAV Publication and Calculation"
Non-Qualified Holder	A prospective investor who, in the sole opinion of the Directors, is not permitted to acquire Shares because: a) the prospective investor is not eligible to acquire shares pursuant to applicable restrictions contained in Rule 144A, Regulation D, Regulation S, or the US Investment Company Act; b) the acquisition of Shares by the prospective investor would not permit the Company to qualify for exemptions provided under Sections 3(c)(7) and 7(d) of the US Investment Company Act; or c) the prospective investor's proposed Purchaser Letter, Transferee Letter, or

	similar representation is not acceptable for any other reason pursuant to US securities laws
OECD	Organisation for Economic Co-operation and Development.
Offer for Subscription	The offer for subscription to the public in the United Kingdom of Shares on the terms set out in the Prospectus and the Application Form
Offer Price	€10 per Euro Share, US\$10 per Dollar Share and £10 per Sterling Share
OTC	Privately negotiated transactions that may not be registered under the relevant securities law; also called “over-the-counter” transactions.
PEP	Personal equity plan
Placing	The placing of Shares pursuant to the Placing Agreement, on the terms set out in the Prospectus
Placing Agreement	The placing agreement entered into between the Company, the Directors of the Company, Daniel S. Loeb, the Investment Manager and the Banks in relation to the Placing, brief details of which are contained in Part 8 of this Registration Document
Plan	As defined under “ERISA” in Part 7 of this Registration Document
Plan Asset Regulations	US Department of Labor regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101
Prime Broker	Each of Bear Stearns Securities Corp., 383 Madison Avenue, New York, NY 10179, Goldman Sachs & Co, Global Securities Services, Prime Brokerage, One New York Plaza, New York, NY 10004, Citigroup Global Markets Inc., Prime Finance, Citi Markets and Banking, 390 Greenwich Street, New York, NY 10013, and UBS Securities LLC, 1285 Avenue of the Americas, New York, NY 10019 who are custodians of the Master Fund’s assets, as at the date of this Registration Document
Prospectus	A prospectus relating to the Company prepared in accordance with the Prospectus Rules and which comprises the Summary Note, the Securities Note and this Registration Document
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member State
Prospectus Rules	The prospectus rules made by the UK Listing Authority under section 73(A) of the FSMA
QIB or Qualified Institutional Buyer	A qualified institutional buyer as defined in Rule 144A under the US Securities Act
QP or Qualified Purchaser	A qualified purchaser within the meaning of Section 2(a)(51) of the US Investment Company Act and related rules
QSPE	A qualifying special-purpose entity for purposes of transfers of financial assets under US GAAP
Receiving Agent	Capita Registrars, a trading division of Capita IRG plc and/or the Administrator, as the context requires

Registration Document	This Registration Document which together with the Summary Note and the Securities Note, comprises the Prospectus
Regulation D	Regulation D under the US Securities Act
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service or RIS	A regulatory information service that is approved by the FSA as meeting the primary information provider criteria and that is on the list of regulatory information services maintained by the FSA
Related Party	The Investment Manager and its respective affiliates, clients, directors, officers, employees and agents
Relevant Member State	Each Member State of the European Economic Area which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
Rule 144A	Rule 144A under the US Securities Act
Securities Note	The securities note, which together with the Summary Note and this Registration Document, comprises the Prospectus
Settlement Date	23 July, 2007
Société Générale or Société Générale Corporate & Investment Banking	Société Générale S.A.
Shareholders	The holders of Shares
Shares	The unlimited number of shares of no par value, whether denominated in Euros, US Dollars or Sterling, which together with the B Shares constitute the authorised and issued capital of the Company
Similar Loans	Laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code
SIPPs	A self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the United Kingdom
Special Investments	Private equity or illiquid investments that the Investment Manager (in its absolute discretion) believes either lack a readily ascertainable market value or should be held until the resolution of a special event or circumstance, along with corresponding hedge positions, if any
SSASs	A small self administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the United Kingdom
Stabilising Manager	UBS
Sterling or £	Refers to the lawful currency of the United Kingdom
Sterling Shares	Shares of the Company denominated in Sterling
Summary Note	The summary note which, together with the Securities Note and this Registration Document, comprises the Prospectus
Taxes Act	The UK Income and Corporation Taxes Act 1988, as amended
Third Point	Third Point LLC

Third Point Class E Shares	The E class shares in the capital of the Master Fund to be acquired by the Company with the net proceeds of the Global Offer
Third Point Class S Shares	The S class shares in the capital of the Master Fund to be issued from time to time in respect of Special Investments
Third Point Directors	The members of the Board of Directors who are affiliates of Third Point
UBS or UBS Investment Bank	UBS Limited, UBS Investment Bank being a business unit of UBS Limited
UK	The United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	The FSA as the competent authority for listing in the United Kingdom
Uncertificated Form or in uncertificated form	Recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
United States or US	“United States” or “US” means the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia
US Dollar Shares	Shares of the Company denominated in Dollars
US Dollars, Dollars or \$	Refers to the lawful currency of the United States
US Exchange Act	The US Securities Exchange Act of 1934, as amended
US GAAP	Generally Accepted Accounting Principles in the United States
US Internal Revenue Code	The US Internal Revenue Code of 1986, as amended
US Investment Company Act	The US Investment Company Act of 1940, as amended
US Person	A person who is either (a) a “US person” within the meaning of Regulation S, or (b) not a “Non-United States person” within the meaning of the United States Commodity Futures Trading Commission Rule 4.7(a)(I)(iv)
US Securities Act	The US Securities Act of 1933, as amended
Valuation Day	The last Business Day of each month
Valuation Date	The date on which the Master Fund’s NAV is calculated as of the close of business on the last Business Day of each fiscal period determined in accordance with the paragraphs set out in Part 3 of this Registration Document in the section entitled “Determination of NAV of the Master Fund”
VoteCo	Third Point Offshore Independent Voting Company Limited

31 May 2007 is used in this Registration Document as the latest practicable date prior to its publication.

Dated 2 July 2007

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