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# RIT Capital Partners plc

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*Half-Yearly Financial Report 30 September 2007*

# RIT Capital Partners plc

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Company Registration Number 2129188

# RIT Capital Partners plc

AT 30 SEPTEMBER 2007

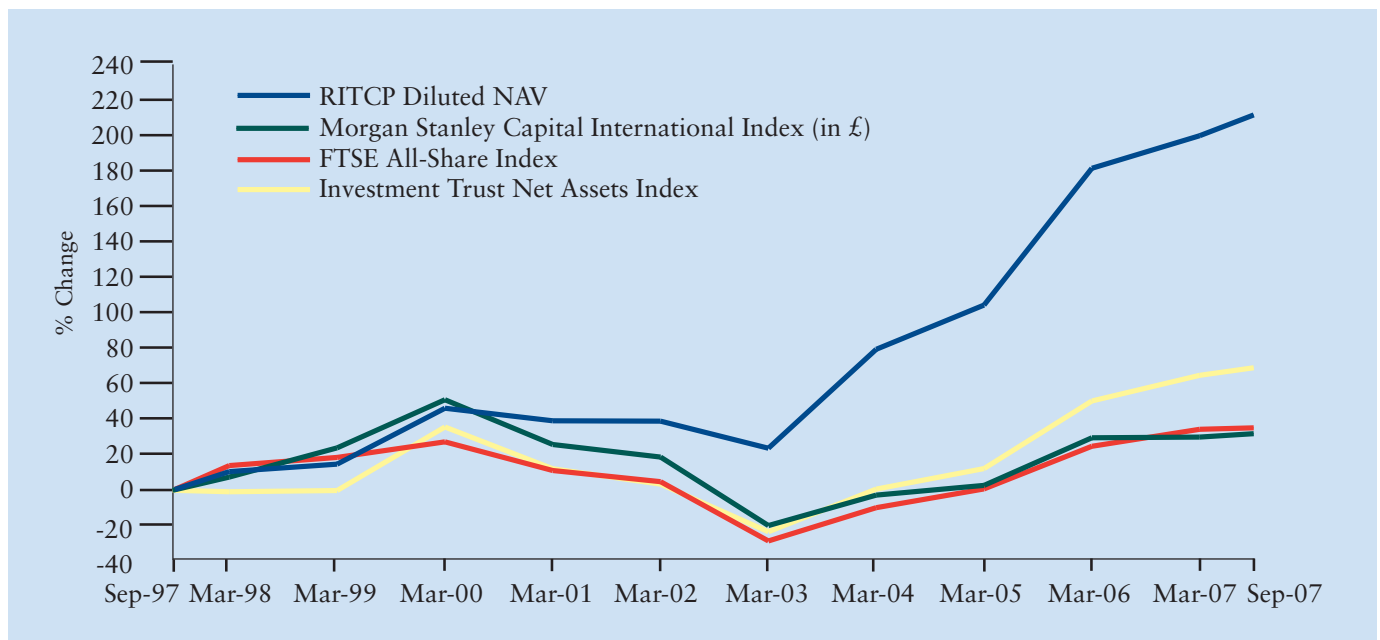
## FINANCIAL HIGHLIGHTS

	30 September 2007	31 March 2007	% Change
Total Net Assets (£ million)	1,747.5	1,635.6	+6.8
Net Asset Value per Share	1,127.7p	1,047.3p	+7.7
Share Price	1,095.0p	1,000.0p	+9.5
Discount	2.9%	4.5%	

## PERFORMANCE

	6 Months	5 Years	10 Years
RIT Capital Partners plc*	7.7%	133.3%	222.8%
Morgan Stanley Capital International Index (in £)	3.9%	13.8%	34.4%
FTSE All-Share Index	1.0%	29.7%	35.1%
Investment Trust Net Assets Index	4.6%	67.1%	71.8%

## PERFORMANCE AGAINST MAJOR INDICES OVER 10 YEARS



\* In the above chart, RITCP's diluted net asset value per share has been computed in accordance with International Financial Reporting Standards ("IFRS") for all periods since 31 March 2004. Figures calculated in accordance with IFRS for the earlier reporting dates are not available.

# Chairman's Statement

During the half year to 30 September, your Company's net asset value per share increased by 7.7% from 1,047.3p to 1,127.7p and its total net assets to £1,747.5 million. Over this period the Morgan Stanley Capital International Index (in Sterling), the FTSE All-Share Index and the Investment Trust Net Assets Index rose by 3.9%, 1.0% and 4.6% respectively.

RITCP's net asset value per share at 9 November, the latest available date, had increased to 1,138.2p. Since 31 December 2006 your Company's net asset value per share has increased by 15.9% and its net worth by £230 million; over the same period the above indices had increased by 0.6%, 0.5% and 8.0% respectively.

My Chairman's Statement in the Annual Report commented on increasing levels of risk in a number of areas including credit, and therefore at the time we reduced our exposure to equity markets. In the first half of this year the outlook has, if anything, become even more uncertain and treacherous. Stock markets, encouraged by the Federal Reserve's rate cuts, have at least until very recently turned a relatively blind eye to the negative factors which have emerged – the dramatic decline in new housing sales in the USA, extreme credit market turmoil, the price of oil approaching \$100 a barrel, food price inflation, a sinking dollar and forecasts of slowing economic growth in the west, accompanied by a slide in consumer confidence. Taken together, these factors could tip the economies of the western world along the path of lower growth, leading possibly to recession. Central banks will do their best to fend off these risks, but the lowering of interest rates carries inflationary risks which could take their toll on stock markets. We should weigh against these negative factors reasonable equity valuations, the resilience of the US consumer and evidence of continuing global growth.

Given our primary objective – to deliver long term capital growth while preserving shareholders' capital – we continue to position your Company relatively defensively, and have made some further reductions to market exposure. We have also endeavoured to find non-correlated assets to add to our widely diversified portfolio, increasing our gold and commodity holdings, and investing for the first time in the countries of the Middle East which will benefit from the rise in the oil price and economic activity.

## QUOTED PORTFOLIO

At 30 September, £976.8 million, or 51.3% of the portfolio, was held directly in quoted investments, compared with 57.6% at 31 March. A further £366.9 million, or 19.1% of the portfolio, was held in hedge and long equity funds which invest mainly in quoted securities. Taking these two categories together, some 70.4% of the portfolio was invested in quoted or other marketable securities, compared with 74% at 31 March.

## UNQUOTED PORTFOLIO

There has been a slight increase in the allocation to unquoted investments, which were valued at some £418.3 million, or 21.9% of the portfolio, compared with an exposure of £407.4 million at 31 March 2007, representing 22.0% of the portfolio. Of the £418.3 million, £282.1 million, or 14.8%, represents investments made directly by management and £136.2 million, or 7.1%, represents investments in limited partnerships managed by third parties.

Valuations of our directly held unquoted investments were largely unchanged over the period. However, we have been active in making a number of new investments, for example the recent acquisition of a minority interest in the leading Edinburgh-based money management firm Martin Currie.

## INVESTMENT AND CURRENCY EXPOSURE

We ended the half year with an investment portfolio (excluding government securities and liquidity) equivalent to 103% of underlying net assets and with exposure to publicly traded equity markets of 72.3% (including hedge funds).

During the period we grew increasingly bearish on the US dollar and reduced our exposure from 8.9% to 3.6%.

The asset allocation and currency exposure are set out more fully on page 4.

## BOARD

Christopher Hohn resigned as a Director with effect from 19 July, the date of the Company's Annual General Meeting. I would like to thank him, on your behalf, for his valuable insights and significant contribution to the Company.

## BORROWINGS

As mentioned in my Statement in the Annual Report, in May we added to our borrowings with the completion of a £150 million, three year multi-currency loan. We now have medium and long-term borrowings equivalent to £328 million to add to our capital.

## SHARE BUY BACKS

During the half year we bought back for cancellation 1,218,585 shares at prices of between 1,020p and 1,040p, at a total cost of £12.7 million.



Rothschild

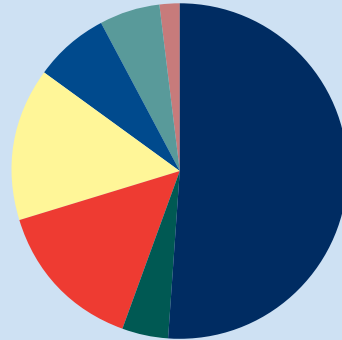
15 November 2007

# Portfolio Analysis and Currency Exposure

AT 30 SEPTEMBER 2007

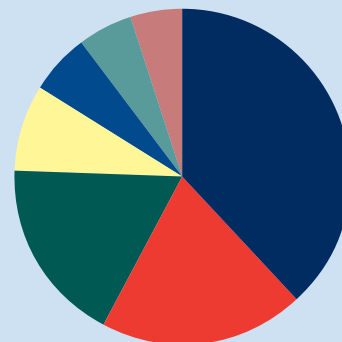
## PORTFOLIO ANALYSIS BY ASSET CATEGORY

	£m	%
Quoted Investments	976.8	51.3
Hedge Funds	85.3	4.4
Long Equity Funds	281.6	14.7
Unquoted Investments	282.1	14.8
Private Equity Partnerships	136.2	7.1
Government Securities and Money Market Funds	113.0	5.9
Property	34.0	1.8
	1,909.0	100.0



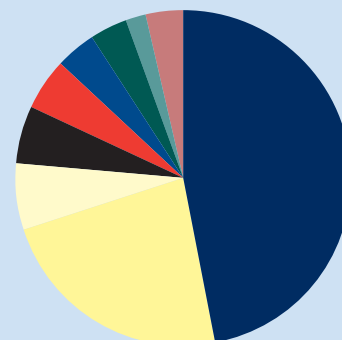
## PORTFOLIO ANALYSIS BY COUNTRY/AREA

	£m	%
United States	731.8	38.3
United Kingdom	376.6	19.7
Europe	339.2	17.8
Far East	154.4	8.1
Japan	113.9	6.0
Canada	100.9	5.3
Other	92.2	4.8
	1,909.0	100.0



## CURRENCY ANALYSIS OF NET ASSETS

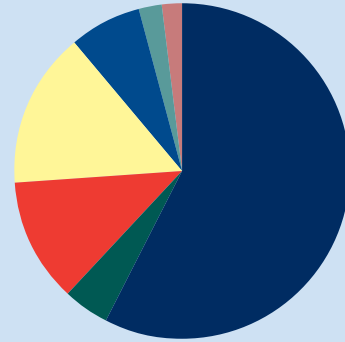
	£m	%
Sterling	821.4	47.0
Euro	402.1	23.0
Singapore Dollar	116.2	6.6
Canadian Dollar	95.3	5.5
Japanese Yen	89.6	5.1
Swiss Franc	65.9	3.8
US Dollar	63.0	3.6
Hong Kong Dollar	31.0	1.8
Other	63.0	3.6
	1,747.5	100.0



AT 31 MARCH 2007

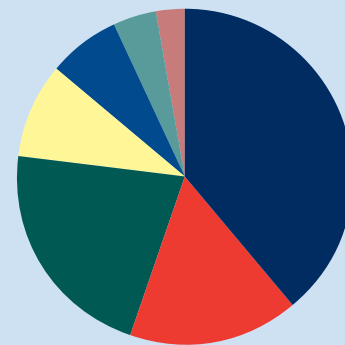
## PORTFOLIO ANALYSIS BY ASSET CATEGORY

	£m	%
■ Quoted Investments	1,069.0	57.6
■ Hedge Funds	85.4	4.6
■ Long Equity Funds	218.7	11.8
■ Unquoted Investments	276.2	14.9
■ Private Equity Partnerships	131.2	7.1
■ Government Securities and Money Market Funds	38.8	2.1
■ Property	34.8	1.9
	1,854.1	100.0



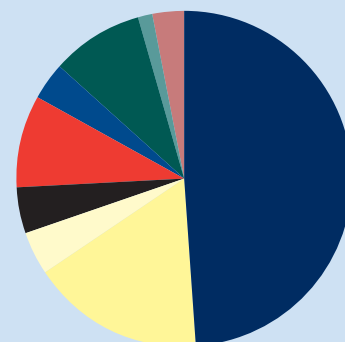
## PORTFOLIO ANALYSIS BY COUNTRY/AREA

	£m	%
■ United States	721.4	38.9
■ United Kingdom	303.5	16.4
■ Europe	406.5	21.9
■ Far East	166.8	9.0
■ Japan	128.9	7.0
■ Canada	76.0	4.1
■ Other	51.0	2.7
	1,854.1	100.0



## CURRENCY ANALYSIS OF NET ASSETS

	£m	%
■ Sterling	800.3	48.9
■ Euro	276.0	16.9
■ Singapore Dollar	66.7	4.1
■ Canadian Dollar	73.4	4.5
■ Japanese Yen	143.3	8.8
■ Swiss Franc	57.8	3.5
■ US Dollar	145.1	8.9
■ Hong Kong Dollar	22.2	1.4
■ Other	50.8	3.0
	1,635.6	100.0



# Investment Portfolio

AT 30 SEPTEMBER 2007

Investment Holdings	Country	Description	Value of Investment £ million	% of Portfolio
<b>QUOTED INVESTMENTS</b>				
PayPoint	UK	Electronic Payment Systems	41.8	2.2
World Trust Fund	Luxembourg	Investment Company	29.9	1.6
ConocoPhillips	USA	Oil and Gas	28.0	1.5
Freeport-McMoRan Copper & Gold	USA	Metal Mining	25.2	1.3
RHJ International	Japan	Investment Company with Japanese focus	20.0	1.0
Streettracks Gold	USA	Gold Bullion	17.3	0.9
Merrill Lynch Qatari Basket	Qatar	Qatari Index replication product	16.5	0.9
Intesa Sanpaolo	Italy	Banking	15.3	0.8
British Sky Broadcasting	UK	Television Broadcaster	13.9	0.7
BlueBay Asset Management	UK	Asset Management	13.2	0.7
Bank Hapoalim	Israel	Banking	12.5	0.7
Electric Power Development	Japan	Electricity Generation	12.5	0.7
Evolution Group	UK	Stockbroking and Asset Management	11.9	0.6
Xantrex Technology	Canada	Power Electronics	11.7	0.6
Shaw Group	USA	Construction	9.4	0.5
KBR	USA	Engineering	7.7	0.4
Getty Images	USA	Stock Photography	7.5	0.4
Galahad Gold	UK	Metal Mining	7.0	0.4
Venture Production	UK	Oil and Gas	6.8	0.4
Niko Resources	Canada	Oil and Gas	6.5	0.3
Cardpoint	UK	Cash Dispensing Machine Operator	6.4	0.3
E.ON	Germany	Power and Gas	6.4	0.3
882 Other Quoted Investments			649.4	34.1
<b>Total Quoted Investments</b>			<b>976.8</b>	<b>51.3</b>
<b>HEDGE FUNDS</b>				
Atticus Global	USA	Event-driven/Arbitrage	38.8	2.0
Tinicum Partners	USA	Arbitrage and Distressed Debt Securities	19.6	1.0
Parvus European Absolute Opportunities	Europe	European Equities	10.0	0.5
Sandstone Capital India	India	Indian Hedge Fund	9.3	0.5
Cycladic Catalyst	Europe	European Equities	7.6	0.4
<b>Total Hedge funds</b>			<b>85.3</b>	<b>4.4</b>
<b>LONG EQUITY FUNDS</b>				
Tontine Capital Partners	USA	American Equities	46.4	2.4
Parvus European Opportunities	Europe	European Equities	27.8	1.5
EFG-Hermes	Middle East	Middle Eastern Equities	25.1	1.3
Lansdowne UK Strategic Investment	UK	UK & Global Equities	23.7	1.2
Genus Dynamic Mining	Global	Mining and Metal Equities	20.3	1.1
Martin Currie Taiwan Opportunities	Taiwan	Taiwanese Equities	20.1	1.1
Titan Partners	USA	American Equities	17.3	0.9
Impax Environmental Markets	Ireland	Equities with environmental focus	16.1	0.8
Tontine Financial Partners	USA	American Equities	14.7	0.8
Atlantis Japan Opportunities	Japan	Japanese Equities	14.4	0.8
Africa Emerging Markets Fund	Africa	African Equities	14.2	0.7
Vietnam Resource Investments	Vietnam	Vietnamese Mining Equities	11.2	0.6
11 Other Long Equity Funds			30.3	1.5
<b>Total Long Equity Funds</b>			<b>281.6</b>	<b>14.7</b>

Investment Holdings	Country	Description	Value of Investment £ million	% of Portfolio
<b>UNQUOTED INVESTMENTS</b>				
Harbourmaster	Jersey	CDO Manager	42.8	2.3
Robin Hood Holdings	Global	Generic Pharmaceuticals	38.6	2.0
The Economist Newspaper	UK	Publishing	22.9	1.2
RDA Holding Co	USA	Publishing	20.6	1.1
New NIB Partners LP	Netherlands	Investment Bank	17.7	0.9
Banca Leonardo	Italy	Investment Bank	14.3	0.7
MessageLabs Group	UK	E-mail Security Services	12.9	0.7
United America Indemnity	USA	Casualty Insurance	10.4	0.5
Richbell	USA	Investment Company	9.6	0.5
Clearbrook	UK	Investment Partnership	8.3	0.4
UK Specialist Hospitals	UK	Specialist Surgical Hospital	7.3	0.4
Aurigo Hero	UK	Investment Partnership	6.9	0.4
68 Other Unquoted Investments			69.8	3.7
<b>Total Unquoted Investments</b>			<b>282.1</b>	<b>14.8</b>
RITCP has some indirect holdings in listed investments which are categorised as unquoted because they are held via unquoted special purpose vehicles. This includes the above investment in United America Indemnity.				
<b>PRIVATE EQUITY PARTNERSHIPS</b>				
Audax Private Equity Fund II	USA	Unquoted Investments	7.7	0.4
Chrysalis Capital III	India	Unquoted Investments	7.4	0.4
Blumberg Capital I	USA	Unquoted Information Technology	6.9	0.4
Sageview Capital Partners	USA	Unquoted Investments	6.9	0.3
Seleucus	India	Indian Property	6.4	0.3
RR Capital Partners	USA	Unquoted Investments	5.5	0.3
Sandler Capital Partners V	USA	Unquoted Telecommunications	5.4	0.3
78 Other Private Equity Partnerships			90.0	4.7
<b>Total Private Equity Partnerships</b>			<b>136.2</b>	<b>7.1</b>
<b>GOVERNMENT SECURITIES AND MONEY MARKET FUNDS</b>				
Hamilton Fund	Ireland	Money Market Fund	34.5	1.8
Treasury 5% 2008	UK	Government Stock	33.0	1.7
US Treasury 4 3/4% 2009	USA	Government Stock	9.9	0.5
Bundesrepublik 3 3/4% 2009	Germany	Government Stock	9.0	0.5
7 Other Government Securities and Money Market Funds			26.6	1.4
<b>Total Government Securities and Money Market Funds</b>			<b>113.0</b>	<b>5.9</b>
<b>PROPERTY</b>				
Spencer House and other properties in St James's Place, London			34.0	1.8
<b>Total Investments</b>			<b>1,909.0</b>	<b>100.0</b>



# Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

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In accordance with the Disclosure and Transparency Rules 4.2.7R and 4.2.8R, we confirm that to the best of our knowledge:

- (a) The condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union, as required by the Disclosure and Transparency Rule 4.2.4R;
- (b) The Chairman's Statement includes a fair review of the information required to be disclosed under the Disclosure and Transparency Rule 4.2.7R, interim management report. This includes (i) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements presented in the half-yearly financial report and (ii) a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (c) There were no changes in the transactions or arrangements with related parties as described in the Group's annual report for the year ended 31 March 2007 that would have had a material effect on the financial position or performance of the Group in the first six months of the current financial year.

**Duncan Budge**

Director and Chief Operating Officer

15 November 2007

For and on behalf of the Board, the members of which are listed on page 18.

# Independent Review Report to RIT Capital Partners plc

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## INTRODUCTION

We been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007, which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

## DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

## OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## SCOPE OF REVIEW

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

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP  
Chartered Accountants  
15 November 2007  
London

# Consolidated Income Statement

For the six months ended 30 September 2007	Notes	Six months ended 30 September 2007		Total £ million
		Revenue return £ million	Capital return £ million	
<b>Income</b>				
Investment income		22.1	–	22.1
Other income		0.7	–	0.7
Losses on dealing investments held at fair value		(10.6)	–	(10.6)
<b>Total income</b>		<b>12.2</b>	<b>–</b>	<b>12.2</b>
Gains on portfolio investments held at fair value		–	124.7	124.7
Other capital items		–	15.1	15.1
		12.2	139.8	152.0
<b>Expenses</b>				
Administrative expenses		(4.9)	(2.2)	(7.1)
Investment management fees		(3.5)	(3.9)	(7.4)
Profit before finance costs and tax		3.8	133.7	137.5
Finance costs		(6.8)	–	(6.8)
<b>Profit before tax</b>		<b>(3.0)</b>	<b>133.7</b>	<b>130.7</b>
Taxation		(2.3)	1.1	(1.2)
<b>Profit for the period</b>		<b>(5.3)</b>	<b>134.8</b>	<b>129.5</b>
<b>Earnings per ordinary share</b>	2	<b>(3.4)p</b>	<b>86.7p</b>	<b>83.3p</b>

The total column of this statement represents the Group's Income Statement, prepared in accordance with International Financial Reporting Standards. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

# Consolidated Income Statement

	Notes	Six months ended 30 September 2006			Year ended 31 March 2007		
		Revenue return £ million	Capital return £ million	Total £ million	Revenue return £ million	Capital return £ million	Total £ million
<b>Income</b>							
Investment income		18.7	–	18.7	32.6	–	32.6
Other income		0.3	–	0.3	1.1	–	1.1
Losses on dealing investments held at fair value		(31.3)	–	(31.3)	(43.2)	–	(43.2)
<b>Total income</b>		(12.3)	–	(12.3)	(9.5)	–	(9.5)
(Losses)/gains on portfolio investments held at fair value		–	(83.3)	(83.3)	–	116.0	116.0
Other capital items		–	8.9	8.9	–	28.4	28.4
		(12.3)	(74.4)	(86.7)	(9.5)	144.4	134.9
<b>Expenses</b>							
Administrative expenses		(5.2)	(0.2)	(5.4)	(11.1)	(1.4)	(12.5)
Investment management fees		(3.1)	–	(3.1)	(5.9)	(1.4)	(7.3)
(Loss)/profit before finance costs and tax		(20.6)	(74.6)	(95.2)	(26.5)	141.6	115.1
Finance costs		(4.1)	–	(4.1)	(9.0)	–	(9.0)
<b>(Loss)/profit before tax</b>		(24.7)	(74.6)	(99.3)	(35.5)	141.6	106.1
Taxation		(1.2)	(0.6)	(1.8)	(1.4)	(0.1)	(1.5)
<b>(Loss)/profit for the period</b>		(25.9)	(75.2)	(101.1)	(36.9)	141.5	104.6
<b>Earnings per ordinary share</b>	2	(16.6)p	(48.1)p	(64.7)p	(23.6)p	90.6p	67.0p

The total column of this statement represents the Group's Income Statement, prepared in accordance with International Financial Reporting Standards. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

# Consolidated Balance Sheet

	Notes	30 September 2007 £ million	31 March 2007 £ million	30 September 2006 £ million
<b>Non-current assets</b>				
Investments held at fair value	4	1,875.0	1,819.3	1,476.8
Investment property		34.0	34.8	30.7
Property, plant and equipment		0.3	0.3	0.3
Derivative financial instruments		6.2	5.4	3.7
Retirement benefit asset		2.9	1.7	1.1
Deferred tax asset		2.2	2.3	1.6
		<b>1,920.6</b>	<b>1,863.8</b>	<b>1,514.2</b>
<b>Current assets</b>				
Dealing investments held at fair value		1.5	0.3	0.9
Sales for future settlement		48.5	8.0	46.6
Other receivables		7.7	6.7	11.3
Tax receivable		0.7	0.5	0.5
Cash at bank		222.2	131.6	89.5
		<b>280.6</b>	<b>147.1</b>	<b>148.8</b>
<b>Total assets</b>		<b>2,201.2</b>	<b>2,010.9</b>	<b>1,663.0</b>
<b>Current liabilities</b>				
Bank loans and overdrafts		(68.4)	(151.1)	(1.2)
Securities sold short		(2.0)	(2.2)	(13.3)
Purchases for future settlement		(35.6)	(21.3)	(17.1)
Tax payable		(0.2)	(0.4)	(0.3)
Other payables		(2.7)	(11.6)	(8.4)
		<b>(108.9)</b>	<b>(186.6)</b>	<b>(40.3)</b>
Net current assets/(liabilities)		<b>171.7</b>	<b>(39.5)</b>	<b>108.5</b>
Total assets less current liabilities		<b>2,092.3</b>	<b>1,824.3</b>	<b>1,622.7</b>
<b>Non-current liabilities</b>				
Derivative financial instruments		(1.0)	–	–
Bank loans		(327.6)	(178.2)	(181.9)
Provisions		(16.2)	(10.5)	(12.6)
		<b>(344.8)</b>	<b>(188.7)</b>	<b>(194.5)</b>
<b>Net assets</b>		<b>1,747.5</b>	<b>1,635.6</b>	<b>1,428.2</b>
<b>Equity attributable to equity holders</b>				
Called up share capital		155.0	156.2	156.2
Capital redemption reserve		35.2	34.0	34.0
Cash flow hedging reserve		5.2	5.4	3.7
Foreign currency translation reserve		(0.1)	(0.2)	(0.1)
Capital reserve-realised		1,312.1	1,193.3	1,019.5
Capital reserve-unrealised		304.5	301.2	258.2
Revenue reserve		(64.4)	(54.3)	(43.3)
Total shareholders' equity		<b>1,747.5</b>	<b>1,635.6</b>	<b>1,428.2</b>
Net asset value per ordinary share		<b>1,127.7p</b>	<b>1,047.3p</b>	<b>914.5p</b>

# Consolidated Statement of Changes in Equity

	Share capital £ million	Capital redemption reserve £ million	Cash flow hedging reserve £ million	Foreign currency translation reserve £ million	Capital reserve £ million	Revenue reserve £ million	Total £ million
<b>Six months ended 30 September 2007</b>							
Balance at 31 March 2007	156.2	34.0	5.4	(0.2)	1,494.5	(54.3)	1,635.6
Profit for the period	–	–	–	–	134.8	(5.3)	129.5
Cash flow hedges							
Gains/(losses) taken to equity	–	–	0.3	–	–	–	0.3
Transferred to the income statement for the period	–	–	(0.5)	–	–	–	(0.5)
Exchange movements arising on consolidation	–	–	–	0.1	–	–	0.1
Ordinary dividend paid	–	–	–	–	–	(4.8)	(4.8)
Purchase of own shares	(1.2)	1.2	–	–	(12.7)	–	(12.7)
<b>Balance at 30 September 2007</b>	<b>155.0</b>	<b>35.2</b>	<b>5.2</b>	<b>(0.1)</b>	<b>1,616.6</b>	<b>(64.4)</b>	<b>1,747.5</b>
<b>Six months ended 30 September 2006</b>							
Balance at 31 March 2006	156.2	34.0	4.1	0.1	1,352.9	(12.6)	1,534.7
Loss for the period	–	–	–	–	(75.2)	(25.9)	(101.1)
Cash flow hedges							
Gains/(losses) taken to equity	–	–	(0.5)	–	–	–	(0.5)
Transferred to the income statement for the period	–	–	0.1	–	–	–	0.1
Exchange movements arising on consolidation	–	–	–	(0.2)	–	–	(0.2)
Ordinary dividend paid	–	–	–	–	–	(4.8)	(4.8)
<b>Balance at 30 September 2006</b>	<b>156.2</b>	<b>34.0</b>	<b>3.7</b>	<b>(0.1)</b>	<b>1,277.7</b>	<b>(43.3)</b>	<b>1,428.2</b>
<b>Year ended 31 March 2007</b>							
Balance at 31 March 2006	156.2	34.0	4.1	0.1	1,352.9	(12.6)	1,534.7
Profit for the period	–	–	–	–	141.6	(36.9)	104.7
Cash flow hedges							
Gains/(losses) taken to equity	–	–	1.5	–	–	–	1.5
Transferred to the income statement for the period	–	–	(0.2)	–	–	–	(0.2)
Exchange movements arising on consolidation	–	–	–	(0.3)	–	–	(0.3)
Ordinary dividend paid	–	–	–	–	–	(4.8)	(4.8)
<b>Balance at 31 March 2007</b>	<b>156.2</b>	<b>34.0</b>	<b>5.4</b>	<b>(0.2)</b>	<b>1,494.5</b>	<b>(54.3)</b>	<b>1,635.6</b>

# Consolidated Cash Flow Statement

	Six months ended 30 September 2007 £ million	Six months ended 30 September 2006 £ million	Year ended 31 March 2007 £ million
<b>Cash inflow/(outflow) from Operating Activities</b>	<b>65.7</b>	89.2	(9.0)
<b>Investing Activities</b>			
Purchase of property, plant and equipment	(0.1)	(0.2)	(0.2)
<b>Net cash outflow from Investing Activities</b>	<b>(0.1)</b>	(0.2)	(0.2)
<b>Financing Activities</b>			
Purchase of own shares	(12.7)	–	–
Increase in term loan	150.0	–	–
Equity dividend paid	(4.8)	(4.8)	(4.8)
<b>Net cash inflow/(outflow) from Financing Activities</b>	<b>132.5</b>	(4.8)	(4.8)
Increase/(decrease) in cash and cash equivalents in the period	198.1	84.2	(14.0)
Cash and cash equivalents at the start of the period	10.8	27.0	27.0
Effect of foreign exchange rate changes	0.2	(1.2)	(2.2)
<b>Cash and cash equivalents at the period end</b>	<b>209.1</b>	110.0	10.8
Reconciliation:			
Cash at bank	222.2	89.5	131.6
Money market funds (included in portfolio investments)	55.3	21.7	30.3
Bank loans and overdrafts	(68.4)	(1.2)	(151.1)
<b>Cash and cash equivalents at the period end</b>	<b>209.1</b>	110.0	10.8

# Notes to the Financial Statements

## 1. BASIS OF ACCOUNTING

These financial statements are the half-yearly consolidated financial statements of RIT Capital Partners plc and its subsidiaries for the six months ended 30 September 2007. They are prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting, and were approved on 15 November 2007. These half-yearly financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 March 2007 as they provide an update of previously reported information. The half-yearly financial statements have been prepared in accordance with the accounting policies set out in the notes to the consolidated financial statements for the year ended 31 March 2007.

## 2. EARNINGS PER ORDINARY SHARE

The earnings per ordinary share for the six months ended 30 September 2007 is based on the net profit of £129.5 million (six months ended 30 September 2006: net loss of £101.1 million; year ended 31 March 2007: net profit of £104.6 million) and the weighted average number of ordinary shares in issue during the period of 155.6 million (six months ended 30 September 2006: 156.2 million; year ended 31 March 2007: 156.2 million).

The earnings per share figure detailed above can be further analysed between revenue and capital as set out below:

	<b>Six months ended 30 September 2007 £ million</b>	Six months ended 30 September 2006 £ million	Year ended 31 March 2007 £ million
Net revenue loss	(5.3)	(25.9)	(36.9)
Net capital profit/(loss)	134.8	(75.2)	141.5
	<b>129.5</b>	<b>(101.1)</b>	<b>104.6</b>
	<b>Pence per share</b>	Pence per share	Pence per share
Revenue loss per ordinary share	(3.4)	(16.6)	(23.6)
Capital earnings/(loss) per ordinary share	86.7	(48.1)	90.6
	<b>83.3</b>	<b>(64.7)</b>	<b>67.0</b>

## 3. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share as at 30 September 2007 is based on the net assets attributable to equity shareholders of £1,747.5 million (30 September 2006: £1,428.2 million; 31 March 2007: £1,635.6 million) and the number of ordinary shares in issue at 30 September 2007 of 155.0 million (30 September 2006: 156.2 million; 31 March 2007: 156.2 million).

## 4. MOVEMENTS IN INVESTMENTS

	Quoted £ million	Unquoted and property £ million	Funds and partnerships £ million	Other securities £ million	Total £ million
At 31 March 2007	1,069.0	311.0	435.3	38.8	1,854.1
Additions	555.6	40.3	105.2	250.3	951.4
Disposals	(694.2)	(33.4)	(70.6)	(176.6)	(974.8)
Revaluation	46.4	(1.8)	33.2	0.5	78.3
<b>At 30 September 2007</b>	<b>976.8</b>	<b>316.1</b>	<b>503.1</b>	<b>113.0</b>	<b>1,909.0</b>



## 5. DIVIDENDS PAID

	<b>Six months ended 30 September 2007 £ million</b>	Six months ended 30 September 2006 £ million	Year ended 31 March 2007 £ million
Dividends paid	4.8	4.8	4.8
Pence per share	3.1p	3.1p	3.1p

## 6. CONTINGENT ASSET

Following a decision earlier this year of the European Court of Justice, HM Revenue & Customs have announced that they have accepted that management fees for investment trusts should be treated as exempt from UK VAT. A statutory limit is imposed by UK VAT law on claims for refunds of VAT accounted for in error, restricting such refunds to VAT paid in the three years prior to the date on which the refund claim was made. However, a recent case has found this restriction to be invalid and it may be possible for claims to be made in respect of the period from 1 January 1990 to 4 December 1996. HM Revenue & Customs has appealed against this ruling and the case will shortly be heard before the House of Lords. If there is a favourable outcome to this case, the Company should be able to recover VAT of approximately £6 million, together with interest thereon.

## 7. COMPARATIVE INFORMATION

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the half years ended 30 September 2007 and 30 September 2006 has not been audited.

The information for the year ended 31 March 2007 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 March 2007 have been filed with the Registrar of Companies and the report of the auditors on those accounts contained no qualification or statement under section 237(2) or (3) of the Companies Act 1985.

# Investor Information

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## SHARE PRICE INFORMATION

The Company's £1 ordinary shares are listed on the London Stock Exchange and may be identified using the following codes:

TIDM: RCP LN  
 SEDOL: 0736639 GB  
 ISIN: GB0007366395

The closing price of the shares is published in the Financial Times, the Times, the Daily Telegraph, the Independent and the London Evening Standard. Daily and 15 minute delay share price information is displayed on the Company's website: [www.ritcap.co.uk](http://www.ritcap.co.uk).

## REGISTRAR

The Company's registrar may be contacted as follows:

Computershare Investor Services PLC  
 PO Box 82  
 The Pavilions  
 Bridgwater Road  
 Bristol BS99 7NH  
 Tel: 0870 703 6307

Shareholders (but not savings scheme members) may contact the registrar should they need to notify a change of name or address, or have a query regarding the registration of their holding or the payment of a dividend. Shareholders who wish to have dividends credited directly to their bank account rather than paid by cheque may do so by arrangement with the Company's registrar.

## ELECTRONIC COMMUNICATION

Registered holders of ordinary shares of RIT Capital Partners plc may elect to communicate with the Company electronically as an alternative to receiving hard copy accounts and circulars. This facility is provided by the Company's registrars, Computershare Investor Services PLC, and shareholders should register online at [www.computershare.com/investors](http://www.computershare.com/investors) and select the Electronic Shareholder Communications section to participate. To complete the registration process shareholders will need their postcode or country of residence, along with their Shareholder Reference Number, as shown on their share certificates or dividend advices. You will also be asked to agree to the Terms and Conditions for Electronic Communication with Shareholders.

The registration may also be effected through the Company's website and registered shareholders also have the facility to check their shareholding or cast proxy votes at general meetings electronically if they wish.

## THE RIT CAPITAL PARTNERS PLC SAVINGS SCHEME

Investors may purchase the Company's shares through its Savings Scheme, rather than through a stockbroker or other intermediary. Savings Scheme investments may be either lump sum or by regular monthly payments. Application forms and full details of the Scheme's operation and its terms and conditions are contained in the Savings Scheme brochure, which may be downloaded from our website [www.ritcap.co.uk](http://www.ritcap.co.uk) or requested either direct from the Company (020 7514 1923) or from the Savings Scheme Administrator, whose contact details are as follows:

The RIT Capital Partners plc Savings Scheme  
 c/o The Bank of New York Europe Limited  
 12 Blenheim Place  
 Edinburgh EH7 5JH  
 Tel: 0131 525 9819

# Directors and Advisers

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## **DIRECTORS**

The Lord Rothschild (Chairman)  
Charles Bailey  
Mikael Breuer-Weil  
Duncan Budge  
John Elkann  
David Haysey  
Andrew Knight  
James Leigh-Pemberton  
Michael Marks  
Nathaniel Rothschild  
Michael Sofaer

## **SECRETARY AND REGISTERED OFFICE**

**J. Rothschild Capital Management Limited**  
(a wholly-owned subsidiary of RITCP)  
27 St James's Place  
London SW1A 1NR

## **AUDITORS**

PricewaterhouseCoopers LLP  
Hay's Galleria  
1 Hay's Lane  
London SE1 2RD

## **SOLICITORS**

Linklaters LLP  
One Silk Street  
London EC2Y 8HQ

## **REGISTRARS AND TRANSFER OFFICE**

Computershare Investor Services PLC  
Registrar's Department  
P.O. Box 82  
The Pavilions  
Bridgwater Road  
Bristol BS99 7NH  
Telephone: 0870 703 6307

## **SAVINGS SCHEME ADMINISTRATOR**

The Bank of New York Europe Limited  
12 Blenheim Place  
Edinburgh EH7 5JH  
Telephone: 0131 525 9819

## **FOR INFORMATION**

The Company's website is  
[www.ritcap.co.uk](http://www.ritcap.co.uk)





