

Half-Yearly Financial Report

30 June 2016

Contents

Company Highlights	1
Chairman's Statement	2
Investment Portfolio	4
Condensed Interim Financial Statements	
Consolidated Income Statement	8
Consolidated Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Financial Statements	12
Regulatory Disclosures & Other Information	
Regulatory Disclosures	16
Investment Portfolio Reconciliation	17
Investor Information	18
Directory	19

Company Highlights

Corporate Objective

To deliver long-term capital growth, while preserving shareholders' capital; to invest without the constraints of a formal benchmark, but to deliver for shareholders increases in capital value in excess of the relevant indices over time.

Investment Policy

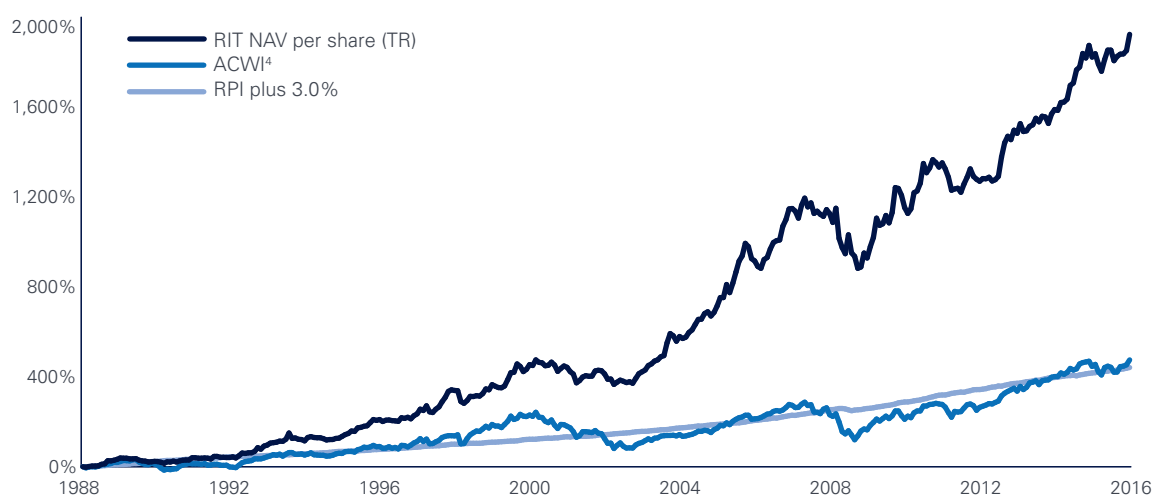
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Financial Summary

	30 June 2016	31 December 2015	Change
Net assets	£2,505m	£2,441m	£64m
NAV per share ¹	1,613p	1,573p	40p
Share price	1,645p	1,681p	-36p
Premium	2.0%	6.9%	-4.9%
First interim dividend paid	15.5p	15.0p	3.3%
Second interim dividend declared/paid	15.5p	15.0p	3.3%
Total Dividend	31.0p	30.0p	3.3%
Gearing	16.7%	12.1%	4.6%
NAV per share total return			3.6%
Share price total return			-1.2%
RPI ² plus 3.0% per annum			2.5%
MSCI All Country World Index ³			6.1%

Performance History	6 Months	1 Year	5 Years	10 Years
NAV per share total return	3.6%	5.3%	39.8%	99.9%
Share price total return	-1.2%	8.4%	40.3%	92.3%
RPI plus 3.0% per annum	2.5%	4.6%	29.3%	76.7%
MSCI All Country World Index	6.1%	5.5%	52.1%	84.2%

Performance Since Inception



¹ Diluted net asset value per share with debt held at fair value.

² Retail Price Index.

³ The MSCI All Country World Index (ACWI) we have adopted is a total return index and is based on 50% of the ACWI measured in Sterling and 50% measured in local currencies.

⁴ The ACWI index in the chart is based on the capital-only index in Sterling prior to the introduction of total return indices in December 1998. Thereafter we have used the total return index as described above.

Chairman's Statement



Lord Rothschild, OM GBE

The six months under review have seen central bankers continuing what is surely the greatest experiment in monetary policy in the history of the world. We are therefore in uncharted waters and it is impossible to predict the unintended consequences of very low interest rates, with some 30% of global government debt at negative yields, combined with quantitative easing on a massive scale. To date, at least in stock market terms, the policy has been successful with markets near their highs, while volatility on the whole has remained low. Nearly all classes of investment have been boosted by the rising monetary tide. Meanwhile, growth remains anaemic, with weak demand and deflation in many parts of the developed world.

Many of the risks which I underlined in my 2015 statement remain; indeed the geo-political situation has deteriorated with the UK having voted to leave the European Union, the presidential election in the US in November is likely to be unusually fraught, while the situation in China remains opaque and the slowing down of economic growth will surely lead to problems. Conflict in the Middle East continues and is unlikely to be resolved for many years. We have already felt the consequences of this in France, Germany and the USA in terrorist attacks.

In times like these, preservation of capital in real terms continues to be as important an objective as any in the management of your Company's assets. In respect of your Company's asset allocation, on quoted equities we have reduced our exposure from 55% to 44%. Our Sterling exposure was significantly reduced over the period to 34%, and currently stands at approximately 25%. We increased gold and precious metals to 8% by the end of June. We also increased our allocation to absolute return and credit, which delivered positive returns over the period, benefiting from a number of special situations. Within this category our new association with Eisler Capital had an encouraging start. We expect this part of the portfolio to be an increasingly important contributor to overall returns.

On currencies, we reduced our exposure to Sterling in anticipation of Brexit and the generally unsettled UK political environment. Our significant US Dollar position has now been somewhat reduced as, following the Dollar's rise, we saw interesting opportunities in other currencies as well as gold, the latter reflecting our concerns about monetary policy and ever declining real yields.

Contribution to Total Return, 6 months to 30 June 2016

Asset Category	30 June 2016 % NAV	Contribution %
Quoted Equities ¹	59%	-4.2%
Private Investments	26%	0.6%
Absolute Return & Credit	22%	0.6%
Real Assets	4%	1.4%
Government Bonds & Rates	0%	-0.2%
Currency ²	-1%	6.8%
Liquidity, Borrowings and Other	-10%	-1.4%
Total	100%	3.6%

¹ Quoted equity exposure net of derivatives was 44% at the period end.

² Currency exposure is managed centrally on an overlay basis, with the translation impact and the profits from the overlay activity included in the Currency category.

Chairman's Statement

The outcome of our efforts over a difficult period has been for your Company's net asset value at the end of June to have increased by 3.6% (including dividends) to 1,613 pence per share. Our latest NAV at the end of July was 1,651 pence per share, representing an increase of 2.3% over the month. The net assets of your Company now amount to £2.6 billion, a new all-time high.

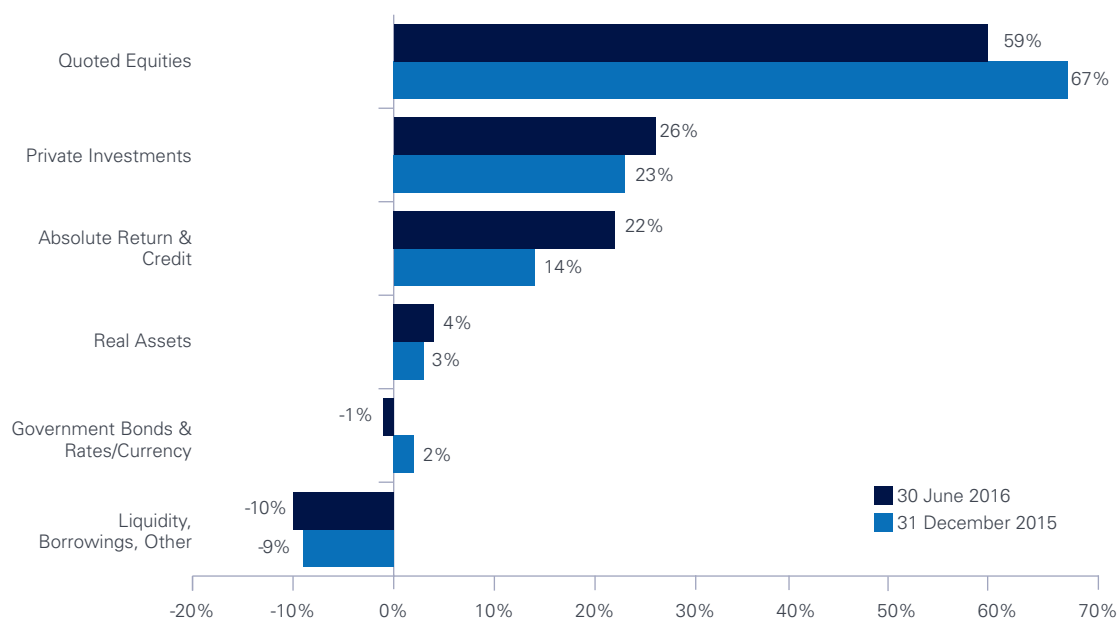
Following the first interim dividend of 15.5 pence paid in April, we have declared a second interim dividend of the same amount. This will be paid on 28 October to shareholders registered on 7 October, providing shareholders with a total dividend of 31 pence, a 3.3% increase over 2015.



Rothschild
12 August 2016

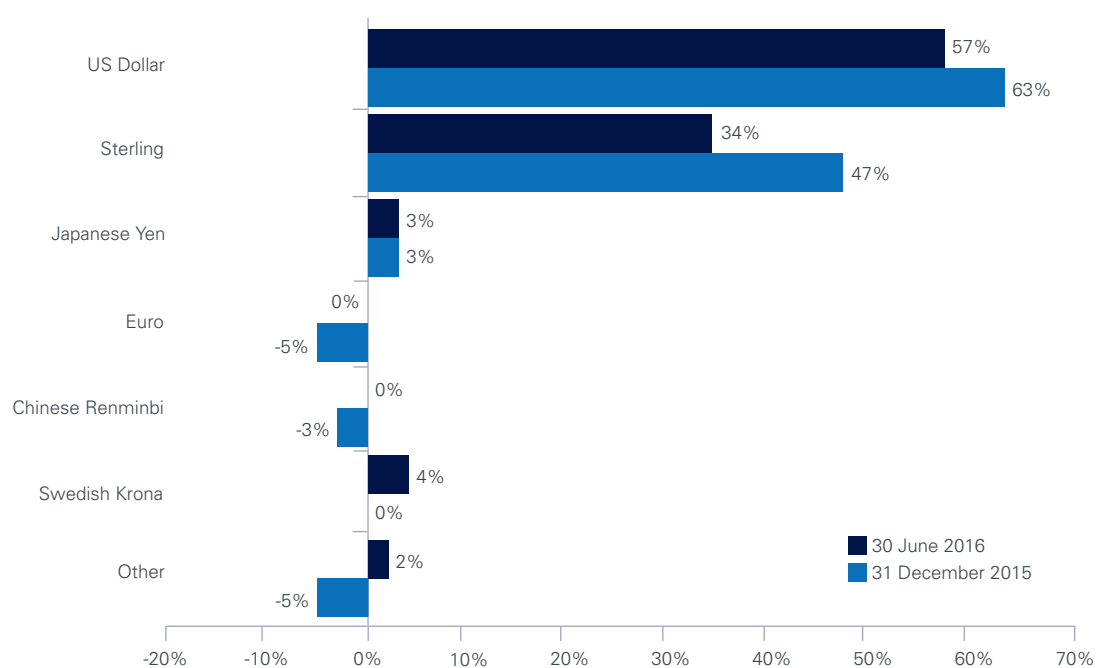
Investment Portfolio

Net Asset Value by Asset Category (%)



Note: This graph excludes exposure from derivatives.

Net Asset Value by Currency (%)



Note: This graph excludes exposure from currency options.

Investment Portfolio

Investment Portfolio as at 30 June 2016

Investment holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Quoted Equity				
Stocks:				
Trian Partners Co-Investment	United States	Industrials/Consumer staples	45.7	1.8%
PS V International Fund (Air Products)	United States	Materials	42.8	1.7%
S&P Global Inc	United States	Financials	41.8	1.7%
Trian Partners SPV (Mondelez)	United States	Consumer staples	39.7	1.6%
Walt Disney	United States	Consumer discretionary	35.5	1.4%
Cyrus Partners III (Virgin America)	United States	Consumer discretionary	32.9	1.3%
Mitsubishi UFJ Financial	Japan	Financials	20.6	0.8%
Coca-Cola ¹	United States	Consumer staples	19.6	0.8%
Allergan ²	United States	Health care	9.9	0.4%
Baxter ³	United States	Health care	6.5	0.3%
Other Stocks	–	–	49.9	2.0%
<i>Total Stocks</i>			<i>344.9</i>	<i>13.8%</i>
Long-only Funds:				
HCIF Offshore	United States	All-cap, biotechnology	112.5	4.5%
Morant Wright ⁴	Japan	Small/mid-cap, value bias	99.5	4.0%
BlackRock Frontiers ⁴	Emerging Markets	All-cap, value bias	87.4	3.5%
Lansdowne Developed Markets Strategic	Global	All-cap, diversified	78.3	3.1%
Viking Long Fund III	Global	All-cap, diversified	71.4	2.9%
Cedar Rock Capital	Global	Large/mid-cap, diversified	55.4	2.2%
Findlay Park Mexico ⁴	Mexico	All-cap, diversified	31.5	1.3%
Trian Partners	United States	Large-cap, diversified	27.9	1.1%
RXZ Brazil ⁴	Brazil	All-cap, diversified	17.5	0.7%
Strategic Equity Capital	United Kingdom	Small/mid-cap, growth bias	17.4	0.7%
Other Funds	–	–	30.8	1.1%
<i>Total Long-only Funds</i>			<i>629.6</i>	<i>25.1%</i>
Hedge Funds:				
Martin Currie Japan	Japan	All-cap, diversified	86.7	3.5%
BlackRock European Hedge	Europe	All-cap, diversified	84.3	3.4%
Gaoling	China	All-cap, diversified	67.8	2.7%
Soroban	Global	All-cap, diversified	65.2	2.6%
Palestra Capital	Global	Large/mid-cap, diversified	59.6	2.4%
Three Corner Global	Global	All-cap, financial bias	58.3	2.3%
RIT Discovery ⁵	Global	All-cap, diversified	45.9	1.8%
Other Hedge Funds	–	–	32.7	1.3%
<i>Total Hedge Funds</i>			<i>500.5</i>	<i>20.0%</i>
Derivatives:				
S&P 500 Futures	United States	Short, 9.4% notional	(2.7)	(0.1%)
UK Equity basket swap ⁶	United Kingdom	Long, 3.4% notional	(2.0)	(0.1%)
GS custom financials basket ⁷	United States	Long, 1.8% notional	(3.2)	(0.1%)
iShares Nasdaq Biotech ETF Swap	United States	Short, 1.0% notional	2.9	0.1%
Other Derivatives	–	–	1.0	0.0%
<i>Total Derivatives</i>			<i>(4.0)</i>	<i>(0.2%)</i>
Total Quoted Equity			1,471.0	58.7%

Investment Portfolio

Investment holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Private Investments – Direct:				
Rockefeller & Co	United States	Financial services	39.9	1.6%
Acorn (BDT Co-Investment)	Global	Consumer staples	38.2	1.5%
Helios Towers	Africa	Telecommunication services	38.2	1.5%
Williams & Glyn	United Kingdom	Financial services	36.8	1.5%
Infinity Data Systems	United Kingdom	Information technology	23.0	0.9%
Dropbox	United States	Information technology	21.3	0.8%
EDRRIT	United Kingdom	Financial services	14.0	0.6%
Age of Learning	United States	Information technology	11.3	0.5%
Other Private Investments – Direct	–	–	34.2	1.4%
Total Private Investments – Direct			256.9	10.3%
Private Investments – Funds:				
Augmentum I	United Kingdom	Venture capital	55.2	2.2%
Thrive Capital Funds	United States	Venture capital	47.0	1.9%
Xander Funds	India	Real estate private equity	32.5	1.3%
3G Special Situations	United States	Private equity	31.3	1.2%
Darwin Private Equity I	United Kingdom	Private equity	21.8	0.9%
Gaoling – Unquoted	China	Private equity	20.1	0.8%
BDT Capital - Annex Fund I-A	United States	Private equity	20.0	0.8%
Gobi Fund II	China	Private equity	19.9	0.8%
Other Private Investments – Funds	–	–	139.0	5.5%
Total Private Investments – Funds			386.8	15.4%
Absolute Return & Credit:				
Eisler Capital Fund	Global	Macro strategy	121.8	4.9%
Attestor Value Fund	Global	Distressed and special situations	88.7	3.5%
Blue Mountain Credit Alternatives Fund	Global	Fixed income, relative value	43.4	1.7%
Farmstead Fund	United States	Distressed and special situations	40.9	1.6%
JPS Credit Opportunities Fund	Global	Fixed income, relative value	38.9	1.6%
Emso Opportunity Strategies Fund	Global	Opportunistic credit	32.4	1.3%
Oaktree Strategic Credit Fund	Global	Opportunistic credit	26.9	1.1%
Elliot International	Global	Multi-strategy	24.9	1.0%
DW Credit Value Fund	Global	Opportunistic credit	22.7	0.9%
Pine River Fixed Income Fund	Global	Fixed income, relative value	19.9	0.8%
Other Absolute Return & Credit	–	–	90.7	3.6%
Total Absolute Return & Credit			551.2	22.0%
Real Assets:				
Spencer House	United Kingdom	Investment Property	36.5	1.5%
Other St James's Place Properties	United Kingdom	Investment Property	27.4	1.1%
BlackRock Gold & General Fund	Global	Gold and precious metal equities	22.9	0.9%
Gold Futures	United States	Long, 6.0% notional	7.6	0.3%
Silver Futures	United States	Long, 1.2% notional	1.5	0.0%
Other Real Assets	–	–	1.7	0.1%
Total Real Assets			97.6	3.9%
Government Bonds & Rates:				
Interest Rate Swaps on Borrowings	United States	Floating to fixed, 5.1% notional	(0.1)	(0.0%)
Other Government Bonds & Rates	–	–	0.4	0.0%
Total Government Bonds & Rates			0.3	0.0%
Other Investments:				
Currency contracts	Global	Forward currency contracts	(34.0)	(1.3%)
Other Investments	–	–	0.9	0.0%
Total Other Investments			(33.1)	(1.3%)
Total Investments			2,730.7	109.0%

Investment Portfolio

Investment holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Liquidity:				
Liquidity	–	Cash at bank/margins	186.5	7.4%
Total Liquidity			186.5	7.4%
Borrowings:				
Commonwealth Bank of Australia loan	–	Multi-currency credit facility	(143.0)	(5.7%)
National Australia Bank loan	–	Multi-currency credit facility	(137.5)	(5.5%)
RIT Senior Notes	–	Long-term debt financing	(155.9)	(6.2%)
Total Borrowings			(436.4)	(17.4%)
Other assets/(liabilities)	–	–	24.5	1.0%
Total Net Asset Value			2,505.3	100.0%

¹ This stock is also held via an equity derivative giving a total exposure of £26.2 million.

² This stock is also held via an equity derivative giving a total exposure of £24.8 million.

³ This stock is also held via an equity derivative giving a total exposure of £25.3 million.

⁴ These funds are segregated accounts, managed externally on behalf of the Group.

⁵ This contains investments with three emerging fund managers, the largest of which is Darsana (£24.2 million).

⁶ This is a basket of 33 equity positions, with the largest investment, BT Group, having a notional exposure of £11.4 million.

⁷ This is a basket of six equity positions, managed internally, with the largest investment, American Express, having a notional exposure of £14.5 million.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income (unaudited)

Consolidated Income Statement

For the six months ended 30 June

£ million

	Notes	Revenue	Capital	2016 Total	Revenue	Capital	2015 Total
Income							
Investment income		15.5	–	15.5	13.2	–	13.2
Other income		3.0	–	3.0	5.3	–	5.3
Total income		18.5	–	18.5	18.5	–	18.5
Gains/(losses) on fair value investments		–	132.6	132.6	–	133.0	133.0
Gains/(losses) on monetary items and borrowings		–	(41.6)	(41.6)	–	19.6	19.6
		18.5	91.0	109.5	18.5	152.6	171.1
Expenses							
Administrative expenses		(10.6)	(2.0)	(12.6)	(12.8)	(1.1)	(13.9)
Investment management fees		(1.5)	–	(1.5)	(1.3)	0.2	(1.1)
Profit/(loss) before finance costs and tax	2	6.4	89.0	95.4	4.4	151.7	156.1
Finance costs		(5.8)	–	(5.8)	(5.1)	–	(5.1)
Profit/(loss) before tax		0.6	89.0	89.6	(0.7)	151.7	151.0
Taxation		0.2	–	0.2	0.2	–	0.2
Profit/(loss) for the period	3	0.8	89.0	89.8	(0.5)	151.7	151.2
Earnings per ordinary share – basic	3	0.5p	57.6p	58.1p	(0.3p)	98.0p	97.7p
Earnings per ordinary share – diluted	3	0.5p	57.5p	58.0p	(0.3p)	97.8p	97.5p

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

Consolidated Statement of Comprehensive Income

For the six months ended 30 June

£ million

	Revenue	Capital	2016 Total	Revenue	Capital	2015 Total
Profit/(loss) for the period	0.8	89.0	89.8	(0.5)	151.7	151.2
Other comprehensive income/(expense) that will not be subsequently reclassified to profit or loss:						
Revaluation gain/(loss) on property, plant and equipment	–	0.1	0.1	–	1.0	1.0
Deferred tax (charge)/credit allocated to actuarial loss	0.6	–	0.6	(1.9)	–	(1.9)
Actuarial gain/(loss) in defined benefit pension plan	(3.5)	–	(3.5)	0.5	–	0.5
Total comprehensive income/(expense) for the period	(2.1)	89.1	87.0	(1.9)	152.7	150.8

The notes on pages 12 to 15 are an integral part of these condensed interim financial statements.

Consolidated Balance Sheet (unaudited)

£ million	Notes	30 June 2016	31 December 2015
Non-current assets			
Investments held at fair value		2,846.2	2,759.0
Investment property		34.7	33.7
Property, plant and equipment		29.6	29.6
Deferred tax asset		3.0	2.1
Retirement benefit asset		–	0.5
Derivative financial instruments		–	0.4
		2,913.5	2,825.3
Current assets			
Derivative financial instruments		26.2	15.0
Other receivables		146.9	90.5
Amounts owed by group undertakings		–	0.3
Tax receivable		0.1	0.2
Cash at bank		82.4	112.2
		255.6	218.2
Total assets		3,169.1	3,043.5
Current liabilities			
Borrowings		(280.5)	(258.9)
Derivative financial instruments		(56.4)	(32.4)
Provisions		(0.5)	(0.5)
Other payables		(37.4)	(36.7)
Amounts owed to group undertakings		(127.8)	(128.6)
		(502.6)	(457.1)
Net current assets/(liabilities)		(247.0)	(238.9)
Total assets less current liabilities		2,666.5	2,586.4
Non-current liabilities			
Borrowings		(155.9)	(141.3)
Derivative financial instruments		–	(0.8)
Retirement benefit liability		(2.4)	–
Provisions		(2.4)	(2.5)
Finance lease liability		(0.5)	(0.5)
		(161.2)	(145.1)
Net assets		2,505.3	2,441.3
Equity attributable to owners of the Company			
Share capital		155.4	155.4
Share premium		17.3	17.3
Capital redemption reserve		36.3	36.3
Own shares reserve		(13.5)	(13.0)
Share-based payment reserve		7.6	6.2
Capital reserve		2,281.4	2,216.3
Revenue reserve		3.0	5.1
Revaluation reserve		17.5	17.4
Other reserves		0.3	0.3
Total shareholders' equity		2,505.3	2,441.3
Net asset value per ordinary share – basic	4	1,618p	1,579p
Net asset value per ordinary share – diluted	4	1,613p	1,573p

The notes on pages 12 to 15 are an integral part of these condensed interim financial statements.

Consolidated Statement of Changes in Equity (unaudited)

Period ended 30 June 2016 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Share-based payment reserve	Capital reserve	Revenue reserve	Revaluation reserve	Other reserves	Total equity
Balance at 1 January 2016	155.4	17.3	36.3	(13.0)	6.2	2,216.3	5.1	17.4	0.3	2,441.3
Profit/(loss) for the period	–	–	–	–	–	89.0	0.8	–	–	89.8
Revaluation gain on property, plant and equipment	–	–	–	–	–	–	–	0.1	–	0.1
Deferred tax (charge)/credit relating to pension plan	–	–	–	–	–	–	0.6	–	–	0.6
Actuarial gain/(loss) in defined benefit plan	–	–	–	–	–	–	(3.5)	–	–	(3.5)
Total comprehensive income/(expense) for the period	–	–	–	–	–	89.0	(2.1)	0.1	–	87.0
Dividends paid (note 4)	–	–	–	–	–	(23.9)	–	–	–	(23.9)
Movement in Own shares reserve	–	–	–	(0.5)	–	–	–	–	–	(0.5)
Movement in Share-based payment reserve	–	–	–	–	1.4	–	–	–	–	1.4
Movement in Other reserves	–	–	–	–	–	–	–	–	–	–
Balance at 30 June 2016	155.4	17.3	36.3	(13.5)	7.6	2,281.4	3.0	17.5	0.3	2,505.3

Period ended 30 June 2015 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Share-based payment reserve	Capital reserve	Revenue reserve	Revaluation reserve	Other reserves	Total equity
Balance at 1 January 2015	155.4	17.3	36.3	(9.2)	6.2	2,066.8	12.4	14.2	0.2	2,299.6
Profit/(loss) for the period	–	–	–	–	–	151.7	(0.5)	–	–	151.2
Revaluation gain on property, plant and equipment	–	–	–	–	–	–	–	1.0	–	1.0
Deferred tax (charge)/credit relating to pension plan	–	–	–	–	–	–	(1.9)	–	–	(1.9)
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	–	0.5	–	–	0.5
Total comprehensive income/(expense) for the period	–	–	–	–	–	151.7	(1.9)	1.0	–	150.8
Dividends paid (note 4)	–	–	–	–	–	(23.2)	–	–	–	(23.2)
Movement in Own shares reserve	–	–	–	(2.2)	–	–	–	–	–	(2.2)
Movement in Share-based payment reserve	–	–	–	–	(0.4)	–	–	–	–	(0.4)
Movement in Other reserves	–	–	–	–	–	–	–	–	0.5	0.5
Balance at 30 June 2015	155.4	17.3	36.3	(11.4)	5.8	2,195.3	10.5	15.2	0.7	2,425.1

The notes on pages 12 to 15 are an integral part of these condensed interim financial statements.

Consolidated Cash Flow Statement (unaudited)

£ million	Six months ended 30 June 2016	Six months ended 30 June 2015
Cash flows from operating activities:		
Cash inflow/(outflow) before interest	27.6	2.8
Interest paid	(5.7)	(5.1)
Net cash inflow/(outflow) from operating activities	21.9	(2.3)
Cash flows from investing activities:		
Purchase of property, plant and equipment	–	–
Net cash inflow/(outflow) from investing activities	–	–
Cash flows from financing activities:		
Purchase of ordinary shares by Employee Benefit Trust ¹	(2.9)	(4.0)
Repayment of borrowings	–	(151.8)
Proceeds from issue of loan notes	–	151.0
Equity dividend paid	(23.9)	(23.2)
Net cash inflow/(outflow) from financing activities	(26.8)	(28.0)
Increase/(decrease) in cash and cash equivalents in the period	(4.9)	(30.3)
Cash and cash equivalents at the start of the period	134.8	118.5
Effect of foreign exchange rate changes on cash and cash equivalents	(13.4)	(2.8)
Cash and cash equivalents at the period end	116.5	85.4
Reconciliation:		
Cash at bank	82.4	64.2
Money market funds (included in portfolio investments)	34.1	21.2
Cash and cash equivalents at the period end	116.5	85.4

¹ Shares are disclosed in 'Own shares reserve' on the Consolidated Balance Sheet.

The notes on pages 12 to 15 are an integral part of these condensed interim financial statements.

Notes to the Financial Statements

1. Basis of Accounting

These condensed financial statements are the half-yearly consolidated financial statements of RIT Capital Partners plc (the Company) and its subsidiaries (together, the Group) for the six months ended 30 June 2016. They are prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, and with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, and were approved on 12 August 2016. These half-yearly financial statements should be read in conjunction with the Report and Accounts for the year ended 31 December 2015, which were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, as they provide an update of previously reported information.

The half-yearly consolidated 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 December 2015.

The interim results are unaudited.

Critical Accounting Assumptions and Judgements

Private Investments – Direct are valued at management's best estimate of fair value in accordance with IFRSs having regard to International Private Equity and Venture Capital Valuation Guidelines as recommended by the British Venture Capital Association. The inputs into the valuation methodologies adopted include observable historical data such as earnings or cash flow as well as more subjective data such as earnings forecasts or discount rates. As a result of this, the determination of fair value requires significant management judgement.

2. Business and Geographical Segments

The Group has four principal operating segments based in the UK as follows:

Segment	Business	AUM £ million ¹	Employees ¹
RIT	Investment trust	–	–
JRCM ²	Asset manager/ administration	2,505	48
GVQ ³	Asset manager	559	10
SHL ⁴	Events/premises management	–	15

¹ At 30 June 2016.

² J. Rothschild Capital Management Limited.

³ GVQ Investment Management Limited.

⁴ Spencer House Limited.

Key financial information for the six months ending 30 June is as follows:

£ million	2016			2015		
	Income/ Gains ¹	Admin Expenses	Profit ⁴	Income/ Gains ¹	Admin Expenses	Profit ⁴
RIT	105.1 ²	(15.9)	89.2	165.4 ²	(16.9)	148.5
JRCM	14.2	(8.7)	5.5	15.6	(9.8)	5.8
GVQ	1.9	(1.4)	0.5	3.8	(2.1)	1.7
SHL	1.7	(1.5)	0.2	1.2	(1.1)	0.1
Adjustments ³	(14.9)	14.9	–	(16.0)	16.0	–
Total	108.0	(12.6)	95.4	170.0	(13.9)	156.1

¹ Includes intra-group income and expenses.

² Includes investment management fees.

³ Consolidation adjustments in accordance with IFRS 10 'Consolidated Financial Statements'.

⁴ Profit before finance costs and tax.

3. Earnings Per Ordinary Share – Basic and Diluted

The earnings per ordinary share for the six months ended 30 June 2016 is based on the net profit of £89.8 million (six months ended 30 June 2015: net profit of £151.2 million) and the weighted average number of ordinary shares in issue during the period of 154.4 million (six months ended 30 June 2015: 154.6 million) as shown below:

million	Six months ended 30 June 2016	Six months ended 30 June 2015
Weighted average number of shares in issue	154.4	154.6
Weighted average effect of share-based payment awards	0.5	0.5
	154.9	155.1

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

£ million	Six months ended 30 June 2016	Six months ended 30 June 2015
Net revenue profit/(loss)	0.8	(0.5)
Net capital profit/(loss)	89.0	151.7
Net profit/(loss)	89.8	151.2
Pence per share	Six months ended 30 June 2016	Six months ended 30 June 2015
Revenue earnings/(loss) per ordinary share – basic	0.5	(0.3)
Capital earnings/(loss) per ordinary share – basic	57.6	98.0
Earnings per ordinary share – basic	58.1	97.7

Notes to the Financial Statements

3. Earnings Per Ordinary Share – Basic and Diluted (continued)

	Six months ended 30 June 2016	Six months ended 30 June 2015
Pence per share		
Revenue earnings/(loss) per ordinary share – diluted	0.5	(0.3)
Capital earnings/(loss) per ordinary share – diluted	57.5	97.8
Earnings per ordinary share – diluted	58.0	97.5

4. Net Asset Value Per Ordinary Share – Basic and Diluted

Net asset value per ordinary share is based on the following data:

	30 June 2016	31 December 2015
Net assets (£ million)	2,505.3	2,441.3
Number of shares in issue (million)	155.4	155.4
Own shares (million)	(0.6)	(0.8)
	154.8	154.6
Effect of dilutive potential ordinary shares:		
Share-based payment awards (million)	0.5	0.6
Diluted shares (million)	155.3	155.2
	30 June 2016	31 December 2015
Pence per share		
Net asset value per ordinary share - basic	1,618	1,579
Net asset value per ordinary share - diluted	1,613	1,573

5. Dividends

	Six months ended 30 June 2016	Six months ended 30 June 2015
Dividends (£ million)	23.9	23.2
Dividends (Pence per share)	15.5	15.0

The Board of Directors declared an interim dividend of 15.5p per ordinary share (£23.9 million) on 29 February 2016. This amount was paid on 27 April 2016. The Board has declared the payment of a second interim dividend of 15.5p per ordinary share (£23.9 million) in respect of the year ending 31 December 2016. This will be paid on 28 October 2016 to shareholders on the register on 7 October 2016.

A more detailed commentary may be found in the Chairman's Statement in the Report and Accounts for the year ended 31 December 2015.

6. Financial Assets & Liabilities

IFRS 13 requires the Group to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The vast majority of the Group's financial assets and liabilities and the investment properties are measured at fair value on a recurring basis.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period when they are deemed to occur.

A description of the valuation techniques used by the Group with regard to investments categorised in each level of the fair value hierarchy is detailed below. Where the Group invests in a fund or a partnership, the categorisation of such investment between levels 1 to 3 is determined by reference to the nature of the underlying investments. If the underlying investments are categorised across different levels, the lowest level that forms a significant proportion of the fund or partnership exposure is used to determine the reporting disclosure.

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price or the last traded price depending on the convention of the exchange on which the investment is quoted. Where a market price is available but the market is not considered active, the Group has classified these investments as level 2.

Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximise the use of observable market data where it is available. Specific valuation techniques used to value OTC derivatives include quoted market prices for similar instruments, counterparty quotes and the use of forward exchange rates to estimate the fair value of forward foreign exchange contracts at the balance sheet date. Investments in externally managed funds which themselves invest primarily in listed securities are valued at the price or net asset value released by the investment manager/fund administrator as at the balance sheet date.

Level 3

The Group considers all private investments, whether direct or funds, as level 3 assets, as the valuations of these assets are not based on observable market data. Where other funds invest in illiquid stocks, these are also considered by the Group to be level 3 assets.

Notes to the Financial Statements

6. Financial Assets & Liabilities (continued)

For the private fund investments, fair value is deemed to be the capital statement account balance as reported by the General Partner of the investee fund which represents RIT's pro-rata proportion of the fund's net asset value. A review is conducted annually over the valuation basis of the investee funds to confirm these are valued in accordance with fair value methodologies.

The directly held private investments are valued on a semi-annual basis using techniques including a market approach, cost approach and/or income approach. The valuation process is collaborative, involving the finance and investment functions with the final valuations being reviewed and determined by the Valuation Committee. The specific techniques used will typically include earnings multiples, discounted cash flow analysis, the value of recent transactions and, where appropriate, industry rules of thumb. The valuations will often reflect a synthesis of a number of distinct approaches in determining the final fair value estimate. The individual approach for each investment will vary depending on relevant factors that a market participant would take into account in pricing the asset. These might include the specific industry dynamics, the company's stage of development, profitability, growth prospects or risk as well as the rights associated with the particular security.

Borrowings at 30 June 2016 comprise bank loans and senior loan notes. The bank loans are multi-currency revolving credit facilities, and are typically drawn in tranches with a duration of three months and pay floating interest rates. The loans are therefore short-term in nature, and their fair value approximates their nominal value. On 1 June 2015, the Company issued £151 million of senior unsecured loan notes, proceeds of which were used to partially repay existing bank loans. The loan notes, at inception, had tenors of between 10 and 20 years with an average of 16 years. They are valued on a monthly basis using a discounted cash flow model where the discount rate is derived from the yield of similar tenor UK Government bonds, adjusted for any significant changes in either credit spreads or the perceived credit risk of the Company.

The fair value of investments in non-consolidated subsidiaries is considered to be the net asset value of the individual subsidiary as at the balance sheet date. The net asset values typically comprise various assets and liabilities which are fair valued on a recurring basis and are considered to be level 3.

On a semi-annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties and property, plant and equipment held at fair value. These were valued at 30 June 2016 by JLL in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors on the basis of open market value.

The following table analyses the Group's assets and liabilities at 30 June 2016 within the fair value hierarchy:

As at 30 June 2016 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Portfolio investments	473.3	1,509.2	733.7	2,716.2
Non-consolidated subsidiaries	–	–	130.0	130.0
Investments held at fair value	473.3	1,509.2	863.7	2,846.2
Derivative financial instruments	9.4	16.8	–	26.2
Total financial assets at fair value through profit or loss	482.7	1,526.0	863.7	2,872.4
Non-financial assets measured at fair value:				
Investment property	–	–	34.7	34.7
Financial liabilities at fair value through profit or loss:				
Borrowings	–	–	(436.4)	(436.4)
Derivative financial instruments	(3.0)	(53.4)	–	(56.4)
Total financial liabilities at fair value through profit or loss	(3.0)	(53.4)	(436.4)	(492.8)
Total net assets measured at fair value	479.7	1,472.6	462.0	2,414.3
Other assets/(liabilities)				91.0
Net assets				2,505.3

The realised and unrealised gains and losses shown in the table below for level 3 assets are included in gains/(losses) on portfolio investments held at fair value in the Consolidated Income Statement.

Movement in level 3 assets

Period ended 30 June 2016 £ million	Investments held at fair value	Investment Property	Total
Opening Balance	782.0	33.7	815.7
Purchases	83.4	–	83.4
Sales	(44.9)	–	(44.9)
Realised gains through profit or loss	11.1	–	11.1
Unrealised gains through profit or loss	63.4	1.0	64.4
Reclassifications	(31.3)	–	(31.3)
Closing Balance	863.7	34.7	898.4

A private fund investment, with a fair value of £31.3 million, was reclassified out of Level 3 to Level 2 as a result of new financial information received during the period on the underlying listed investments.

Notes to the Financial Statements

6. Financial Assets & Liabilities (continued)

Further information in relation to the directly held private investment portfolio at 30 June 2016 is set out below:

Sector	Fair Value £ million	Valuation methods/inputs
UK Commercial Property	34.7	Sales comparisons (£1,600-£2,300/ft ²); Discounted expected rental values (£65 - £68/ft ²)
Financials	49.0	P/E (15.8x), EV/Sales (3.3x), EV/AUM (2.2%), DCF (20% WACC)
Technology	23.0	EV/EBITDA (10x - 12x)
Various investments (less than £3 million each)	20.3	Various methods
Total	127.0	

The remainder of the portfolio was valued using the following primary methods: Cost of recent investment (£25.4 million); third party valuations (£41.5 million); price of recent financing round (£127.8). The unconsolidated subsidiaries were valued at their fair value (representing their individual assets and liabilities) of £130.0 million.

Given the range of techniques and inputs used in the valuation process, and the fact that in most cases more than one approach is used, a sensitivity analysis is not considered to be a practical or meaningful disclosure. Shareholders should note however that increases or decreases in any of the inputs listed above in isolation may result in higher or lower fair value measurements.

The following table analyses the Group's assets and liabilities at 31 December 2015 within the fair value hierarchy:

As at 31 December 2015 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Portfolio investments	602.6	1,374.4	651.9	2,628.9
Non-consolidated subsidiaries	-	-	130.1	130.1
Investments held at fair value	602.6	1,374.4	782.0	2,759.0
Derivative financial instruments	0.2	15.2	-	15.4
Total financial assets at fair value through profit or loss	602.8	1,389.6	782.0	2,774.4
Non-financial assets measured at fair value:				
Investment property	-	-	33.7	33.7
Financial liabilities at fair value through profit or loss:				
Borrowings	-	-	(400.2)	(400.2)
Derivative financial instruments	(1.9)	(31.3)	-	(33.2)
Total financial liabilities at fair value through profit or loss	(1.9)	(31.3)	(400.2)	(433.4)
Total net assets measured at fair value	600.9	1,358.3	415.5	2,374.7
Other assets/(liabilities)				66.6
Net assets				2,441.3

Movement in level 3 assets

Year ended 31 December 2015 £ million	Investments held at fair value	Investment Property	Total
Opening Balance	745.5	30.2	775.7
Purchases	161.1	-	161.1
Sales	(156.1)	-	(156.1)
Realised gains through profit or loss	12.5	-	12.5
Unrealised gains through profit or loss	19.0	3.5	22.5
Reclassifications	-	-	-
Closing Balance	782.0	33.7	815.7

Further information in relation to the directly held private investment portfolio at 31 December 2015 is set out below:

Sector	Fair Value £ million	Valuation methods/inputs
UK Commercial Property	33.7	Sales comparisons (£1,600-£2,250/ft ²); Discounted expected rental values (£65 - £68/ft ²)
Financials	45.4	P/E (24.5x), EV/Sales (1.0x), EV/AUM (0.9%), DCF (20% WACC)
Technology	22.6	EV/EBITDA (12.0x)
Energy	5.8	EV/EBITDA (9.0x)
Various investments (less than £3 million each)	16.7	Various methods
Total	124.2	

The remainder of the portfolio was valued using the following primary methods: Cost of recent investment (£24.2 million), third party valuations (£42.4 million) and price of a recent financing round (£52.5 million). The unconsolidated subsidiaries were valued at their fair value (representing their individual assets and liabilities) of £130.1 million.

7. Comparative Information

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 June 2016 and 30 June 2015 has been neither reviewed nor audited.

The information for the year ended 31 December 2015 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 December 2015 have been filed with the Registrar of Companies and the report of the auditors on those accounts contained no qualification or statement under section 498(2) or (3) of the Companies Act 2006.

Regulatory Disclosures

Statement of Directors' Responsibilities

In accordance with the Disclosure and Transparency Rules 4.2.4R, 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 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. A description of the principal risks and uncertainties for the remaining six months of the financial year is set out below; and
- (c) There were no changes in the transactions or arrangements with related parties as described in the Group's Report and Accounts for the year ended 31 December 2015 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.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group for the second half of the financial year are substantially the same as those described in the Report and Accounts for the year ended 31 December 2015. As with any investment company, the main risk is market risk.

Going Concern

The factors likely to effect the Group's ability to continue as a going concern were set out in the Report and Accounts for the year ended 31 December 2015. As at 30 June 2016, there have been no significant changes to these factors. Having reviewed the Company's forecasts and other relevant evidence, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed financial statements.



Rothschild

12 August 2016

For and on behalf of the Board, the current members of which are listed on page 19.

Investment Portfolio Reconciliation

The following table shows a reconciliation between the amounts reported within the Investment Portfolio, as shown on pages 5 to 7, and the Consolidated Balance Sheet, as shown on page 9.

£ million	Quoted Equity	Private Investments	Absolute Return & Credit	Real Assets	Other Investments	Net Liquidity/ Borrowing/ Other	30 June 2016 Consolidated Balance Sheet
Non-current assets							
Portfolio investments at fair value	1,465.2	673.9	551.0	26.1	–	–	2,716.2
Non-consolidated subsidiaries at fair value	–	–	–	–	–	130.0	130.0
Investments held at fair value	1,465.2	673.9	551.0	26.1	–	130.0	2,846.2
Investment property	–	–	–	34.7	–	–	34.7
Property, plant and equipment	–	–	–	29.2	–	0.4	29.6
Deferred tax asset	–	–	–	–	–	3.0	3.0
Retirement benefit asset	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–
	1,465.2	673.9	551.0	90.0	–	133.4	2,913.5
Current assets							
Derivative financial instruments	6.9	–	–	9.4	9.9	–	26.2
Other receivables	–	–	0.2	–	–	146.7	146.9
Amounts owed by group undertakings	–	–	–	–	–	–	–
Tax receivable	–	–	–	–	–	0.1	0.1
Cash at bank	10.8	–	–	–	–	71.6	82.4
	17.7	–	0.2	9.4	9.9	218.4	255.6
Total assets	1,482.9	673.9	551.2	99.4	9.9	351.8	3,169.1
Current liabilities							
Borrowings	–	–	–	–	–	(280.5)	(280.5)
Derivative financial instruments	(11.9)	–	–	(1.8)	(42.7)	–	(56.4)
Provisions	–	–	–	–	–	(0.5)	(0.5)
Other payables	–	(30.2)	–	–	–	(7.2)	(37.4)
Amounts owed to group undertakings	–	–	–	–	–	(127.8)	(127.8)
	(11.9)	(30.2)	–	(1.8)	(42.7)	(416.0)	(502.6)
Net current assets/(liabilities)	5.8	(30.2)	0.2	7.6	(32.8)	(197.6)	(247.0)
Total assets less current liabilities	1,471.0	643.7	551.2	97.6	(32.8)	(64.2)	2,666.5
Non-current liabilities							
Borrowings	–	–	–	–	–	(155.9)	(155.9)
Derivative financial instruments	–	–	–	–	–	–	–
Retirement benefit liability	–	–	–	–	–	(2.4)	(2.4)
Provisions	–	–	–	–	–	(2.4)	(2.4)
Finance lease liability	–	–	–	–	–	(0.5)	(0.5)
	–	–	–	–	–	(161.2)	(161.2)
Net assets	1,471.0	643.7	551.2	97.6	(32.8)	(225.4)	2,505.3

Investor Information

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 and the London Evening Standard. Daily and 15 minute delay share price information is displayed on the Company's website: www.ritcap.com

Registrars and Transfer Office

The Company's registrar may be contacted as follows:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0370 703 6307
Overseas: +44 370 703 6307

Shareholders 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. Shareholders may also arrange with the Company's registrar to have their dividend payment invested in additional RIT Capital Partners plc ordinary shares purchased in the market.

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.investorcentre.co.uk 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. Registered shareholders also have the facility to check their shareholding or cast proxy votes at general meetings electronically if they wish.

Directory

DIRECTORS

Lord Rothschild (Chairman)
John Cornish
Jean Laurent-Bellue
Michael Marks
Mike Power
Hannah Rothschild
Amy Stirling
The Duke of Wellington
Mike Wilson

HONORARY VICE CHAIR

Baroness Ariane de Rothschild¹
¹ Not a Director

JRCM EXECUTIVE COMMITTEE

Francesco Goedhuis
Andrew Jones
Jonathan Kestenbaum
Ron Tabbouche

MANAGER, COMPANY SECRETARY AND REGISTERED OFFICE

J. Rothschild Capital Management Limited

(a wholly-owned subsidiary of RIT Capital Partners plc)
27 St. James's Place
London SW1A 1NR

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

7 More London Riverside
London SE1 2RT

SOLICITORS

Linklaters LLP

One Silk Street
London EC2Y 8HQ

STOCKBROKER

JP Morgan Cazenove Limited

25 Bank Street
London E14 5JP

DEPOSITARY AND CUSTODIAN

BNP Paribas Securities Services

10 Harewood Avenue
London NW1 6AA

AIC

The Company is a member of the Association of Investment Companies

www.theaic.co.uk

FOR INFORMATION

27 St. James's Place
London SW1A 1NR
Tel: 020 7493 8111
Fax: 020 7493 5765
email: investorrelations@ritcap.co.uk
www.ritcap.com

Warning to Shareholders

From time to time investment companies and their shareholders can be the subject of investment scams. The perpetrators obtain lists of shareholders and make unsolicited phone calls or correspondence concerning investment matters, typically from overseas. They may offer to sell worthless or high risk shares or, in the case of your RIT Capital Partners plc stock, may offer to buy your current shareholdings at an unrealistic price. They will often also inform you of untrue scenarios to make you think that you need to sell your shares or to justify an offer that seems too good to be true. To find out more about share fraud or 'boiler room' scams please visit the website of the Financial Conduct Authority.

<https://www.the-fca.org.uk/consumers/share-fraud-boiler-room-scams>

Please note we will never contact you by phone unless you have requested us to do so, nor will our registrars, Computershare. In the event that you are contacted we strongly recommend that you review the FCA website above and follow the necessary steps.